

## Summary of Fourth Technical SRWG Meeting

The fourth Shared Responsibility Working Group (SRWG) technical meeting (fifth teleconference meeting) was opened at 6PM (MYT), October 28, 2020 by the SRWG co-chair and was attended by the SRWG members and Technical Facilitators. The SRWG achieved 100% representation of all membership sectors during this meeting.

The meeting introduced the new RSPO Liaison, Ms. Inke van der Sluijs who will be replacing Ms. Oi Soo Chin. The SRWG was reminded of the BoG-mandated SRWG objectives which include making recommendations on the percentage uptake targets.

It has been almost a three-month pause since the last SRWG meeting in July 2020. The CEO Designate updated the SRWG on the strategy work of RSPO during the break. Due to an imbalance between the resources and the ToC strategies, a new SR Unit will be established within the Secretariat to lead on the work on SR. The scope of RSPO WGs was presented to the SRWG members and implications for the SRWG. The SRWG was advised to review the current SR work and timeline, and to build consensus while communicating and engaging with all RSPO members. The RSPO Communications team will be critical to support the SRWG on this. The SRWG acknowledged the counsel and updates from the CEO Designate.

The key activities carried out between August and October 2020 by the Technical Facilitators include consolidating the draft manual, tidying the verifiers, benchmarking and conducting a workshop with the Secretariat staff for their inputs on the draft manual. In addition, due to the internal reorganisation within the Secretariat, onboarding of the new Secretariat liaison was done to ensure a smooth transition.

The Secretariat's Data Scientist presented high-level findings on ACOP 2019, which include ACOP submissions and the members' existing SR policies. The overview of the ACOP 2019 CSPO supply/ demand will help the SR modelling in developing recommendations on the percentage uptake targets.

The SRWG recognised the need for consistent communication both internally (within Secretariat) and externally (across the membership) and agreed to present the uptake target to the BoG in February 2021. To better understand the modelling, the SRWG will create a Percentage Uptake Targets subgroup to meet in November 2020. The subgroup will conduct a deeper dive into the technical modelling and define the parameters and recommendations for the percentage uptake targets for Year 2 and will bring back to the wider SRWG group.

The Technical Facilitators and the Secretariat will work on the systems alignment of the Implementation Manual during December 2020/ January 2021, with the goal to bring back the next draft to the full SRWG meeting in January 2021. Depending on the pending questions and issues, a subgroup on Implementation Manual may be formed at that time. The first quarter of 2021 will include the onboarding of the new SR Unit, Year 1 review and development of the Year 2 work plan.

The co-chair thanked everyone for attending the meeting and look forward to seeing everyone again in the next meeting.

The meeting was closed at 8.00 PM (MYT).

## MINUTES OF MEETING OF RSPO RSPO Shared Responsibility Working Group (SRWG) 4th Technical Meeting

Date: October 28, 2020 (Wednesday)

Time: 6 PM to 8 PM (MYT)

Venue: Video Conference (RSPO ZOOM 6)

### Attendance:

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| <p><b>Members and Alternates</b></p> <ol style="list-style-type: none"> <li>1. Girish Deshpande (GD, P&amp;G)</li> <li>2. Natasha Schwarzbach (NS, PepsiCo)</li> <li>3. Harjinder Kler (HK, HUTAN)</li> <li>4. Catarina Vivalva (CV, BNP Paribas)</li> <li>5. Lee Kuan Yee (LKY, KLK)</li> <li>6. Mariama Diallo (MD, SIAT SA)</li> <li>7. Ian Orell (IO, Sime Darby/ NBPOL)</li> <li>8. Joshua Lim (JL, Wilmar)</li> <li>9. Ben Vreeburg (BV, Bunge)</li> <li>10. Miho Yamazaki (MY, AEON)</li> <li>11. James Whitehead (JW, FPP)</li> <li>12. Nursanna Marpaung (NM, HUKATAN)</li> </ol> <p><b>Absent with Apologies</b></p> <ol style="list-style-type: none"> <li>1. Lim Sian Choo (LSC, Bumitama)</li> <li>2. Julian Walker-Palin (JWP, RPOG)</li> <li>3. Ilka Peterson (IP, WWF International)</li> </ol> | <p><b>Technical Facilitators</b></p> <ol style="list-style-type: none"> <li>1. Bilge Daldeniz (BD, Proforest)</li> <li>2. Claire Reboah (CR, Proforest)</li> <li>3. Aimee Russillo (AR, LiSeed Consulting)</li> </ol> <p><b>RSPO Secretariat</b></p> <ol style="list-style-type: none"> <li>1. Beverley Postma (BP)</li> <li>2. Bakhtiar Talhah (BT)</li> <li>3. Inke van der Sluijs (IVDS)</li> <li>4. Chung Yee Ling (CYL)</li> <li>5. Imam Marzuq (IM)</li> <li>6. Yen Hun Sung (HS)</li> </ol> |
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| No  | Description   | Action Points  |
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| 1.0 | <p><b><u>Welcome Note</u></b></p> <p>The SRWG co-chair welcomed everyone to the 4th SRWG meeting. It has been almost a three-month pause since the last SRWG meeting in July, due to request by the new CEO for time with Secretariat team to work on strategy and restructure. The co-chairs hoped everyone had a good break and are now ready to continue the SRWG work.</p> <p>Ms. Inke van der Sluijs introduced herself to the SRWG as the new RSPO Liaison. She will be replacing Ms. Oi Soo Chin as the new RSPO Liaison. To better understand the SRWG members' expectations, she invited them to schedule separate calls with her.</p> <p>The objectives of the meeting were presented to the SRWG:</p> <ol style="list-style-type: none"> <li>1. Reconnect</li> <li>2. Updates</li> <li>3. Where are we now?</li> <li>4. Looking forward - setting ourselves up for success</li> </ol> <p>The agenda of the meeting include:</p> <ol style="list-style-type: none"> <li>1. Getting on the same page - refresh our memory</li> <li>2. Update from Bev (including Q&amp;A)</li> <li>3. Interim work done, including:               <ol style="list-style-type: none"> <li>a. Secretariat workstream and benchmarking</li> <li>b. ACOP 2019 update</li> </ol> </li> <li>4. Present revised workplan</li> <li>5. Present modelling for 2021 targets (high level)</li> <li>6. Next steps (Nov meeting, subgroups)</li> </ol> | <ol style="list-style-type: none"> <li>1. Ms. Inke van der Sluijs is the new RSPO Liaison for the SRWG.</li> </ol> |
| 2.0 | <p><b><u>SRWG Objectives</u></b></p> <p>Technical Facilitator reminded the SRWG members of the BoG-mandated SRWG objectives,</p>  |  |

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|            | <p>which consists of, amongst others, making recommendations on the percentage uptake figures. 'Volumes' is not the mandate, as it is already an endorsed concept for SR.</p> <p>The mandated SRWG objectives include:</p> <ol style="list-style-type: none"> <li>1. Develop the practical implementation of SR requirements             <ol style="list-style-type: none"> <li>a. Procedural and/ or guidance documents</li> <li>b. Incentives and sanctions system</li> <li>c. Resourcing plan (cost of implementation of SR, not the resourcing model)</li> </ol> </li> <li>2. Develop a monitoring plan for learning and improvement</li> <li>3. Annual review of the progress on SR requirements             <ol style="list-style-type: none"> <li>a. Identify barriers and issues</li> </ol> </li> </ol> <p>Recommendation for percentage increase of uptake by supply chain member categories to the BoG.</p>   |   |
| <p>3.0</p> | <p><b><u>Updates from RSPO</u></b></p> <p>The RSPO CEO Designate, Beverley Postma provided an update to the SRWG during the SR pause. She thanked the SRWG members for taking the temporary pause which allowed the Secretariat sufficient time to review the organisational capacity and strategies for SR. She reported that the Secretariat has reviewed and updated the SWOT analysis of the Theory of Change. A few weaknesses from the SWOT analysis were identified. There is an imbalance between resourcing and the seven ToC strategies.</p> <p>During the strategic business planning meeting in mid-August 2020, the Secretariat had regrouped the seven strategies in the ToC into five operational strategic pillars.</p> <p>Shared Responsibility is one of the three outputs under the 'Transform Markets' pillar. Inke is currently leading the 'Transform Markets' pillar and she will provide the SRWG more context of this pillar in the coming months.</p> <p>The feedback received on SR by the CEO Designate is that it has been moving too fast and the</p> | <ol style="list-style-type: none"> <li>1. The SRWG will review and revise the SR timeline.</li> </ol> |

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|            | <p>Secretariat system is unable to keep pace. It was reported that not all RSPO members are aware of the current work of the SRWG, and how SR will impact their businesses.</p> <p>In order to build consensus among members, and to communicate with the Secretariat, the CEO Designated advised the SRWG to focus on the quality of the SR task. The SRWG will review and revise their timeline.</p> <p>The SRWG co-chair thanked the CEO Designate for her time and appreciated her advice and counsel in bringing all RSPO members on the SR journey.</p>  |  |
| <p>4.0</p> | <p><b><u>Interim Work August - October</u></b></p> <p>The key activities carried out by the Technical Facilitators and the Secretariat between August and October 2020 include:</p> <ul style="list-style-type: none"> <li>● Consolidation of Draft Manual v0.7</li> <li>● Verifiers tidied up v0.6</li> <li>● Benchmarking</li> <li>● Facilitated Workshop with Secretariat staff</li> <li>● Internal reorganisation within the Secretariat and the onboarding of the new RSPO Liaison</li> </ul> <p>A workshop was conducted with the Secretariat to gather inputs, questions and concerns with regards to the Draft Implementation Manual, in order to align SRWG recommendations with Secretariat processes and systems.</p> <p>In terms of benchmarking, the Technical Facilitators had done an initial scan on the initiatives proposed by the SRWG members. 21 initiatives were assessed against 3 key criteria (scope, relevance, independent verification) and a dozen indicators, with up to 5 most promising initiatives to be benchmarked. It was concluded that none of the initiatives have met more than one of the selection criteria. After discussion with the Secretariat and the SRWG co-chairs, it is recommended that costs/benefits make the route not worth pursuing for reporting. This option will</p> | <p>1. Benchmarking - there is not a clear value proposition for using benchmarking for reporting, so this option will be removed from the Implementation Manual.</p> |

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|            | <p>therefore be removed from the Implementation Manual. Public reporting via one of the mechanisms could be considered as additional evidence during the verification process.</p>   |  |
| <p>5.0</p> | <p><b><u>ACOP 2019 Update</u></b></p> <p>The Secretariat Data Scientist presented high-level findings on ACOP for SR to the SRWG. The submission of ACOP 2019 has achieved a new response rate peak at 83.5%.</p> <p>In regard to some members having multiple sectors, a SRWG member was concerned if there is any double counting in the data. The Data Scientist explained that ACOP submissions from members with more than one category will be counted according to their home category.</p> <p>From the ACOP submission, 87% of the members reported to have at least one related SR policy in place. A SRWG member asked what is considered to be a SR policy. The Data Scientist explained that SR policy is based on the Annex 1 in the SR document endorsed in 2019. The ACOP Unit grouped them into 7 categories (i.e., labour rights, ethical conduct &amp; human rights, land use, ISH support, occupational health &amp; safety, GHG &amp; climate change, complaints &amp; grievances). The quality/ content of the policies was not assessed, but the existence of the related policies will be considered as SR policy.</p> <p>An overview of the ACOP 2019 CSPO supply/ demand was presented to the SRWG, in which it was measured against each sector's overall volumes. This analysis will help the SR modelling of the different scenarios to obtain recommended uptake targets. Compared to CGMs and Retailers, the P&amp;T sector has a higher consumption ceiling. Retailers have a higher uptake at 80%, as compared to P&amp;T (10%) and CGM (50%). It was observed that certain sectors will have a bigger scope to grow in the current membership, and a small percentage change in the larger membership category could create a huge absolute difference.</p> <p>The CSPO supply/ demand pathway (2020-2030) was presented to the SRWG. If all members adhere to the TBP trajectory, it is expected that the oversupply situation will continue to grow and reach a peak in 2025, and then slowly decline after. To address the gap, mechanisms should be</p> | <p>1. The Data Scientist will prepare a model for PKO/ CSPKO for the Percentage Uptake Targets subgroup.</p> |

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|            | <p>put in place. SR is one of the important mechanisms as it involves current members which are already in the RSPO system. The SRWG will be able to understand the leverage and how to address the gap correctively when the gap is looked into during the SR modelling process. A SRWG Member asked if the CGM consumption is representative as they take in CPO/PK/PKO derivatives. The Secretariat explained that CSPO and palm oil derivatives are included. CSPK/ CSPKO/ PKO derivatives are excluded from the analysis since this is a separate product and the data has been captured separately.</p> <p>Members in ACOP are directed to report volumes back-calculated into CPO/CSPO. However, this is not always possible, thus the ACOP data have been adjusted (in aggregate) against available PalmTrace data. A SRWG member asked why the analysis includes palm oil produced as RSPO that is sold as other schemes. He suggested the Secretariat to analyse the volumes explicitly, and to not combine RSPO produced volumes with volumes that are sold as other schemes. A SRWG member asked for the data on PKO/ CSPKO. The secretariat will prepare models to determine if separate targets are needed and will present it to the percentage uptake targets subgroup later.</p> |   |
| <p>6.0</p> | <p><b><u>Revised Workplan</u></b></p> <p>The Secretariat is currently recruiting for a SR Unit to increase the resource capacity in implementing SR. The SRWG acknowledged that communications about SR is fundamental, and there is a need for consistent communication internally within the Secretariat and externally across the membership.</p> <p>The revised timeline was proposed to the SRWG, however there were concerns about the deadline in December 2020. After a series of discussions, the SRWG acknowledged that it is important to ensure that the implementation of SR is aligned with the existing RSPO procedures. To achieve that, the SRWG will require more time to understand the methodology and projection prior to proposing the uptake targets to the BoG. They agreed to move the timeline from December 2020 to February 2021 (the next BoG meeting). The RSPO Liaison will consult with the Technical Facilitators and the Secretariat in revising the SRWG work plan.</p>  | <ol style="list-style-type: none"> <li>1. The SRWG agreed to move the uptake targets BoG recommendations timeline from December 2020 to February 2021.</li> <li>2. The RSPO Liaison will consult with the Technical Facilitators and the Secretariat in revising the SRWG work plan.</li> <li>3. The Secretariat Communications Team will support the SRWG’s specific needs in communication tools and materials.</li> <li>4. SRWG will have one subgroup on Percentage Uptake Targets/ Volumes for now. They may need to start an Implementation Manual subgroup in January 2021.</li> </ol> |

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|     | <p>To ensure all SRWG members are comfortable in answering questions from their constituencies, the SRWG acknowledged that it is crucial to start prioritising the work in communication and engagement. The Secretariat’s Communications team has prepared a draft communication and engagement plan, and they will support the SRWG’s specific needs on communication materials and topics.</p> <p>For now, the SRWG will have one Percentage Uptake Targets subgroup, and a Implementation Manual subgroup may be formed in January 2021. In the meantime, the Technical Facilitators will work to ensure the SR work is aligned with the current workstream of the Secretariat. The Percentage Uptake Targets subgroup will dive deeper into the updated modelling with more robust ACOP 2019 data. They will review scenarios at different types of context and to deliver recommendations for percentage uptake figures to the wider group.</p> |   |
| 7.0 | <p><b><u>Modelling 2021 Targets</u></b></p> <p>The modelling for 2021 targets was presented to the SRWG. This includes the assumptions and three scenarios for the supply and demand model. The three scenarios include: base (realistic), conservative (pessimistic) and optimistic.</p> <p>Seeing the limited time during this SRWG meeting, the entire SRWG is invited for the next meeting on uptake modelling. The proposed dates of the meeting are November 10 and 11, 2020. The date will be confirmed via email with the SRWG.</p> <p>To better understand the modelling presented, the SRWG will take their time to review the modelling. The Percentage Uptake Targets subgroup will conduct a deeper dive and will discuss the percentage uptake targets for Year 2 further during their subgroup meeting (scheduled on November 19, 2020).</p>   | <ol style="list-style-type: none"> <li>1. The SRWG will meet again on either November 10 or 11, 2020 on uptake modelling.</li> <li>2. SRWG will review the modelling presented by the Secretariat. The Percentage Uptake Targets subgroup will resume discussion in another call on the percentage uptake targets for Year 2 on November 19, 2020.</li> </ol> |
| 8.0 | <p><b><u>Closing Remarks</u></b></p> <p>The RSPO Liaison thanked everyone for attending the meeting and look forward to seeing everyone again during the meeting on the percentage uptake targets for year 2.</p>   |   |





The RSPO is an international non-profit organization formed in 2004 with the objective to promote the growth and use of sustainable oil palm products through credible global standards and engagement of stakeholders.