

MINUTES OF MEETING

Market Development Standing Committee

Time : 20.03 - 21.36 (MYT)
Date : Thursday, 15 September 2022
Venue : Conference Call, Zoom 5

Attendees:

Name	Initial	Organisation	Representative Category
Anita Neville	AN	Golden Agri-Resources	Co-Chair, Grower IN
Caroline Westerik	CW	AAK	P&T
Jose Roberto Montenegro	JM	Agrocaribe	Grower RoW
Julian Walker-Palin	JWP	Retailers Palm Oil Group	Retailer
Marieke Leegwater	ML	Solidaridad	sNGO
Paula Kasprzyk	PK	Avon (Natura)	CGM
Dr Surina Ismail	SI	MPOA/IOI	Grower MY
Tracey Gazibara	TG	Cheyenne Mountain Zoo	eNGO
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

Absent with apologies:

Name	Initial	Organisation	Representative Category
Denise Westerhout	DW	WWF International	eNGO
Eddy Esselink	EE	MVO	Co-Chair, P&T
Harjinder Kler	HK	HUTAN	eNGO
Franka Lakeman	FL	Ahold Delhaize	Retailer

Invited but not in attendance:

Name	Initial	Organisation	Representative Category
Razuwan Che Rose	RCR	Felda	Grower

Agenda:

Time	Topic
20.03 - 20.04	1.0 Antitrust Statement Reading
20.04 - 20.05	2.0 Approval of the Agenda
20.05 - 20.06	3.0 Approval of the July 2022 Meeting Minutes
20.06 - 20.19	4.0 Updates: 4.1 RSPO Secretariat 4.2 Supply Chain Traceability Working Group (SCT WG)
20.19 - 21.08	5.0 RSPO Brand Positioning
21.08 - 21.26	6.0 EU Campaign
21.26 - 21.36	7.0 AOB - Next Meeting

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 (7 July 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:

- (i) **Standards Review 2023** is in progress with Technical committees and Task Force (21-23 September 2022, Amsterdam) meetings; 1st public consultation 24 October – 23 December 2022 (60 days).
- (ii) **Sustainable Palm Oil Dialogue (SPOD)** will be held on 20 October 2022 in the Netherlands.
- (iii) **RT/GA:** week of 28 November 2022 in KL; latest [programme](#) on Website.
- (iv) **RSPO Excellence Awards:** open for submission.
- (v) **Inter-American conference:** April 2023 in Miami, US.
- (vi) **RSPO Rules on Market Communications & Claims:** endorsed by BoG; Socialisation of changes/comms plan.
- (vii) **Launch [European Palm Oil monitoring Report](#):** 21 September 2022.
- (viii) **BoG Meeting,** 27 September 2022, Amsterdam.
- (xi) **PalmTrace** review user experience and external review of other systems.

(x) RSPO in the Media

Date	Title and link	Publication	Country / Region	Category	Notes
May 11	RSPO-ISPO collaboration key to smallholder inclusion in sustainable palm oil ecosystem	The Jakarta Post	Indonesia	Press release	
May 27	It's time to rethink palm oil, says watchdog	NewEurope	Europe	Editorial	Inke Van Der Sluijs Interview
May 30	RSPO Trademark Ranks Among Top 12 Food Ecolabels	ESM	Europe	Press release	
June 2	Watchdog's new chief says high prices can support greener palm oil	Reuters	Malaysia	Interview	CEO interview
June 3	Thailand joins RSPO, GIZ in making palm oil industry more sustainable	The Nation Thailand	Thailand	Press release	
June 20	RSPO CEO Joseph D'Cruz: we need to get better at telling the sustainable palm oil story	EcoBusiness	Asia Pac	Interview	CEO interview
June 23	Palm Oil: Can RSPO remain relevant in the ESG era?	The Edge	Malaysia	Interview	CEO interview
July 6	The path to decarbonisation with certified sustainable palm oil	The Star	Malaysia / APAC	Op-ed	
July 14	Kao, Apical, dan Asian Agri Capai Sertifikasi RSPO Pertama	Tribunbisnis	Indonesia /APAC	Member story	More than 20 publications
July 19	Opinion: Investing in sustainable palm oil is key to mitigating future crises	China Dialogue	China	Op-ed	
Aug 17	USAID SEGAR – RSPO Signed Cooperation to Support Sustainable Palm Oil Practices for the Smallholders	InfoSawit	Indonesia	Press release	More than 5 publications
Aug 19	Upscaling Surat Thani to model city for sustainable palm oil	Khaosod	Thailand	Press release	More than 10 publications
Sep 1	Strengthening the EU regulation on deforestation: an inclusive way forward	Politico	Europe	Op-ed	Page 9

The MDSC discussed how the members can apply the messages in these articles. A Whatsapp group is started to ensure timely sharing of publications.

<p>4.2</p>	<p>Supply Chain Traceability Working Group (SCT WG) Last meeting 15 September 2022, focused on:</p> <ul style="list-style-type: none"> - accuracy and clarity of the CSPO and CSPKO supply and consumption data for the RSPO website. - oversight of the Oleo Task Force (to address the CSPKO shortage in the market). - discussed the existing conversion rules for CSPO and CSPKO. 	
<p>5.0 RSPO Brand Positioning</p>		
<p>5.1</p>	<p>Today's agenda</p> <ol style="list-style-type: none"> 1) Introduction RSPO Brand Positioning and Catalyzer 2) Overview of project governance 3) MDSC involvement 4) Overview project process, time plan 5) Key challenges to be explored 6) Next steps 	
<p>5.2</p>	<p>Main challenges influencing perception <i>Public perception not aligned with scope:</i> RSPO is a standard development/sustainability organisation whose ability to transform the sector relies on expanding voluntary compliance. However, the main public perception is that RSPO is a sustainability watchdog for the governance of the palm oil sector.</p> <p><i>Low Credibility:</i> RSPO is operating within an industry that is scrutinised for its long history of unsustainable and harmful production practices. Naturally, consumers and NGOs question the RSPO's impact and role, believing the organisation is beholden to industry, slow in responding and addressing the challenges and not doing enough to achieve meaningful change.</p> <p><i>Missing Clarity:</i> RSPO's member base seems fragmented and misaligned, unsure about the role and core mandate of RSPO and the commercial benefits of associating with its brand and trademark (value proposition). The recognition and usage of RSPO's trademark are low. The central messaging framework that is expressed in the way the organisation is communicating, is not clear and stringent enough.</p> <p><i>Visual Inconsistency:</i> RSPO's authority needs to be conveyed through its visual identity as well, but currently some of the brand elements and online presence are not entirely fit for purpose, with more consistency and simplification needed.</p>	
<p>5.3</p>	<p>What do we want to achieve / objectives of the project <i>Objective 1:</i> Define what RSPO stands for and our value proposition. <i>Objective 2:</i> Create true ownership among members and enhance</p>	

engagement.

Objective 3: Create a strong, trustworthy narrative and key messages for core markets.

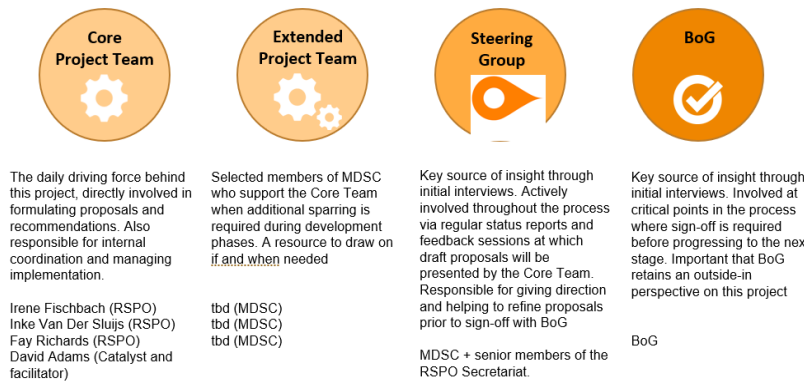
Objective 4: Ensure brand appearance supports positioning.

5.4 Introduction Catalyzer: David Adams

Based in London; more than 30 years experience in the fields of Branding, Purpose, and Innovation. Facilitated a number of high-profile projects, including corporate branding exercises with Novo Nordisk, Maersk, Hempel and Coloplast, as well as innovation programmes for Oticon and Novozymes. Recently, he has been spending a lot of time catalysing inclusive processes to uncover the Purpose of companies like Sweden's AAK.

5.4.1 Project governance

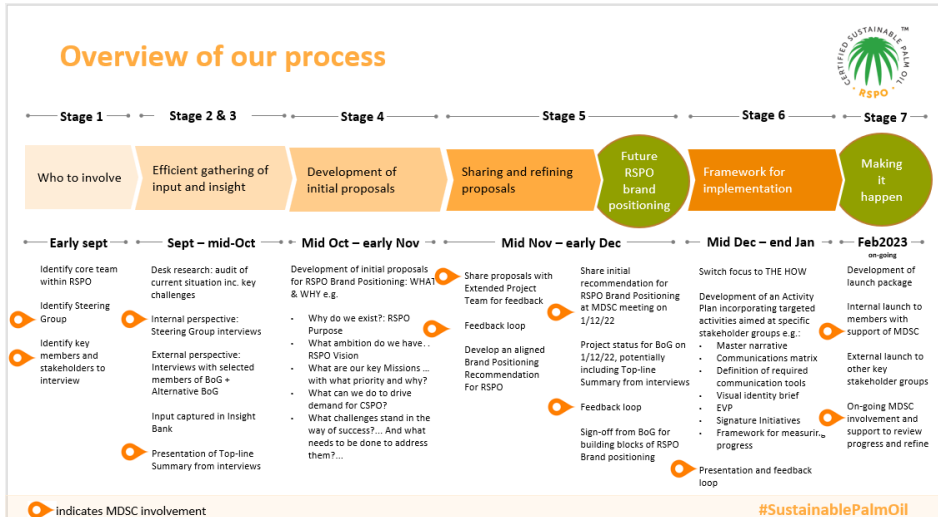
Overview of project governance



#SustainablePalmOil

5.4.2 Process

Overview of our process



Indicates MDSC involvement

#SustainablePalmOil

5.4.3 Interview process

A taster of some of the key challenges & topics we'll be exploring in the interview process

<p>Is there a potential conflict associated with our current vision: "transform markets to make sustainable palm oil the norm."?</p> <ul style="list-style-type: none"> Is it realistic to expect that consumer goods companies will be able to afford to include CSPO in mainstream products? Are we a premium brand? Should one of our Missions to make sustainable palm oil more affordable? 	<p>What is the core mandate (Purpose) of RSPO? Why does exist?</p> <ul style="list-style-type: none"> Many different answers depending on who we ask (influence whole industry, represent members' interests, ensure CSPO is what it says it is, drive demand...) If we wish to develop a clear brand positioning then this implies a need to prioritise and make choices How should RSPOs role evolve? (fixer, facilitator, mediator, enabler...) 	<p>Are we future-fit? Do our Missions adequately reflect the full scope of RSPO's remit as members want it to be? e.g.</p> <ul style="list-style-type: none"> Desire for more support from RSPO to create consumer demand for CSPO Wish for RSPO to take a much tougher stance (Zero Tolerance?) on policing of standards
<p>What relationship should RSPO have with the palm oil industry in general?</p> <ul style="list-style-type: none"> Currently RSPO distances itself from non-certified palm In contrast, even NGO's promote the general benefits of palm oil (high yield, ingredient flexibility,...) before explaining why choose sustainable. Should we learn from them? Can RSPO do more to influence the whole industry to be more sustainable? 	<p>What more could - and should - RSPO do to help increase demand from consumers and consumer goods companies for CSPO?</p> <ul style="list-style-type: none"> Is it realistic to expect consumer goods companies to incorporate the RSPO endorsement onto their packaging? What could be the alternatives e.g. what claims do we enable that would enhance the value of consumer brands? What should be RSPOs response to "No palm" labelling? 	<p>What is RSPO's position and narrative with regard to smallholders and their livelihoods?</p> <ul style="list-style-type: none"> Is protecting smallholder livelihoods a central part of our story? What are we doing? Are we doing enough?... especially with regard to cost of certification

One member asked whether interviews can be conducted in other languages. DA replied that if this is deemed necessary, he can train interviewers to conduct the interview. Another member asked about the alignment with the project that RSPO secretariat is currently doing to review the Theory of Change and IMEL (Impact, Monitoring, Evaluation and Learning) framework. The RSPO secretariat will ensure alignment. There was also a question from the MDSC about the target audience for the brand positioning. The audience is broad and global. Depending on the outcomes, regional messaging may be useful seeing the differences in culture and maturity of the market.

6.0 EU Campaign

6.1 Objectives:

In light of the upcoming EU legislations on Deforestation, Forced Labour and Sustainable Corporate Governance, RSPO has launched an integrated public affairs and outreach campaign to strengthen and improve the Commission's legislative proposals.

The campaign has the following objectives:

- Demonstrate RSPO's support for EU efforts on sustainable supply chains, while drawing attention and proposing solutions to potential negative side effects of the legislation.
- Tackle problems such as social and economic damage to smallholders, high administrative burdens for companies, and challenges with the implementability of provisions, such as geolocation and traceability.
- Highlight the need for recognition of independent third-party

certification as a support tool and the need for minimum requirements for qualified schemes.

- Help communicate the benefits of certified sustainable palm oil and advocate for the value of certification.

Team:

RSPO Secretariat: Irene Fischbach, Ruben Brunsveld, Kim Williams

Member working group: Kuan-Chun Lee, Sian Morris (P&G), Olivier Tichit (Musim Mas), Ian Suwarganda (GAR), Hugo Byrnes (Ahold Delhaize), Steffen Huenker (Henkel), Antoine Gibert (FPP), Gert van der Bijl (Solidaridad)

Agency support: Apco Europe

6.2 Policy goals

6.2.1 Deforestation Regulation

Aims to ensure that products derived from certain commodities (namely coffee, cocoa, palm oil, soya, beef and wood) have not caused deforestation during their production. Sets up due diligence and traceability obligations and a country-by-country risk assessment scheme.

Timeline: The European Parliament has adopted the full report in its plenary session on **12/13 September 2022**. Interinstitutional (trilogue) negotiations between the Parliament and the Council of the EU will begin shortly and last over the next couple of weeks/months.

RSPO Goals: The tight timeline of the legislative process is a limiting factor – however, some opportunity remains for behind-the-scenes engagement ahead of the EU Parliament plenary and going forward into the trilogue negotiations. This will focus on the following policy asks:

- **Implementation period:** implementation period of regulations should be extended from 12 to 18 months to provide smallholders with adequate time to meet requirements.
- **Geolocation:** there is a need for flexibility to allow practical implementation of the geolocation requirement, given varieties in structure and size of farms.
- **Impact assessment for smallholders, indigenous people and local communities:** a thorough impact assessment of challenges smallholders and communities may face to meet requirements should be conducted before regulation enters into force.
- **Minimum requirements for certification schemes:** regulation should specify minimum requirements for certification and other third party verified schemes if they are used as a part of DD and risk mitigation.

	<p>•Trader obligations: simplify trader’s obligations: traders need to have a solid administration, including chain of custody of all products in scope, but should not need to publish it in a register.</p> <p>•Inclusion of human rights provisions: clear provisions needed on respecting internationally recognised human rights to ensure verifiability of materials in the supply chain.</p> <p><i>NEW: Enlarge scope Derivatives: formulate position.</i></p> <p>6.2.2 <i>Regulation on prohibiting products made with forced labour on the Union market</i></p> <p>The regulation wants to eliminate all products made with forced labour from the EU market, irrespective of where they have been made. The proposal covers all products, namely those made in the EU for domestic consumption and exports, and imported goods, without targeting specific companies or industries.</p> <p>Timeline: The European Parliament and the Council of the EU need to agree on their own positions before trilogue procedure begins. It will apply 24 months after its entry into force.</p> <p>Goals: Detailed policy asks are currently being defined, based on input of members.</p> <p>6.2.3 <i>Directive on Sustainable Corporate Governance</i></p> <p>Sets up due diligence obligations to ensure companies implement processes to identify, assess and address negative impacts of their activities on human rights and the environment.</p> <p>Timeline: The European Parliament and the Council of the EU will resume reviewing the file after the summer, with the process likely to extend into early 2023.</p> <p>Goals: Detailed policy asks for the Directive on Sustainable Corporate Governance are currently being defined based on input of members.</p>	
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6.3 Implementation and Activation

Aug
Member working group meetings
Finalisation of research, narrative document, Q&A, stakeholder mapping and engagement strategy

1 & 8 September

- Op-ed in POLITICO, Europe's top political media outlet covering European politics and policy
- Amplification to reach key stakeholders, incl. social media and physical distribution in the European parliament

Sep

Ongoing

- Political stakeholder outreach (EP, Member States representations/Council, Commission)
- Alignment with trade associations, NGOs and think tanks
- Targeted social media campaign and content amplification

13 September: European Parliament adopted position on Deforestation Regulation
RSPO preliminary statement: <https://www.rspo.org/news-and-events/announcements/eu-deforestation-proposal-smallholders-should-be-given-more-time>

Late September - BoG meeting

- Senior executive interview and background briefings, pitching EU media (POLITICO, EURACTIV, Parliament Magazine) and national outlets from top 5 target countries (Netherlands, Germany, France, Czechia and Sweden)
- Senior executive meetings with member state representations from top EU members (2-3 meetings)
- Partners and members meetings to seek support for EU campaign
- Option: Shoot video in front of EU institutions and amplify on social media

Oct
Ongoing outreach continues around Deforestation Regulation trilogues, Forced Labour Regulation and Sustainable Corporate Governance Directive



The members would like to know whether there is a possibility to send a joint delegation to meet the EC. This is not scheduled yet but we can look into this around the SPOD. Alignment with Fediol may be helpful. Updates through the Whatsapp group on this would also be appreciated. The secretariat will share the key messages with the members. This document is an evolving document.

Secretariat to look into meetings in Brussels, potentially with members.

Secretariat to share the key messages for EU engagement

7.0 AOB

- RT2022: 28 November - 1 December 2022, Kuala Lumpur, Shangri-La
→ Please sign up
→ Sponsors still welcome
- Next MDSC meeting in KL: Thursday morning, 1 December 2022

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