

Summary of Second Technical SRWG Meeting

The second Shared Responsibility Working Group (SRWG) technical meeting (third teleconference meeting), was opened at 6PM (MYT), July 2, 2020 by the SRWG co-chair, James Whitehead and was attended by the SRWG Members, RSPO Liaison and Technical Facilitators, and achieved 100% representation of all membership sectors. The meeting also introduced the new alternate Retailer member, Ms Miho Yamazaki who will replace Ms Yumie Kawashima (both AEON Co, Ltd.).

Since their last SRWG meeting, the SRWG Members had conducted several subgroup meetings to work on the following sections of the SR Implementation Manual the group is tasked to develop: assurance, incentives and sanctions and resourcing for transformation as well as the verifiers for the SR requirements. To date, there is high participation and engagement from the SRWG, and they achieved 100% sector participation in all SRWG meetings and subgroup meetings, with high rates of homework submissions as well, an important aspect to enable more input and perspectives with the new normal of virtual meetings.

The SRWG was informed that work on the recommendation for Year 2 percentage uptake figures can begin once the ACOP 2019 data and the associated supply/ demand projections are available, which are expected in the early half of August 2020. A dedicated 'uptake and volumes' subgroup will be set up to lead this work. An extraordinary one-hour webinar will be offered exclusively for the SRWG Members to help them understand the modelling methodology and answer their questions.

Representations from the 3 subgroups (Assurance, Incentives and Sanctions, Resourcing) presented the outcomes of their respective subgroup discussions. The elements presented include: the subgroup's work, main points they agreed on and pending questions to seek input from the wider group.

The Technical Facilitators informed the SRWG Members that a benchmarking framework will be built based on the SR requirements of the supply chain actors (P&T, CGM, Retailers). The SRWG Members were asked to share their suggestions for likely reporting mechanisms or standards that promised high levels of overlap with the topics covered in the SR requirements. A quick overview of the RSPO Membership was presented to everyone to help the conversations around membership benefits as incentives and around potential resourcing for Transformation (RfT) fee. A summary of the Communications Plan (drafted by the Secretariat's Communications team) was shared with the SRWG Members, for their initial suggestions and feedback.

Before the meeting was closed, the SRWG Members were reminded of their homework to be completed between meetings and the dates of the next subgroup meetings.

The co-chair thanked everyone for attending the meeting.

The meeting was closed at 8.00 PM (MYT).

**MINUTES OF MEETING OF RSPO
RSPO Shared Responsibility Working Group (SRWG) 2nd Technical Meeting**

Date: July 2, 2020 (Thursday)

Time: 6 PM to 8 PM (MYT)

Venue: Video Conference (RSPO ZOOM 6)

Attendance:

Members and Alternates

1. Girish Deshpande (GD, P&G)
2. Natasha Schwarzbach (NS, PepsiCo)
3. Ilka Peterson (IP, WWF International)
4. Harjinder Kler (HK, HUTAN)
5. Catarina Vivalva (CV, BNP Paribas)
6. Ghislaine Nadaud (GN, ABN Amro)
7. Lim Sian Choo (LSC, Bumitama)
8. Lee Kuan Yee (LKY, KLK)
9. Mariama Diallo (MD, SIAT SA)
10. Joshua Lim (JL, Wilmar)
11. Ben Vreeburg (BV, Bunge)
12. Julian Walker-Palin (JWP, RPOG)
13. Miho Yamazaki (MY, AEON)
14. James Whitehead (JW, FPP)
15. Nursanna Marpaung (NM, HUKATAN)

Absent with Apologies

1. Ian Orell (IO, Sime Darby/ NBPOL)

***Note: Names in bold indicate substantive members of SRWG.*

Technical Facilitators

1. Bilge Daldeniz (BD, Proforest)
2. Claire Reboah (CR, Proforest)
3. Aimee Russillo (AR, LiSeed Consulting)

RSPO Secretariat

1. Oi Soo Chin (OSC)
2. Chung Yee Ling (CYL)
3. Imam Marzuq (IM)

No	Description	Action Points
1.0	<p><u>Welcome Note</u></p> <p>The co-chairs welcomed everyone and explained the agenda of the meeting includes delivering the outcome from the subgroups (Assurance, Incentives & Sanctions, Resourcing) discussions conducted in June 2020 to the SRWG Members.</p> <p>The topic on volumes uptake is scheduled to be discussed on a later date when the ACOP 2019 data is available from the Secretariat. A recorded webinar on the methodology of calculating the uptake target percentage figures will be organised exclusively for the SRWG Members the following week.</p> <p>The objectives and agenda of the call includes:</p> <ul style="list-style-type: none"> • Update from each subgroup • Review cross-cutting/ challenging issues/ questions for group feedback • Review Communications Plan <p>The SRWG welcomed the new alternate Retailer member, Ms Miho Yamazaki who is replacing Ms Yumie Kawashima (both AEON Co, Ltd.). Miho will join the Resourcing subgroup.</p>	<ol style="list-style-type: none"> 1. Technical Facilitators will share a recorded webinar on the methodology of uptake target with the SRWG Members next week. 2. MY will join the Resourcing subgroup.
2.0	<p><u>Monitoring and Evaluation</u></p> <p>High participation rates and engagement from the SRWG were reported to date with 100% sector participation in all SRWG and subgroup meetings. The Technical Facilitators appreciate this, and stressed the importance for homework submission, in order to get deeper input as the SRWG format moves to virtual meetings.</p>	<ol style="list-style-type: none"> 1. SRWG Members to ensure homework are submitted according to deadlines.

	<p>The SRWG were reminded that much has already been set in the Shared Responsibility Task Force (SRTF) document, and the goal is to get to the ‘implementation’ of the agreed upon SR.</p> <p>Technical Facilitators updated the SRWG on the recent update briefing at the BoG meeting, where the BoG was informed that the SRWG had taken up its work, their timeline and work plan. Mostly, the BoG session focused on the BoG’s commitment to developing a position statement on continued use of credits. The BoG, whilst acknowledging the importance of volumes or quantity, added that they would like to see more focus on quality: the sustainability outcomes and impacts and encouraged the SRWG to focus on performance.</p>	
<p>3.0</p>	<p><u>Volumes and Credits</u></p> <p><u>(i) Credits</u></p> <p>Despite the acceptable use of Credits in specific circumstances (e.g. while markets are developing or smallholders), the ultimate goal of SR is striving towards 100% uptake on physical oil. The BoG commits to develop a position statement on the continued use of Credits during Year 1. The BoG acknowledges the urgency to have the position statement delivered by the end of August 2020 for the SRWG to consider in the percentage uptake recommendations for Year 2. The Market Development Standing Committee (MDSC) will take on the credit proposal and will be discussed during the next MDSC call on July 16, 2020, with immediate report back to the BoG on their progress. The collated comments from SRTF process will be shared with SRWG and MDSC during the process.</p> <p><u>(ii) SR Requirement Volumes</u></p> <p>The SR requirement on volumes states that it is required to have active promotion of sustainable palm oil to boost demand in all markets including aggressive targets (1 year after SR endorsement). Target numbers will be based on yearly projection models developed by</p>	<ol style="list-style-type: none"> 1. MDSC will take on the credit proposal and discuss during the next MDSC call on July 16, 2020. 2. MDSC will report immediately to the BoG on their progress. 3. SRWG support team will share the collated comments from the SRTF process with the MDSC and SRWG.

	<p>RSPO Secretariat (ACOP data from previous year), and the SRWG will make recommendations on the annual targets to the BoG.</p> <p>Supply and demand forecasting model was developed by the RSPO Secretariat to meet the Theory of Change goals, this includes looking at supply/ demand matching and what uptake needs to be achieved. The SR Year 1 implementation period is from April 2020 to March 2021 to align with the ACOP reporting cycle. However, the ACOP data is reported on calendar year, which will be an expected challenge for the SRWG to address during the Year 1 review. Furthermore, the SRTF established that the ACOP 2019 (submitted in 2020) will be the baseline data for SR. The Year 1 targets will be based on ACOP 2019 plus the percentage uptake figure, and this will be reported on in ACOP 2020 cycle. No sanctions will be applied in Year 1 as it will be a testing period.</p>	
4.0	<p><u>Mandate: Recommend Annual Uptake Targets</u></p> <p>The actual mandate of the SRWG includes developing a recommendation for the BoG for next year’s uptake targets. To enable that, a supply/ demand projection modelling developed by the RSPO Secretariat will be updated with ACOP 2019 data. RSPO Secretariat’s Data Scientist informed the Technical Facilitators that he invites feedback on assumptions in the methodology from the SRWG (i.e. on which growth rates, whether pessimistic/ realistic/ optimistic scenario). This work can only begin once clean and final ACOP 2019 data is available (first half of August).</p>	
5.0	<p><u>Timeline for the Volumes Subgroup</u></p> <p>The ACOP 2019 deadline has been extended due to the pandemic. It is expected that the cleaned ACOP 2019 data will be available during the first half of August 2020, the draft on Supply/ Demand model is expected to be available at a later time. The uptake volume subgroup can kick off their work only once they have this information. The goal is to have the percentages of uptake review recommendations for Year 2 ready to submit for the BoG for sign off in November 2020.</p>	<ol style="list-style-type: none"> 1. SRWG Members are invited to attend the extraordinary webinar on July 8, 2020. 2. Technical Facilitators to add extra FAQ to the existing SRTF FAQ document.

	<p>The Technical Facilitators had received questions on uptake percentages, volumes, etc. To address the questions, an extraordinary webinar will be conducted next week exclusively for the SRWG Members, with the participation of RSPO Secretariat's Data Scientist, to address the frequently asked questions.</p> <p>Technical Facilitators will add the questions on uptake and volumes raised by the SRWG to the existing FAQ (created by SRTF last year).</p>	
6.0	<p><u>Mandate: Develop Implementation Manual</u></p> <p>The SRWG were reminded again on the timeline, guiding principles, and structure of the Implementation Manual. They were previously assigned to three subgroups (Assurance, Incentives and Sanctions and Resourcing) were asked to report their discussion outcomes to the SRWG.</p>	
7.0	<p><u>Assurance Subgroup</u></p> <p>The SRTF recommended using existing mechanisms (MyRSPO and ACOP) for reporting/ implementation of SR requirements with some requirements verified in SSC audit.</p> <p>The Assurance subgroup was tasked to work on the verifiers for the SR requirements, including verification mechanism. They reported the outcomes of their discussions and invited feedback from the SRWG members.</p> <p>Some of the SRWG Members suggested not to create additional subsets and systems to the existing systems, and said that the 5 elements in SCC audit is sufficient to verify members.</p>	
8.0	<p><u>Benchmarking</u></p> <p>The SRWG will explore options to benchmark other schemes and reporting mechanisms that could be considered equivalent to SR requirements. They recognise that many RSPO members have already reported on their sustainability progress and performance via other</p>	<p>1. A benchmarking framework will be built based on the SR requirements of P&T, CGM and Retailers.</p>

	<p>tools/ mechanisms. Phase 1 will focus on the selection of the 5 most frequently used tools with biggest potential of overlap with SR requirements.</p> <p>As most of the mechanisms will be used the most by P&T, CGM and Retailers, the benchmarking framework will be built based on their requirements for SR. SRWG suggested looking at Scorecards such as Global 500, WWF, Consumer Goods Forum SSCI, etc. for ideas, and they were tasked to share their ideas in their next homework to be considered for inclusion by the TF</p>	<p>2. SRWG Members to share their ideas on benchmarking, and submit during their next homework.</p>
<p>9.0</p>	<p><u>Incentives & Sanctions Subgroup</u></p> <p>The SRTF recommendations noted that sanctions should be motivating and nudging members towards positive behaviour, not penalising. Incentives and sanctions will not be applied during Year 1 but will focus on testing, gap analysis and develop support/ guidance. The subgroup will research other membership models (i.e. Bonsucro, ISEAL, Global Shea Alliance) and the motivators of membership category, and will look at risk and solutions that may arise during implementations.</p> <p>The subgroup reported the outcomes of their discussions, and invited feedback from the SRWG.</p> <p>There are concerns around the use of fines and levies on non-CSPO and restriction of membership benefits. The SRWG agreed that sanctions should be a way to encourage members towards SR and uptake, and to emphasise on inclusivity. A SRWG Member encourages the SRWG to focus on enablers for everyone to come into SR and make uptake happen, ensuring quality across the RSPO supply chain. In regards to whether the member's right to sit on the Board would be withdrawn, it is suggested that the severity should be looked upon on what is not been in compliance. As RSPO emphasises on inclusivity, it would be great to encourage more members to come in, and not to drive them away.</p>	

10.0	<p><u>Membership Overview done for Incentives and Sanctions subgroup</u> As of mid-June 2020, there are about 1900 Ordinary members, and some of the subgroups have looked into the existing membership benefits during the discussion on withholding benefits as a sanction. As the membership fee is set in the by-law, it would be a challenge to make changes to the membership fee. Current fee reduction is given to smallholders and NGOs, and the subgroups looked at this existing threshold to categorise small organisations.</p>	
11.0	<p><u>Resourcing Subgroup</u> Some of the SRTF recommendations on the new SR requirements include defining the who/ what/ how with stakeholder input in Year 1. Resourcing should have direct link to support SR objectives while ensuring credibility and inclusion to support collective action for collective impact. The Resourcing subgroup work was tasked to review potential sources of funds and analysis of membership, to work on the what and how of SR Fund, uses of funds, smallholders verifiers and resourcing verifier.</p> <p>The subgroup proposed sources of fund, uses of funds, fund management, and asked feedback from the SRWG.</p> <p>There were mixed agreement on whether SR should be self-funded or funded by the RSPO budget. It was suggested that the annual fee/ fund for Resourcing for Transformation is important to focus on improving the quality and quantity of the existing system. This includes the cost on data improvement and data integration, and the fund would also contribute to driving towards powerful transformation. There was a suggestion to look at government funds (funds that are for changing industry and systems). The Resourcing subgroup will identify the expenditures, and explore funding sources.</p>	<ol style="list-style-type: none"> 1. The Resourcing subgroup to identify the expenditures and whether SR needs to be self-funded.
12.0	<p><u>Communications Plan</u> The Technical Facilitator reported that the Secretariat Comms team has drafted a communication plan to ensure members and stakeholders are aware of the SR requirements,</p>	<ol style="list-style-type: none"> 1. SRWG to potentially form a Communications subgroup to support the development and implementation of the Communications Plan.

	<p>understand their organisation’s role in the fulfilment of the requirements, and understand how they are able to successfully achieve the requirements.</p> <p>The audiences will include RSPO members (top priority), external users (certification bodies), civil society stakeholders, media (tier 1 & 2), government officials/ regulators. Detailed key tactics include convene (informed education), public relations/ promotion, multimedia/ website and implementation, and a timeline (June - Dec 2020) is drafted.</p> <p>The SRWG Members role includes being the ambassadors of SR, and a few key spokespersons will be needed to lead the webinars. Potentially, a Communications subgroup will be formed with 3- 4 members to support development and implementation of communications plan. It was suggested to conduct webinars in different languages. Which languages are needed and other outreach material will be taken on by the Communications subgroup.</p>	
13.0	<p><u>Verifiers</u> The verifiers were reported back to the SRWG but are still pending on the final agreement. The SRWG Members shared their views and thoughts on the verifiers proposed. They were encouraged to provide individual input/ ideas, and these will be assigned to the relevant subgroups to look into.</p>	
14.0	<p><u>Update to SSC and BoG</u> Technical Facilitator informed on recent SSC and BoG updates: the updates to the SSC and BoG were about the SRWG establishment, and confirming their high level of engagement in the process to date. As well as informing on selection of co-chairs, SRWG timeline, and subgroups. The details on content were not shared with the SSC and BoG as full draft 1 is yet to be finalised by SRWG.</p>	

15.0	<p><u>Homework</u></p> <ol style="list-style-type: none"> 1. Review draft Implementation Manual and answer Survey Monkey survey in respective sectors (Due July 8, 2020) - to be include in the next subgroup calls 2. Review the draft verifiers in respective sectors and provide concrete examples/ verifiers/ solutions (Due July 15, 2020) <p>The SRWG was reminded to consult within their sectors and bring back inputs</p>	<ol style="list-style-type: none"> 1. SRWG Members to send in their homework. 2. SRWG Members to consult with their constituencies.
16.0	<p><u>Upcoming Subgroup Calls</u></p> <ol style="list-style-type: none"> 1. Incentives and Sanctions - July 13, 2020, 6PM (MYT) 2. Assurance - July 21, 2020, 6PM (MYT) 3. Resourcing - July 23, 2020, 6PM (MYT) 	<ol style="list-style-type: none"> 1. SRWG Members to attend their next subgroup calls.
17.0	<p><u>Closing Remarks</u></p> <p>To ensure clear and consistent communication within the SRWG, the Technical Facilitator will answer all questions raised in the Zoom chat, and circulate to all SRWG Members. The co-chairs thanked everyone for attending the meeting.</p>	<ol style="list-style-type: none"> 1. Technical Facilitators to collate questions from Zoom chat and circulate out to SRWG with answers.