

**RSPO Supply Chain Traceability Working Group
5th Meeting (via Zoom)**

Date and time: 1 February 2021 at 2.00pm – 4.00pm Amsterdam time.

Agenda

1. Opening remarks
2. Approval of previous minutes - Open actions points
3. CSPO uptake reporting.
4. RSPO credits.
5. Shared Responsibility update.
6. AOB.

Members Attendance:

Name	Organisation	Group Representation	Attendance
Robbert Kessels	Sipef	Grower	Yes
Daphne Hameeteman	Wilmar Europe	P&T	Yes
Sietse Buisman	Cargill	P&T	Yes
Helen Scholey	Shell	P&T	Yes
Rina Rahayu	IOI Group	P&T	Yes
Angga Prathama Putra	WWF	eNGO	Yes

RSPO Secretariat Attendance:

Name	Position
Inke Van Der Sluijs	Head of Operations for Europe and Africa
Lilian Garcia Lledo	Assurance Manager, Europe
Ruzita Abd Gani	SCC Manager

1. Opening remarks

LG welcomed the members to the 5th meeting of the SCT WG. She reminded the meeting of the RSPO antitrust statement.

2. Approval of previous minutes - Open actions points

The 3rd and 4th minutes of meeting were approved without any amendment. Lilian highlighted list of action points that are still open:

- Membership of SCT WG – vacant representatives from CGM, Social NGO, retailers, bank and investor. The members of the meeting are reminded to continue looking for

interested individuals from the mentioned sectors and to inform the secretariat. Lilian welcomes Jorge Coronel from Oleopalma who is representing growers from ROW. Lilian also updated that Andy Green from BMT has decided not to participate in this WG but willing to assist in case his expertise is needed. She also updated that Aminah is no longer in RSPO and the new Head of Certification will join RSPO in March 2021. Inke also updated the new Assurance Director is Tiur Rumondang.

- Signed TOR - Lilian reported that one more TOR from the member has yet to be received. She has sent a reminder on the 28 of January 2021.
- Improvement on the description of workstream, KPI, timeline table – the members of the meeting are reminded to provide feedback on this matter.
- Palmtrace SC model in the member information – Lilian informed the meeting that the implementation has been postponed to February by RA due to delay by the developer. The secretariat has been following up on this issue during the weekly call with RA.
- RSPO credits analysis – Lilian has shared with the members through emails. However, there are some corrections to be made and will discuss in this meeting in later agenda.

3. CSPO Uptake reporting

Lilian has shared the draft document of how the reporting is to be made with the members of the meeting. She presented 3 graphs.

Graph 1 : Annual CSPO sales vs actual production. The raw data of this graph is from the audit reports which are based on the license period. She highlighted that for 2020, the graph is under value since many licenses have been extended due to COVID which prevent the on-site audit to be conducted. The meeting was concerned about data for 2018 and 2019 as the data is lower than 2018. There should be an explanation why the data in 2019 is lower than 2018 i.e. whether there are suspension or license extension. The secretariat is requested to provide an explanation and check what were the mistakes in the data and to be presented in the next WG meeting.

For 2020 data, the meeting suggested that we don't need to wait for the audit report. Lilian highlighted that the secretariat has requested the CB to provide those licenses which have been extended and the information should be submitted to the Certification Team by mid-February 2021. Lilian takes note of the suggestion given by the members. Daphne reminded to also look into the number of mills as the data is depending on the reports of the mills. The meeting requested the secretariat to focus on 2018 & 2019 while waiting for 2020 data to come in.

Graph 2 : real CSPO sales per month by SC model which has been registered in PalmTrace. Daphne requested the colors of the bar chart to be changed to allow for clarity

Graph 3 : Certified volume by SC model from PalmTrace reported by the PT support team. Daphne suggested to make it clear that the volume is not the actual production and to include the percentage for each of the SC model, to show the increase in MB certified volume.

Graph 4 : Annual actual sales in graph 2 per SC model and the actual production that was estimated from graph 3 (80% of the certified volume). Daphne suggested to include the volume sold under other scheme which can be estimated using graph 1 i.e. applying the 23 to 25% of the actual production. Lilian raised the concern on the data accuracy. However, the meeting agreed the estimation. Lilian will discuss this with the Data Analyst before making the change in the graph. Daphne highlighted the importance to include the other scheme volume, to reflect the uptake of the CSPO.

The meeting decides that Graph 4 contains all the relevant information and that Graph 1 can be disregarded in the recommendation to the MDSC.

Discussion on proposal to MDSC

On the other scheme, Daphne suggested to include those schemes which give premium. Inke highlighted that in the previous meeting, there was a grower member, who is no longer in this WG disagreed with only the premium carrying scheme. The meeting debated on the definition, and agrees that only those premiums carrying schemes to be included and does not necessarily specify what schemes. The CB is responsible for determining this volume. Inke suggested reporting this to MDSC as the full stakeholders are there.

Discussion on remote audits was made. Ruzita explained that the remote audit is carried out for time extension beyond the first 3 months i.e. for second extension.

Lilian will update the document based on comments from the members. She will circulate the document to the WG again before submitting it to MDSC.

4. RSPO credits

Following the request from the SCT WG to analyse who is buying the RSPO credits, Lilian seeks clarification on the 'retail' industry. Daphne explained retail refers to retailers. However, since it is not an industry sector, she agreed to only maintain the scope to food, feed, oleochemicals and biofuels industries.

Lilian informed that the top 10 organisations who claimed RSPO credits in the years 2017, 2018, 2019 and 2020 are available in the RSPO website (<https://rspo.org/palmtrace>). However, for the RSPO credits buyers, the information is confidential hence the information cannot be shared with the members. There is a difference between buyer and claimer. Sometimes buyers are buying on behalf of a different company. The company who claims the credits is more important as compared to the buyer, as they are the one that benefit from the Credits. Daphne agreed to Lilian's suggestion to focus on the claimers. Lilian mentioned that she suspected most of the

credits are bought by CGMs. It was not possible to quickly identify the industry as the buyers are not categorized by sector in PalmTrace.

Lilian did a comparison on credits bought and claimed between the period 2017 to November 2020, and found that 78% of the bought credits were claimed for the period from 2015 to 2021. She also informed that it was not possible to obtain percentage credits claimed per year as the current system allows the credits buyer to be claimed one year forward and three years backwards. E.g: I can buy credits in 2020, claim them in 2021 and claim them for 2018. The uptake data that is normally reported was based on the bought credits and not the claimed.

Lilian has also conducted an analysis on the ISH credits. She said an average of 3% of the total credits are from ISH and for 2020 only 5%. Daphne mentioned that may be because the availability of the ISH credits is little.

Lilian shared what could be the next step on issues pertaining to phasing out the RSPO credits; would it be a solution to block RSPO credits purchases per region and/or industry and/or duration of the RSPO membership? This will need further research study as there should be study on whether the physical materials are available in each region. Some retailers in some regions commented that they have difficulties in getting the physical materials. Daphne requested the member to speak up if there are members of the meeting against credits. Sietse is in favor of holding credits but it is also important providing transparency who is using them. Sietse suggested to highlight the top 10 biggest users of credit on the website. Daphne supported Sietse's suggestion. However, the suggestion may need to be tabled in the MDSC. Daphne suggested to Lilian to update the document to be submitted to MDSC to include the top 10 credits claimants.

The meeting was stopped abruptly by zoom at 3.40pm due to time limitation. Following that Lilian sent another invitation however only Lilian, Daphne and Ruzita rejoin. Lilian update about Shared Responsibility, she briefly informed that the SRWG sent its recommendations on uptake figures (%) for Y2 (2021 for existing members) to the Standard Standing Committee. After the SSC comments, the recommendations will be sent to the BoG for final approval. Further updates could be given in next meeting.

The meeting adjourned at 4.00 pm Amsterdam time.