

MINUTES OF MEETING

Market Development Standing Committee

Time : 09.05 - 12.20 (MYT)

Date : Thursday, 1 December 2022

Venue : Kedah Room, Shangri~La, Kuala Lumpur, Malaysia

Attendees:

Name	Initial	Organisation	Representative Category
Anita Neville	AN	Golden Agri-Resources	Co-Chair, Grower IN
Eddy Esselink	EE	MVO	Co-Chair, P&T
Caroline Westerik	CW	AAK	P&T
Harjinder Kler	HK	HUTAN	eNGO
Julian Walker-Palin	JWP	Retailers Palm Oil Group	Retailer
Marieke Leegwater	ML	Solidaridad	sNGO
Rafael Milantonio	RM	Natura & Co.	CGM
Dr Surina Ismail	SI	MPOA/IOI	Grower MY
Tom Hersbach	TH	Planting Naturals	Grower
David Adams	DA	Catalyzer	Guest
Inke van der Sluijs	IS	RSPO Secretariat	Director, Market Transformation
Irene Fischbach	IF	RSPO Secretariat	Director, Stakeholder Engagement & Communications
Christine Joan Spykerman	CJS	RSPO Secretariat	Malaysia office
Javin Tan	JT	RSPO Secretariat	Head, Standard Design & Innovation

Absent with apologies:

Name	Initial	Organisation	Representative Category
Franka Lakeman	FL	Ahold Delhaize	Retailer
Tracey Gazibara	TG	Cheyenne Mountain Zoo	eNGO

Invited but not in attendance:

Name	Initial	Organisation	Representative Category
Jose Roberto Montenegro	JM	Agrocaribe	Grower RoW
Kamal Prakash Seth	KPS	WWF International	eNGO
Razuwan Che Rose	RCR	Felda	Grower

Agenda:

Time	Topic
09.05 - 09.07	1.0 Opening 1.1 Antitrust Statement Reading 1.2 Round of Instructions
09.08 - 09.14	2.0 Approval of the Agenda
09.14 - 09.15	3.0 Approval of the 15 September 2022 Meeting Minutes
09.15 - 09.50	4.0 Updates: 4.1 RSPO Secretariat 4.2 Supply Chain Traceability Working Group (SCT WG)
09.50 - 10.11	5.0 MB Robustness Study
10.20 - 11.40	6.0 RSPO Brand Positioning 6.1 Summary of Interview findings 6.2 Group Work
11.41 - 12.14	7.0 Reflections on Objectives MDSC 2022 7.1 Prioritisation for MDSC 2023
12.14 - 12.20	8.0 AOB - 2023 Meeting Agenda

DISCUSSION:

No.	Description	Action Points (PIC)
1.0	Antitrust Statement Reading	
	<p>AN chaired the meeting and welcomed Members of the MDSC to the meeting. AN then reminded the members of the following:</p> <ul style="list-style-type: none"> - All MDSC members will have to abide by the RSPO Antitrust law - MDSC follows a consensus-based decision making as outlined in the ToR - Members have to declare Conflict of Interest (Col) under any items and excuse themselves to remain objective to the discussion. 	
2.0	Approval of the Agenda	
	The meeting Agenda was presented and accepted with no additions nor objections from the Members.	

3.0 Approval of Meeting Minutes

The [meeting minutes](#) from the previous MDSC Meeting (15 September 2022) were presented and accepted with no amendments but with some pending action points which will be discussed in the meeting.

4.0 Secretariat Updates

4.1 The Secretariat announced the following updates:

- 4.1.1 ● **Standards Review 2023** :1st public consultation ongoing 1 November – 31st December (60 days). Webinars and in person events
- 4.1.2 ● **New website** rspo.org relaunched on 15 November
- 4.1.3 ● **Inter-American conference**
- 4.1.4 ● **Short reflection RT** (#participation, engagement)
 - 900 delegates, 13 sessions, over 60 speakers
 - Media: 29 journalists, 25 interviews, in first 24 hours 607 total pickup on the Media Release via PR Newswire, 10 articles covering RT2022
- 4.1.5 ● **GA** this afternoon!
- 4.1.6 ● **Webinars** on new RSPO Rules on Market Communication & Claims held
- 4.1.7 ● **EU Legislations**

In light of the proposed EU legislation for a ban on products related to deforestation and forest degradation, RSPO has launched an integrated public affairs and outreach campaign to strengthen and improve the Commission’s legislative proposal. The final round of trilogue negotiations is foreseen for December 5th. If agreements are reached the legislation will come into force early 2023 with DD obligations for companies 12-18 months thereafter.

In addition to the Deforestation Regulation, RSPO is monitoring the following regulations:

 1. Regulation for an import ban related to goods related to forced labour.
 2. Directive for Corporate Sustainability Due Diligence.
 3. Empowering consumers for the green transition through better protection against unfair practices and better information (sustainability claims).
 4. Secondary legislation under the Taxonomy regulation, defining “sustainable investments” that can be eligible for access to green funding.

4.1.8 RSPO in Media

RSPO has again increased its presence in the media, mainly with coverage about business activities (MoUs) in Indonesia and Thailand as well as the start of the IMO programme in Nigeria. Several articles addressed the EU deforestation legislation and RSPO’s statements in this regard. Additionally, RSPO was present with two opinion pieces on Human Rights and CSPO as a solution to tackle climate change. For details please refer to the slides.

4.1.9 New Website

The new rspo.org launched Tuesday, 15 November at 17:00 MLY (GMT+8)



- Improved features include member search, reorganised resource documents as well as contact us information.
- Since launching on 15 November through 28 November 2022 (19 days), the website has exceeded the average monthly visitors. Most visitors came from Malaysia, the US, Indonesia and the UK.
- In addition to the homepage most visited pages were search members and who we are.
- As next steps work will continue on better information for RSPO members as well as sector specific content and adding more impact stories.
- MDSC members are asked to spread the word on the launch of the new website and share their feedback, thoughts and ideas.

4.2 Supply Chain Traceability Working Group (SCT WG)

Last meeting 28 November, focused on

- accuracy and clarity of CSPKO supply and consumption data for RSPO website
- PalmTrace developments
- availability of RSPO Credits

4.3 Oleo Task Force

- CSPKO shortage BoG decision paper: status submitted to BoG after revision
- One to one conversions BoG decision paper: status in draft.

5.0 Resolution GA18-2C: MB Model

5.1 Two key objectives of Resolution GA18-2C:

- (i)
 - Conduct an independent study
 - To identify and investigate the inherent structural and business limitations in the current Mass Balance (MB) model for both the FFB supplies and the supply chain model schemes (emphasis on implementation of indicator 2.3 of P&C 2018 & existing practices and models in other certification schemes)
 - To propose a set of recommendations to enhance the robustness and the accessibility of the Mass Balance system, including the expected minimum level of safeguards required for the non-certified materials entering MB supply chains
 - Communication guidelines on the MB Model
- (ii)
 - Propose amendments and recommendations, based on the aforementioned independent study, to the relevant RSPO guidance and procedures:

5.2 Methodology

- Proforest was engaged for the independent study.
- A member survey deployed in July 2022.
- Targeted interview conducted with respective members, co-chairs of Standing Committees and SRWG.
- 2 consultation sessions conducted with resolution proponents through Resolution coordinator, Preferred by Nature.
- Initial finding presented to SSC on 22 Sept 2022 and RSPO Secretariat on 12 Sept 2022.
- Final comments received from resolution proponents on 21 Oct and Proforest is finalising the study report.

5.3 Findings:

- (i) **Mill level**
 - Indirect sourced FFB (Indicator 2.3.2) - uncertified portion - implementation challenges
 - Geolocation and legality for uncertified portion of FFB - not explicitly required at mill level as reporting
- (ii) **Supply Chain - beyond mill**
 - Volume tracking non-certified materials that are mixed with RSPO certified materials in the MB model. (Include volume from uncertified mill)

<p>(iii)</p>	<ul style="list-style-type: none"> • Lack of provision of information on the origin or legality / acceptable sources for the non-certified portion. • The option not to apply the appropriate conversion ratios where a site is purchasing Identity Preserved (IP) or Segregated (SG) certified inputs (known as the 1:1 option) is a significant risk to the credibility of the MB model, as it undermines the principle of volume accounting that is fundamental to the MB approach. <p>Recommendations:</p> <ul style="list-style-type: none"> • Strategic positioning of MB to secure strategic and policy-level alignment with key RSPO stakeholders on role, positioning and development of MB model (i.e., MB as an intermediate measures) • Specific measures to strengthen current MB requirements (i.e., implementation of indicator 2.3 and to include deforestation measures) • Focus on strengthening requirements for the uncertified portion (i.e., improve traceability beyond mill) • Significantly revise the current approach to the 1:1 option to reinstate the principle of volume accounting that is a key feature of a credible MB model. <p>The draft report will be shared after the meeting and the members of the MDSC will be asked for feedback within 2 weeks.</p>	<p>RSPO secretariat to share the draft report. MDSC members to provide feedback within 2 weeks. Add item to the agenda of the January meeting</p>
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6.0 MDSC feedback & Workshop on Brand Positioning

	<p>David Adams shared the findings from the interviews with MDSC and BoG members and MDSC members worked in two groups to comment on the interview findings. Following is a summary of the comments from the workshop:</p> <ul style="list-style-type: none"> • General consensus that it was positive to see the broader context and how different elements could fit together to build the RSPO brand • General consensus amongst MDSC members who took part in the interview process that their input is reflected in the findings <i>“in the most part”</i> • Strong support for a shift of RSPO brand positioning from a certification organisation to a sustainability organisation: <i>“I support making RSPO the sustainability go-to organisation”</i> • Agreement that this shift will require less of an emphasis on certification from a communications perspective • Strong support for certification and collaboration as the <i>means-to-an-end</i> – where the end we wish to achieve is sustainability impact. <i>“I’m delighted to see collaboration in there. It’s as if we’ve forgotten why we called ourselves the Roundtable”</i> • Suggestion that the shift of brand positioning towards sustainability impact could open membership to organisations that are not directly connected to the palm industry – generating an additional source of income 	
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- Strong support for simplifying our Missions to the 3-C’s, but it was suggested that the order of importance should be Collaboration, Communication, Certification
- RSPO-verified generated a lot of interest. The idea of verifying national standards is already in discussion elsewhere in RSPO... but has not been expressed in this market-led way, and with its potential ambition and impact so well defined. Our thinking here needs to be shared and anchored in the appropriate Standing Committees
- Agreement that RSPO has to seize the opportunity to take a seat at the table with legislators. But the point was raised that this could be difficult if we don’t know our own data
- Recognition that the current RSPO endorsement for packaging is a “palm label” not an “impact label”
- Support for the concept of Impact Projects. A question was raised concerning whether we already have them. Consensus that it would be a good idea to open up for suggestions regarding potential Impact Projects with the objective of identifying a future pipeline. These projects should encompass science and innovation
- A wish was expressed to activate our 5000 members to help build our brand (before opening membership to organisations that are not directly connected to the palm oil industry). The question being where best to involve them – and how?

7.0 MDSC Evaluation 2022 & Plans For 2023

7.1 Terms of Reference MDSC

Objective	2022	Priority for 2023
Demand generation, commitment & uptake	Discussed in MDSC meetings	ISH credits marketing Member activation (survey, equip them with messaging, active engagement, share more!) Demand generation
Shared responsibility for aligning supply & demand upon request by the Shared Responsibility Working Group (SRWG)	No request from SRWG	SRWG will ask for support from MDSC (mission statement, assurance, verification) (1)
Engagement of the supporting sustainable palm oil sector	Not discussed with MDSC	
Traceability of the palm oil supply chain	Not discussed with MDSC	MB robustness study (1)
Trademark and Communication Rules	Revised, endorsed, socialisation ongoing	Yes, socialisation
Marketing Communications	Brand positioning WIP	Yes, in subgroups (1)
Regional Market Development – with a focus on Asia/Pacific, Europe and the Americas.	Not discussed with MDSC, secretariat working in the regions	
Supporting the Annual Communication on Progress (ACOP) reporting process, particularly as it relates to the data requirements for the ACOP and communication of the results.	Not discussed with MDSC	

8.0 AOB

- MDSC Meetings 2023: Preferred day/time
→ MDSC agrees that 2023 meetings should take place on a Tuesday evening, 8pm MYT, approximately 4 weeks before BoG meetings.
- The meeting dates will be scheduled once the BoG meeting agenda is finalised.

The Secretariat will send out calendar invites for the next meeting.