

MINUTES OF MEETING

RSPO Supply Chain Traceability Working Group (SCT WG)

11th Meeting (Virtual Mode)

Date and time: 17 Feb 2023 at 9:00am – 10:30am CET.

Agenda

1. Opening remarks and antitrust statement
2. Approval of Agenda
3. Approval of previous minutes SCT WG Meeting
4. Updates RSPO Secretariat
5. Open action points
6. Action point from Previous Meeting
7. AOB

Members Attendance:

Name	Organisation	Group Representation	Attendance
Robbert Kessels	Sipef	Grower	Yes
Daphne Hameeteman	Wilmar Europe	P&T	Yes
Sietse Buisman (Virtual)	Cargill	P&T	Yes
Helen Scholey	Shell	P&T	Yes
Rina Rahayu	IOI Group	P&T	Yes
Angga Prathama Putra	WWF	eNGO	No
Magdalena Pinczakowska	IKEA	Retailer	Yes
Michel Riemersma	Solidaridad NL	Social NGO	Yes
Aitor Gamen	Coty Inc	CGM	No
Mark Wong	Sime Darby Oils	Grower	Yes

RSPO Secretariat Attendance:

Name	Position
Inke Van Der Sluijs	Director, Market Transformation
Aryo Gustomo	Deputy Director of Compliance
Muhammad Shazaley Abdullah	Head of Certification
Ruzita Abd Gani	Supply Chain Manager
Divya Bajpai	Assurance Manager, Europe
Mohd Shafiqul Syaznil	Data Analyst Executive

1. Opening remarks and Antitrust statement

Meeting started with welcoming the members who were present to the 11th meeting of the SCT WG and reminded all members of the RSPO antitrust statement followed by the introduction of the new member Magdalena Pinczakowska from IKEA and Michel Riemersma from Solidaridad NL

2. Agenda

The Agenda for the 11th SCT WG Meeting was approved by the members.

3. Approval of previous minutes SCT WG meeting

The minutes of the 10th meeting were approved without any amendment and comments.

4. Update RSPO Secretariat

SCT WG were updated on the following upcoming events:

- RSPO Assurance day in Ghana on 3rd Mar 2023
- RSPO SCC CB Forum 13-14 March, Bologna, Italy
- RSPO Members Meet 15th March, Bologna, Italy
- RSPO Inter-American Conference and CB Interpretation Forum from 30-31 May 2023 in Miami
- SPOD-EU to be planned in 14 or 15 June 2023, Germany
- Overview of RSPO Supply Chain Certification for India Members on 27th Feb, India.

5. Action Item from Previous Meeting:

Action Item 1: Approval of Graph 3-Annual CSPKO AP and Sales to publish on RSPO Website.

Discussion: Discussion started with member raising the question on the presented Graph why is there no growth in the production? As last time it was presented that 15% growth will be proposed yearly by the RSPO Secretariat. The 15% growth should be discussed with the board as it is not seen with the presented graph. Market trend was discussed in the meeting that uptake from mills have a lot of variations and last quarter was dropped, is there any specific reason for the same? It was concluded in the Quarter four of 2022 there was a huge demand for Palm oil but may not be certified palm oil.

It was concluded that the RSPO Secretariat should follow up on analysing the data on new grower coming in and analysing the output we can expect from them.

Action Item 2: Factsheet on 1:1 conversion rule

Discussion : The factsheet is prepared for explaining the 1:1 conversion and it will be available on 23rd Feb, as it is now pending for comms team approval. The Graph of CSPKO will be published on the RSPO website after approval. The discussion led to, that there is no growth in PKO but the growth showing in the graph is coming from conversion factor. Question was raised: how can the growth of CSPKO be explained on the website?

It was concluded to delay the publication of the factsheet as input from SCT WG will be considered before publishing the factsheet on the website.

6. Mass Balance Accounting

Comparison between the RSPO Supply Chain Standard version 2017 vs to 2020 was presented by the RSPO Secretariat on fixed inventory period. One of the member raised the question that the standard does not explain where the volume needs to be? It just states if there is MB volume it can be carried over. Various illustrations of the situations were presented to SCT WG by explaining the scenario. SCT WG raised the question if the current RSPO Team is aware that, it has always been a situation that members can carry over MB rights whereas physically for eg. in the tank the MB Volume is 4000 MT but 5200MT which is carried over are valid forever. It was explained by the Secretariat that based on the interpretation of the RSPO SCC the older version talks about credits but the new version of the RSPO SCC talks about unused volume. Concern was raised by the member that plantations are not allowed to sell after the licence is expired for which validity is One year, are we measuring the same if refineries are allowed to carry the credits or volume forever? It was concluded that the RSPO Secretariat needed to align the understanding or interpretation of the standard that MB Volume is referring to physical Volume

whereas the unused volume terms as MB rights, Credits or Position is different and it can be carried over. It was also suggested that in the next SCC review it should be discussed how long the unused stock can be carried forward. It was concluded by the RSPO Certification team that it will be discussed now with the Assurance Standing Committee (ASC) for their agreement on whether MB rights can be kept for future. But it was also discussed that discussion should be done in the SCT WG as experts of this process are in this SCT WG.

It was concluded as the issue is referring to the compliance part so the Certification team needs to take it to ASC and will update the SCT WG based on ASC decision .

7. Draft Report on the robustness of the MB Model

Due to time constraints it was requested to SCT WG to give the feedback on the paper over the email.

8. RSPO Digital Framework

RSPO Digital framework was presented by HS and Kenny how it will be working and the timelines of the project will be completed by Q1 of 2025. This paper will be presented to the Board so approval of the concept is needed by the SCT WG.

9. AOB

The meeting adjourned at 10.30 am CET and it was mentioned that the next meeting should be planned in March 2023.