

Draft MINUTES RSPO Standing Committee Trade and Traceability

Date: 9 June 2011

Venue: SIPEF office, Caste Calesberg B-2900 Schoten

Participants:

Adam Thomas, NBPOL
Anna Bexell, IKEA
Bob Norman, AAK
Caroline Tomlinson, Findus
Gerard te Nuyl, Wilmar
Gerrit van Duijn, Unilever
Hidde van Kersen, IOI Loders Croklaan (minutes)
Liz Crosbie, SEC
Marieke Leegwater, MVO (chair)
Martijn Schneider, IOI Loders Croklaan
Martin Craven, AAK
Neil Judd, Proforest
Paul Nellens, SIPEF
Sietse Buisman, Cargill
Simon Roulston, UB
Sophie Pin, Carrefour
Aliene ten Kleij, Control Union
Gerben Stegeman, Control Union
Rita Koester, Cognis
Harald Sauthoff, Cognis

Absent with notification

Alasdair McGregor, BM Trada
Don Grubba, SDI Corp
Hugo Byrnes, Ahold
Johan Verburg, Oxfam
Joost Sprakel, UTZ Certified
Michelle Morton, Shell

1 Introductions and welcome

- A special welcome to people who travelled far and two new members from Control Union.
- This will be last meeting for Marieke to lead, after this meeting Hidde will take over as chair.

2 Minutes meeting 11 April 2011

- P1: please check and correct names
- P 1: Hidde is sustainability director at Loders Croklaan, not at parent company IOI
- P 4: action points to be added to 2nd (action: HvK to include this in TOR) and 3rd (action: HvK to forward this note to RSPO pr campaign).
- Meeting notes approved.

Overview of action points not on the agenda:

- Johan Verburg will be succeeded by Sandra Seeboldt, she will join next meeting
- Marieke Leegwater tried to contact new RSPO TD Salahudin Yaacob, but so far without response. => HvK will inform SY on dates of next meetings to assure he will participate and if possible be present.
- All members can provide feedback to the documents on PKO and SCCS certification for mills as provided by Neil Judd => During the meeting, HvK has invited Adam Harrison (chair SC S&C) to forward the draft document and attend our next meeting, to discuss this with SC T&T.
- Michelle Morton will clarify which requirements the biofuel sector would like to see the UTZ system deliver

New action point

- HvK to encourage the three other SC chairs to share meeting dates / agendas / (draft?) notes

3 Updates from RSPO

- a) No EB update: next EB meeting is scheduled for 13+14 July
- b) Salahudin Yaacob started as Technical Director, he will join our SC T&T
- c) Secretariat has a vacancy for a supply chain officer: please help find suitable candidates
- d) New RSPO Rules on Communication and Claims (Annex: new rules)
 - As there was considerable commotion on the launch of these rules, the SC briefly looks back at their development.
 - It was agreed that most turmoil was caused by lack of proper alignment between two SC's: our SC T&T is responsible for determining the WHAT (i.e. the rules as far as they have impact on the SCCS certification, while the SC C&C is responsible for the HOW (i.e. to decide when certain claims are allowed and how best to communicate) . Action: HvK to check if new TOR proposals reflect this.
 - Building on this conclusion, it was agreed that, to ensure for proper decision making procedures, we need to have the TOR for the EB. Preferably, these would include the rule that committee proposals that may have impact on issues within the scope of other groups can only be discussed by the EB when signed off (or: commented on) by the other committees. Action: HvK to distribute EB TOR.
- e) Input to EB evaluation of TM rules 12 months after launch
 - RSPO EB agreed that twelve months after the TM launch, in May 2012, the whole RSPO Rules on Communications and Claims document will be reviewed (see same annex).
 - *Quoting JKV (in his May 19 email): „The review will cover all aspects of TM use, licensing arrangements, claims, etc. By that time, we hope to have a body of evidence of using the TM in practice that will help us clarify and perhaps simplify the Rules for Use so as to make it as easy, simple and cost effective as possible.”*
 - Discussing the needed approach, it was agreed that this evaluation is best undertaken by a working group of members from both the C&C and the T&T standing committees. This makes sense, as the rules have consequences for the Trade and for Communication..
 - From the SC T&T, already Bob Norman, Anna Bexell, Liz Crosbie, Martijn Schneider, Sophie Pin and Adam Thomas have volunteered, but need not necessarily all participate. There was no distinct decision on whether this joint working group should resort under the C&C or the T&T standing committee. The chair is to be decided jointly. Action point: HvK to discuss this proposed approach with the SC C&C chair (JKV).

4 SCT & T Mission, Vision and TOR

- Working group (LC, MC, PN, JV and HvK) prepared draft TOR.
- Overall the draft was approved, while several edits were agreed on. E.g. it was also agreed that it was our remit to manage market data, although in reality our work will be mostly issue driven. Also agreed that commitments will be tracked of member categories, not individual members, that decision making will be on basis of consensus and that contracted service providers can be SC members, although without voting rights.
- Four action points for TOR wg: working group to rewrite draft based on SC T&T feedback, to screen other TOR's on alignment with our view on SC responsibilities, to distribute new version together with TOR's to all SCT&T members for final check and to submit to EB for approval in July meeting.

5 Audit regime GreenPalm users

- BN presents findings and proposals from working group
- Proposal:
 - members who redeem more than 500 mt per calendar year are automatically selected for an audit, covering 99% of the volume palm traded via GP each year
 - and 10% of members under 500 mt cut-off are randomly selected by RSPO for desktop audit
- Proposals agreed, with additional feedback from discussion:
 - if trademark claim is backed up by part GreenPalm certificates, than that company should be also GreenPalm audited, ideally as an integral part of the regular SCCS audit;

- GreenPalm will sort out how best to phase in this new rule, that will increase the costs for Greenpalm members; make sure to align with planning of communications to CB's after SCCS review this autumn.
- Working group thanked for proposal and [=action point] will propose a clear guidance protocol (for GP users and cb's) to the next SC T&T meeting for comments. CBs will also be specifically invited to comment on this proposal as they have to audit it.

6 SCCS Review

a. Review SCCS document

- o First draft of TOR for SCCS document review was circulated by ML in April.
- o Comment received from RSPO secretariat was to separate the two key elements: (i) the SCCS certification standard for operators, and (ii) the certification systems document.
- o ML will circulate new draft TOR to all CB's and all SC T&T members with request for input by end of June, in order to circulate new version in July.

b. Final report WG 1 – update presented by Liz Crosby

- o Working group agreed the new rule should specify that contamination should always be minimised. If unavoidable, a contamination of up to max 5% is tolerable instead of 5% is free to fill with anything;
- o The situation around the 95% rule and minor ingredients was shortly discussed (although not on agenda today, it was agreed that for minor ingredients relatively small volumes of palm oil are used. As capacity is limited, it is thus in this phase probably better to focus our attention on other issues. Still, it is important that CBs know how to act when manufacturers use ingredients with small components of palm oil. At this stage, CBs and others who have questions on this topic can best send their questions to the RSPO secretariat, if answers are valuable and important for all CBs, the information will be disseminated by the secretariat to all CBs. Conclusion: WG 1 is ready

c. Final report WG 2 – update presented by Marieke Leegwater

- o Multisite certification => not approved => new proposal, with help of Simon Roulston, who has experience on multi-site certification with RSPO
- o Lifetime of certificate => proposal to extend lifetime of certificates to 5 years and full surveillance audit every year is declined as it is unclear what the surveillance is. If it is the same audit, it is too costly, some other form or mechanism for audit with higher frequency than 5 years is welcome; objective is to encourage smaller companies to join RSPO so need to prevent prohibitive high audit costs; other point of feedback is avoidance of physical on site audit: much more can be done electronically; feedback reverted back to wg2;
- o Rules for subcontractors => proposal agreed to follow FSC chain of custody standard, with exception in case of MB certification;
- o Benchmarking other schemes => WG2 proposes to follow recommendations by Proforest: it was agreed we should keep RSPO a distinct standard and keep CB's to be RSPO accredited but it was also agreed that RSPO and RSPO members should indeed encourage CB's to do joint assessments / surveillance audits (BRC and RSPO and ISCC and VaBen).
- o Conclusion: WG2 not ready yet

d. Rules MB model/Expiry MB stock

- o EB asked to create rules to limit expiry of MB stock; it was decided we don't want any expiry date at all; action point: ML to include this decision into TOR for SCCS review

7 Derivatives working group

- o Harald Sauthoff, Cognis, presents very clearly the work done by the Technical Derivatives WG.
- o Scope and target of TDWG was to develop a reasonable approach for handling the complexity of derivatives for the HPC market; the TDWG worked on this very complex matter for two years and has found very little interest from other RSPO members.
- o After discussing the risk of over purchasing of certificates (because adopting this as industry standard means adopting the max case scenario), it was agreed to follow the chosen approach, however hard it is to quantify the risk of over estimating PO / PKO component volumes.

- It was decided NOT to use the Utz traceability system for derivatives.
- As next steps, it was decided:
 - To set up TDWG2, reporting into SC T&T, and have it to review open issues and re draft the TWG paper into a clear set of key rules as proposal to next SC T&T meeting.
 - To ask TDWG2 to post an open invitation to RSPO members to submit comments and to join in order to also reflect other RSPO constituencies (such as users); volunteering to join TDWG2 are Liz, Gerrit, Martin Ashley, Anna Bexel, Sytze

8 Progress Utz

- Brief discussion, for lack of Utz representatives present at meeting.
- Utz is migrating to new Octopus platform as presented at meeting in April; after two or three other commodities, palm is scheduled to migrate to Octopus fall 2011.
- Consultant Reinier de Man has started with overall Utz review. Preliminary conclusion after first interview round is that additional value of Utz is disappointing. The review also includes two workshops, planned for 29 June and 20 Sept. After that conclusions will be presented to SC T & T.

9 Outlook & Preparation RT 9

- It was decided to reserve a slot for a SC T&T session in the RT9 program and to later decide on exact setup for session; besides 'training' it was suggested to 'listen' to stakeholders (open space).

10 Wrap up, decision overview

- Next meeting on 6 October, in Liverpool, hosted by NBPOL (AT) with the issue of rule set for multi ingredient products to be included on the agenda (LC to put specific question to RSPO technical helpdesk)
- Martin Craven will take lead in preparing session for RT9, sharing progress via email.
- Another meeting (by conference call) is possible (if needed) somewhere between 6 October and RT9.
- Next physical meeting will be early (12?) January 2012
- Question from UB regarding passing of deadline for self assessment periods: recommended SR to request Darrel Webber for advice on this.

Overview of action points:

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- HvK will inform SY on dates of next meetings to assure he will participate and if possible be present.
- All members can provide feedback to the documents on PKO and SCCS certification for mills as provided by Neil Judd
- HvK to invite Adam (chair SC S&C) to attend next meeting to discuss draft document on mills certification.
- Michelle Morton will clarify which requirements the biofuel sector would like to see the UTZ system deliver
- HvK to encourage the three other SC chairs to share meeting dates / agendas / (draft?) notes
- All members to help RSPO secretary to find suitable candidates for vacancy for a supply chain officer.
- HvK to check if new TOR's of SC's properly reflect our view on the role of SC T&T.
- HvK to distribute EB TOR.
- HvK to discuss proposed approach for trademark evaluation with the SC C&C chair (JKV).
- TOR SC T & T: working group to rewrite draft based on SC T&T feedback, to screen other TOR's on alignment with our view on SC responsibilities, to distribute new version together with TOR's to all SCT&T members for final check and to submit to EB for approval in July meeting.
- GreenPalm audit regime working group to propose a clear guidance protocol (for GP users and cb's).
- ML to circulate TOR review SCCS. All members of WG 1 and 2 to submit comments before end of June.
- WG2 to further work on issues and report back to SC T&T.
- ML to include decision on "no expiry dates" into TOR for SCCS review.
- HS to set up TDWG2 and have it to review open issues and re draft the TWG paper into a clear set of key rules as proposal to next SC T&T meeting, and to post an open invitation to RSPO members.
- MC to take the lead in preparing session for RT9, sharing progress via email