

Summary of Twentieth Technical SRWG Meeting

The twentieth Shared Responsibility Working Group (SRWG) technical meeting (twentieth first teleconference meeting) was opened at 4.00PM (MYT), October 4, 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 SRWG physical meeting will be on October 18 and 19, 2022 in Amsterdam, the Netherlands. The Secretariat shared the final agenda with the SRWG.

The received input during the CB forum and SRWG homework exercise on the Verification Manual was presented by the Secretariat. The SRWG agreed to look into relevant ESG reporting systems and other reporting mechanisms in their sector and bring this to the physical meeting for further discussion. In addition, concerns around the proposed verification system were discussed and the SRWG agreed consensus needs to be reached during the physical meeting.

The Secretariat informed the SRWG on all RT sessions which will focus on SR or have SR integrated in the content. Members are being selected based on their performance for the Fall of fame, and the final selection for the SR Award during the Awards Ceremony will be done through voting during the night.

The Secretariat thanked everyone for attending the meeting, and looks forward to seeing everyone in the next meeting on October 4, 2022.

The meeting was closed at 5.30 PM (MYT).

MINUTES OF MEETING OF RSPO
RSPO Shared Responsibility Working Group (SRWG) 20th Technical Meeting

Date: October 4, 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. Kamal Seth (KS, WWF International)2. Lim Sian Choo (Bumitama Agri Ltd)3. Catarina Vivalva (CV, BNP Paribas)4. Surina Binti Ismail (Sbl, MPOA)5. Mariama Diallo (MD, SIAT SA)6. Julian Walker-Palin (JWP, RPOG)7. Nursanna Marpaung (NM, HUKATAN) <p>Absent with Apologies</p> <ol style="list-style-type: none">1. Girish Deshpande (GD, P&G)2. Brian Lariche (Humana Child Aid Society, Sabah)3. Ben Vreeburg (BV, Bunge)4. Ben Waring (BW, Signature Brands, LLC)5. Joshua Lim (JL, Wilmar)6. Harjinder Kler (HK, HUTAN)	<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)4. Imam Marzuq (IM) <p>Absent with Apologies</p>
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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 physical meeting 5. Verification Manual 6. SR in RT 7. AOB and Next Meeting 	
2.0	<p>No comments from the SRWG members were received on the 19th SRWG meeting minutes and therefore the Secretariat considered them endorsed.</p>	<ol style="list-style-type: none"> 1. Secretariat to upload the endorsed 19th SRWG meeting minutes on the website.
3.0	<p><u>RSPO Secretariat Updates</u> Open action points for the Secretariat are analysing ACOP data by region, to add the process of listing members who failed on SR on the webpage in the verification manual and explore how to deal with members failing to increase their target, if it is part of the sanctions following an audit, or based on Secretariats analysis. All other action points have been completed.</p> <p>Secretariat updates:</p> <ul style="list-style-type: none"> ● SPOD 20 Oct, Netherlands ● RT2022, 28 Nov-1 Dec, KL ● GA19 3 Nov 2022, KL 	<ol style="list-style-type: none"> 1. The Secretariat will clarify the reason why EU consumptions decreased as reported in the report produced by RSPO, IDH and EPOA..

	<ul style="list-style-type: none"> ● Revise Clause 3.2. of the CoCs: <ul style="list-style-type: none"> ○ BoG decision was not approved in BoG meeting - due to unclarity on scope of CoC ○ Next step: amended decision paper to be distributed by email to the BoG. Resolution to the BoG by 7 October to be presented during GA. ● ACOP 2021 results report ● Sustainable Palm Oil: Europe's business - fact. analysis and actions report - by RSPO, IDH and EPOA <p>A Grower rep asked why EU palm consumption decreased. The Secretariat is not aware of the reasons stated in the report, will reach out to a colleague who was involved in writing the report to give an explanation on this.</p> <p>The Secretariat is still working on the presented key deliverables. The scheduled performance article of September has been postponed as the data analyses are not yet finalised.</p>	
4.0	<p><u>SRWG physical meeting</u></p> <p>The Secretariat shared the final agenda. The physical meeting will take place on 18 (full day) and 19 (morning) October 2022, optional dinner on 17 October. The Secretariat will share contact details to SRWG for any remaining questions prior to arrival.</p>	<ol style="list-style-type: none"> 1. The Secretariat will share contact details for any questions prior/during the physical SRWG meeting in Amsterdam.
5.0	<p><u>Verification Manual</u></p> <p>Received feedback from CBs during CB forum on 13 September. Secretariat will align with Assurance and CBs comments</p> <ul style="list-style-type: none"> - Preferred sampling size was 5% <ul style="list-style-type: none"> - Suggestion to exclude certified members from the sample - not in line with SR scope so not taken forward - No concerns to allow central office to delegate the SR audit to regional office - CBs did not identify existing ESG system/reporting that could be used to show SR compliance - Received input on CB procedure → <i>Secretariat proposal</i> <ul style="list-style-type: none"> - How to perform the audit → <i>will be clarified in guidance docs</i> 	<ol style="list-style-type: none"> 1. SRWG members come prepared to the physical meeting with some examples of ESG reporting mechanisms in their sector. 2. The Secretariat to present the scenarios on different sanction mechanisms for voting during the physical meeting. 3. The Secretariat to schedule a meeting with P&T SRWG members to discuss their concerns around verification.

- Who is giving the auditor training → Secretariat
- Request to increase time to produce the Independent Assurance Statement from 14 to 60 days
- Delete the wording 'observations' from the Independent Statement
- Possibility to synchronise SR audit with SCC audit

A Grower member asked rationally why certified members should be excluded (e.g. SCC already covering the scope of SR). The Secretariat's feeling was that due to misunderstanding of CBs of scope of SR (focussed on site-level instead of group-level). A grower member clarified that there is no such thing as a certified member, it's the site which is certified. When going for sampling size (e.g. 5%), additional clarity is needed if this means 5% of sites/ 5% of documents/ 5% of members needs to go through an audit. The Secretariat confirmed its 5% of total number of members who need to comply with SR.

A Retailer member raised concern around verification. This was previously already raised by them during public consultation and now also raised by other SRWG members. Concern is that retailers have generic policies (handle all types of commodities) and they have many subsidiaries. With this verification, RSPO will go beyond what any other scheme has required, adding complexity and costs which are not adding to RSPO's vision. Especially when looking at EU legislation, EU supply vs RSPO supply (including these additional requirements), retailers might decide not to choose for RSPO. Surely we need to make sure members are compliant with SR, but an audit is a red line for them. Additional options should be looked at instead of auditing as a single tool for verification.

An NGO member agreed that when the manual reaches BoG level it might face blockage. Question for retailers: what would you suggest regarding which system to choose when auditing is not the way forward. NGO member will discuss with Retailers and report back to the SRWG as this is very important to align on as 2 constituencies are not agreeing with the verification mechanism.

A grower member agreed that it would be good to have an alternative to what an audit is. But flagged that we should be careful that it will not create a different standard compared to the growers requirements.

An NGO member suggested Accountability Framework Initiative (AFI) exploring could be an alternate route as it is considered credible.

<p>A grower member mentioned that certain aspects of P&C are generic and apply to everyone, e.g. forced labour. Perhaps some direct requirements should be audited, but indirect requirements could be left out for now. Focus on the most relevant part of P&C that needs to be applied.</p> <p>It was also questioned why SR was not included in SCC. The Secretariat explained this was explored previously but as SCC is not applicable to all SR members (e.g. not banks), SCC would not be the best mechanism. A grower suggested that if CBs will consider excluding certified sites for the audit, it would be good to include SR in SCC revision. We need to ask all constituencies and stakeholders identifying other ESG systems as there should be other ones, if they already go through other ESG verification they should be excluded in SR auditing. Should not be more cumbersome and add unnecessary steps if they can already show SR compliance.</p> <p>An F&I member agrees banks already go through many audits (will check which ones) but cannot see SR verification audits working for banks as it is proposed.</p> <p>The SRWG agreed to discuss this further during the physical meeting and everyone needs to come prepared by talking to fellow members and bringing specific ideas to the meeting. It is preferred that the SRWG brings ideas and to not open up this topic during Public Consultation as it will delay the process.</p> <p>The Secretariat presented general SRWG sentiment based on received homework:</p> <ul style="list-style-type: none">- sampling size of 5%- Risk-based sampling methodology with the indicators: XXXX- Scenario 2 was the preferred sanction mechanism. <p>A NGO member questioned if it is too relaxed to give 3 years of warning letters, or if 1 or 2 years would be enough. A Grower member confirmed it is too long, and Retailer and Grower member asked if we could align and follow ACOP sanction mechanism. The Secretariat clarified the process is similar to ACOP only the warning letter is three instead of one year. It takes some time to create and implement new policies which should be considered. A grower member raised that growers do directly get a Non-Conformity and we should align with what is applied to growers. The Secretariat clarified that this is a different background, growers are already engaged and aware about the process as they seek certification, whereas members sometimes do not even know</p>	
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	<p>about SR. A NGO member suggested putting it up for a vote (e.g. warning letters for 2 vs 3 years), SRWG agreed with this approach and will bring it to the SRWG physical meeting.</p> <p>The Secretariat presented the raised concerns from P&Ts, which is in line with concerns of Retailers.</p> <ul style="list-style-type: none"> - Against audit being the only way to verify compliance - Penalties/rewards do not make sense if not all members are verified at the same time - Members within a member category should not undergo the same audit until all members are audited. - High profile members will be lower risk due to existing public and NGO scrutiny, and should be able to undergo reduced verification (e.g. public statement). <p>Secretariat clarifies that once one member is audited, it is excluded from the sampling methodology until all the other members of the same stakeholder category are audited, This will be explained more clearly in the next draft of the Verification Manual.</p> <p>A Retailer member agrees with the statement, not all members are equal, some companies are under higher scrutiny (e.g. closer to consumer and well-known companies). A grower member disagrees and states that all members are equal. Difficult to measure if one member is more well-known than another. A retailer member understands but would like to highlight that public statements are very powerful for ensuring compliance. If retailers say they are compliant to SR in public, they will be held accountable.</p> <p>SRWG agreed we need to put this topic on the agenda for the physical agenda and all members need to come well prepared and bring suggestions and solutions to try and find consensus.</p>	
6.0	<p><u>SR on RT</u></p> <p>SR will be a key focus of the RT breakout session 4 and SR will also be integrated in multiple RT sessions of the programme.</p> <p>RT Excellence Awards Ceremony will take place on Monday 28 Nov. Secretariat is pre-selecting top-performing members based on reported SR performance in MyRSPO and ACOP report to</p>	<p>1. The Secretariat will present to SRWG the selected top-performing members who will be included on the Wall of fame during RT.</p>

	<p>include on the 'Wall of fame'. One award per stakeholder category will be given by voting via the RT app. Final selected members will be presented to SRWG</p>	
<p>7.0</p>	<p>Closing The next physical SRWG meeting will be on 18,19 October in Amsterdam. The next virtual SRWG meeting will be on 1 November, at 4.30 pm (KL time).</p> <p>A grower member requests to discuss challenges and opportunities in the less mature markets during the physical meeting. The Secretariat proposed to include this topic in a future virtual meeting as they are working on regional strategies with the market transformation department. There will also be a RT session on this topic.</p>	<ol style="list-style-type: none"> 1. The Secretariat will work on developing regional strategies within the Secretariat and will present during a future virtual SRWG meeting.