

Summary of Thirty-Fifth Technical SRWG Meeting

The Thirty-Fifth (35th) Shared Responsibility Working Group (SRWG) technical meeting was opened at 18.00 PM (MY Time) and 12:00 - 13:30(CET) on 1st October 2024 by the Secretariat virtually.

The meeting started with a list of attendees for the meeting. The agenda of the meeting was presented to the SRWG briefly just after the anti-trust statement was read and acknowledged. The meeting covered technical issues, data uploads, and membership requirements, including updates on the Sr. Toolkit and Excellence Awards. Discussions focused on setting uptake targets for the coming year and analyzing performance data from various sectors. The team addressed challenges in target-setting due to market fluctuations and agreed to revisit methodologies and strategies for improving member engagement.

The meeting ended at 19:30 (MY Time) and 13:30 (CET)

MINUTES OF MEETING OF RSPO
RSPO Shared Responsibility Working Group (SRWG) 35th Technical Meeting

Date: October 1, 2024 (Tuesday)

Time: 18:00 - 19:30 (MY Time)

12:00 -13:30 (CET)

Venue: Virtual (Zoom)

Attendance:

<p>Members and Alternates</p> <ol style="list-style-type: none">1. Julian Walker-Palin (JWP, RPOG)2. Servane Molendini (Biscuit International) <p>Absent with Apologies</p> <ol style="list-style-type: none">1. Surina Binti Ismail (Sbl, MPOA)2. Selina Winter (ICOF Europe GmbH)3. Nursanna Marpaung (NM, HUKATAN)4. Harjinder Kler (HK, HUTAN)5. Joshua Lim (JL, Wilmar)6. Camille Maclet (CM, BNP Paribas)7. Hannah Mittner (HM, Lidl Stiftung & Co. KG)8. Brian Lariche (BL, Humana Child Aid Society, Sabah)9. Kamal Seth (KS, WWF International)10. Lim Sian Choo (Bumitama Agri Ltd)11. Ayers Zhen Yi Hong (AZYH, Procter & Gamble)12. Hazmilah Sulaiman (Wild Asia)	<p>RSPO Secretariat</p> <ol style="list-style-type: none">1. Inke Van Der Sluijs (IVDS)2. Divya Bajpai (DB)3. Yen Hun Sung (YHS)4. Nurul Ain Binti Sazalli (NAB)
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No	Description	Action Points
1.0	<p><u>Welcome Note</u> The Secretariat welcomed the SRWG members to the meeting. The SRWG members acknowledged the anti-trust statement prior to the meeting.</p> <p>The agenda of the meeting included:</p> <ol style="list-style-type: none"> 1. Welcoming and Agenda 2. Approval of the minutes 3. RSPO Secretariat updates <ul style="list-style-type: none"> ○ RSPO Secretariat updates ○ Action points ○ Status of key deliverables 4. Approval of FAQand First Warning Letter 5. CSPO uptake scorecard result <ul style="list-style-type: none"> SR CSPO uptake target Year 4 (2023) performance <ul style="list-style-type: none"> ○ Credits vs physical assessment ○ Top 15 organisations based on CPO uptake (integrated organisations) <ul style="list-style-type: none"> ■ SR Scorecard methodology and visuals updates ■ SR at RT2024 ○ Year 6 CSPO uptake targets. 6. AOB 	
2.0	<p>Approval of Minutes</p> <ul style="list-style-type: none"> ● 34th SRWG meeting - 02 Sep - sent by email (<i>deadline for comments was 13th Sep</i>) as <i>no comment was received, Minutes are uploaded on RSPO Website.</i> 	

3.0

RSPO Secretariat Updates

RSPO Secretariat:

- Standards review. Concluded the stakeholder consultations. Comments reviewed and Steering Group met last week for decisions on outstanding topics
- Stakeholder Awareness and Reputation [Study](#) Shows Increased Certification Recognition, Reputational Improvement
- [prisma](#)
- [RT2024](#) Bangkok 11-13 November
GA21 13 November
 - Call for nominees for the [Excellence Awards](#) by 4 October

Overview of action points:

- 33rd SRWG Meeting - 21 May 2024
 - Secretariat to follow up with sNGO rep on her attendance and commitment for the SRWG. -**Completed**
 - Secretariat to check with HS on the subgroup of BoG on ACOP, for the secretariat to do any changes or proposal regarding ACOP. -**Completed**
 - SRWG to reach consensus on the SR impact rethinking activity. -
Ongoing-update this call
 - Socialise among sector members the Rethinking SR impact draft. - **On hold**
 - To reach out those top 15 members per sector that for two consecutive years do not meet the uptake target - wait for Sept24 SR Scorecard data. -**On hold**
 - Secretariat to recheck the data of the top 15 members who did not meet the uptake target - share the correct data. - **Ongoing**
 - Secretariat to check uploaded MyRSPO evidences and example of the SR policies (At random). -**Ongoing**
- 34th SRWG call - 7 August 2024
 - Secretariat to follow up with Nursanna and Brian on their involvement in SRWG-
Ongoing
 - Secretariat to upload previous minutes on the website by 23rd August if there are

	<p>no comments. -Completed</p> <ul style="list-style-type: none">○ Secretariat to put into a list of assurance issues regarding the data from PalmTrace and give to Assurance Standing Committee- Ongoing○ Secretariat to align with HS on the process to activate the subgroup of BOG regarding the proposal to review ACOP questions and the timeline- Ongoing○ Secretariat aim to publish the stakeholders guidance in the website before or during September -Completed○ Secretariat aim to update and revised the SR FAQs -Completed○ Before next SRWG meeting, Secretariat will share the slide and SRWG member to give input on any future SR topics, or challenges that they wanted to share and how SR can help -Completed○ Secretariat to meet PIC of RSPO Pills for RT -Completed○ Secretariat to send email to SRWG members on the 'Rethinking of Impact of SR' feedback on agreeing to give more weight to these requirements and specific implementation. -Completed○ Secretariat to share template with SRWG members on the consultation among sector peers (once consensus is reached)- Ongoing○ Secretariat to share 'doodle' on the next SRWG meeting and set up the call (doodle vote sent and most voted for 1st October) -Completed○ Secretariat to send email to the absent members on the confirmation for visuals of the SR Scorecard visuals to all SRWG members (Email sent on 8th August and deadline given until 16th for any comments/objection - no objection) -Completed	
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4.0	<p>SR Unit and SRWG</p> <ul style="list-style-type: none"> ● SR Unit - Activities overview <ul style="list-style-type: none"> ○ SR New Scorecard Published on RSPO Website on 27th Sep. ○ New calculation Methodology is uploaded on website. ○ Updated FAQ on SR (Draft was shared with the SRWG on 11 Sep) can we have approval to upload on RSPO Website? <ul style="list-style-type: none"> ■ Sanction mechanism - 1st warning letter (Draft was shared with the SRWG on 11 Sep) Can we have approval to issue to members? ■ New members from 5 September 2023 CSPO baseline → use the membership application (question 6 and 7) ○ Email for SR toolkit in Sept is out to 116 members who scored 8.5 and above ○ Alignment with PIC of the Excellence Awards - SR category. (Ongoing) ○ Key SR documents (MyRSPO SR guidance, etc.) are reviewed by comms and soon it will be uploaded in RSPO Website. 	<ul style="list-style-type: none"> - Approval was given to upload the revised FAQ on RSPO website after few changes - Small corrections were made in the 1st Warning letter to be issued to members who did not complete MyRSPO profile.
5.0	<p>Data Analysis of SR Scorecard Year (4)</p> <ul style="list-style-type: none"> ● Members complying with SR <ul style="list-style-type: none"> ○ Total we have 2006 Ordinary Members who need to comply with Shared Responsibility (SR) as of 20 Aug 2024 (includes members having active and suspended status) 1997 are Active members and 9 are Suspended members: - CSPO Uptake performance Year 4 (2023) data was presented that P&T met 44%, CGM met 62% and Retailers met 67%. Despite increased membership, the percentage meeting the CSPO target remained stable. 	<ol style="list-style-type: none"> 1. The survey will be given to the members who did not meet the CSPO target.

6.0	<ul style="list-style-type: none"> - Discussions planned on encouraging shared responsibility and gathering feedback from regions like Europe, where 65% met targets. - 2023 and 2024 top performers based on CPO consumption data were presented. ● MYRSPO Y4 (2023) performance - Some members changed from Associate to Ordinary membership for these members SR team need to do outreach programmes. - Members changed from Sector from P&T to CGM or vice versa so data of SR is lost so warning letters will not be used. - Some Members only showed 10 policies instead of 18 policies - In 2023, we have the 16.million MT CSPO produced by Growers and Independent Palm Oil Mills, stronger than the expected increase. - The increase in 2023 CSPO Sales of P&Ts and CSPO consumption by CGMs/Retailers must be noted with the inflation aspect as well as the living crisis cost, there are increase but not as much as predicted - Optimally, the CSPO Uptake target was 2%, actual growth of 0.8% (aggregate of all P&T). For CGMs and Retailers, the uptake target is 12% and actual growth of 4.4% - The credits also increase in year 2023 which was larger than the physical consumption, might be due to supply chain disruption and also the inflation - SRWG: The uptake was dropped off and a lot more on the CSPO consumption of credits compared to physical - It was affected by the economic situation of the living crisis and inflation, couldn't say it is the trend right now because it is still early - The concern on the SRWG low attendance was raised by the members and to check with members why they are not able to join the call. - The fact that we have strong numbers and data now so we can project the next course of action, we can be more data driven now. <p>CSPO Uptake Target Year 6 (2025)</p> <ul style="list-style-type: none"> ● Uptake Target Methodology <p>-The Shared Responsibility Uptake Target modelling methodology is based on matching supply with sourcing/consumption volumes within 3 years</p> <p>-The source of the modelling is ACOP data, and the basis of the methodology is:</p> <ul style="list-style-type: none"> ○ Projecting the available supply of CSPO for the next 3 years 	<ol style="list-style-type: none"> 2. SR Team is working closely with Membership team to get the exact number to exclude above three scenarios before issuing the warning letter and will update the number in the next SRWG meeting. 3. SR Team is working with Business solution team to solve the IT related issues and will update the SRWG in next meeting 4. To share recordings and slides of this meeting to absent members in this meeting to get feedback on the Year 6 Uptake Target. 5. To revisit and see SR mandate on the methodology on the uptake target 6. To do the doodle on which preferred date for next SRWG meeting.
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- Projecting the current trend of CSPO sourcing (by Processors/Traders) and CSPO consumption (by CGMs/Retailers) for the next 3 years
- Calculating the gap between available CSPO supply and CSPO sourcing/consumption for the next 3 years
- Estimating the necessary CSPO uptake percentage increase necessary for P&Ts and CGMs/Retailers to close the gap between supply and sourcing/consumption volume within the next 3 years

Discussion:

Member questioned: Do you take into account the quantity that new members can bring in? Yes, there is a parameter in the modelling that estimates the potential new volume, new growers and new downstream members can bring in

- Proposed Uptake Targets (Year 6)

-Based on 2023 data, we note the following:

- CSPO supply has grown slightly faster than previously projected
- CSPO sourcing (by P&Ts) has increased, but overall growth in uptake percentage fell short of the Year 4 target (0.8% vs 2.0%)
- CSPO consumption (by CGMs/Retailers) has increased but overall growth in uptake percentage also fell short of the Year 4 target (4.4% vs 12.0%)
 - While physical CSPO consumption volumes did increase in 2023, 56% of the growth in total consumption volume growth came from CSPO Credits
- Overall, the CSPO supply/consumption gap increased slightly in 2023
- CSPKO supply/consumption remains tight and supply constrained

-Updated modelling based on 2023 data recommends the following uptake targets for Year 6 (2025):

	CSPO Year 6 Uptake Target	CSPKO Year 6 Uptake Target
Processors & Traders	2%	-
CGMs, Retailers	13%	-

Discussion:

- In term of procedure, we need approval from the working group on the year 6 uptake target on the 13%, then we will bring this to the MDSC of the oversight of this WG and then to the BOG for the final approval
- SRWG member needs more time to process before agreeing/not for this uptake target
- If to look at the trend, majority of CSPO flow to Europe market however credits will no longer be viable from the end of this year due to the EUDR, so credits will be used only by other countries other than Europe from year 7 target (suspected) as some companies in Europe may look for EUDR compliances for supply that is not RSPO certified (probably).
- If we are to increase the CGMs and Retailers Uptake Target in the time where we didn't hit the target last year significantly, it's a tricky one
- SRWG Retailers also couldn't confirm on the 13% of increase of the year 6 uptake target in this call
- Secretariat : the 13% is the theoretical target that does not take into account market fluctuations, or trading patterns. 2024 is a disruptive year and 2025 might also be a disruptive year. Europe side will be affected by EUDR as now also the consumption is high from there also can focus on the Asia market side to outreach more
- Worry if we fail on the uptake target increase. Before we talk more on this, what are the engagement plans that link to the CSPO uptake target to increase of this 13%
- In response to the statement above, whether we can see other countries other than Europe that can pull this 13%. We can see growth of India, China, Malaysia and Indonesia market but it is very difficult to predict
- Secretariat: Different regions have different growth. China has relatively flat growth in 2023, because of the economic crisis. India has changed in the buying pattern as well because of the differences in prices of soybean oil and palm oil even though their CSPO volume is increasing. The original mandate is three years for the uptake target.
- The 13% is going to be a challenge for the Retailers and CGMs, need to think outside the box or revisit the methodologies

6.0	AOB - Next meeting in first week of December - on 5th December	
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