

## Minutes for EXECUTIVE BOARD MEETING EB 03-13

**Date:** 3rd – 4th July 2013

**Venue:** Novotel Blackfriar Hotel, London

### Attendance

#### **EB Members and Alternates**

Unilever Jan-Kees Vis (JkV) - Chair  
BothEnds - Paul Wolvekamp (PW)  
HSBC – John Laidlow (JL)  
IOI - Hidde van Kersen\* (HvK)  
MPOA – Khairudin Hashim (KH)  
MPOA – Simon Siburat (SS)  
RPOG – Belinda Howell (BH)  
WWF – Adam Harrison (AH)  
ZSL –Elizabeth Clark (EC)  
Mondolez – Neil Lacroix (NL)  
Carrefour–Agathe Grossmith (AGG)  
Univanich – John Clendon (JC)  
Rabobank – Thomas Ursem (TU)  
NBPOL – Petra Meekers(PM)  
AAK – Martin Craven (MC)  
Oxfam – Johan Verburg (JV)  
Oxfam – Kate Geary \*\* (KG)

\* Only on Day 1

\*\* Only on Day 2

#### **With Apologies**

Conservation Intl – John Buchanan  
Indonesian Growers – Edi Suhardi  
Royal Ahold - Hugo Byrnes  
AAK – Tim Stephenson  
DAABON – Felipe Guerrero  
Felda – Mohd Noor Kailany

#### **RSPO Advisors**

Prof. BungaranSaragih (BS)  
MR Chandran (MRC)

#### **Secretariat Staff**

Anne Gabriel (AG)  
Chong Wei Kwang (CWK)  
Desi Kusumadewi (DK)  
SalahudinYaacob (SY)  
Stefano Savi (SS)

Item	Description	Focal Point
1.1	<p><b>RSPO Antitrust laws</b></p> <p>There will be no discussion on any commercial aspect of the trade in palm oil on premiums, volumes, individual suppliers, individual customers, etc.</p>	FYI
1.2	<p><b>RSPO EB consensus based decision making</b></p> <p>The EB was reminded that they try to reach/make decision by consensus which is the absence of sustained opposition.</p>	FYI
1.3	<p><b>Approval of Minutes of previous meeting EB 02-13</b></p> <ul style="list-style-type: none"> <li>• Spelling of Michal Zrust.</li> <li>• Under AOB - Adam would like to add the following text :</li> </ul> <p><i>WWF to develop a framework for assessing producers on their progress with respect to the proposed “RSPO plus”. The Executive Board is to be kept briefed by WWF on progress over this matter.</i></p>	DW
2.0	<p><b>Discussion on McKinsey Revenue Model</b></p> <p><u>Feedbacks on McKinsey presentation:</u></p> <ul style="list-style-type: none"> <li>• JL said that he is impressed with the content but is not really satisfied since there is no clear recommendation on how to further our strategy.</li> <li>• KH suggests that it is good to do a survey among members who are not reporting through ACOP on licensing and trademark</li> <li>• JKV states the new engagement structure (the participant) and asked how much is the increment before RSPO could create another membership category? He also states that 320 members who has not submitted ACOP has delayed in paying fee.</li> <li>• KH states to conduct a survey by interview and need to get some form of target.</li> <li>• AGG said that the presentation was very clear. She even mentions that it clarified what we want and do not want. Need to redefine the preposition due to major concerns that have been raised. The new category should be the extension of the supply chain associate.</li> <li>• SS gives out growers perspective that he is not sure how much time they spent in looking into the growers especially the “sleeping” grower members. The basis of the projected 36 % growth was not properly explained.</li> </ul>	

	<ul style="list-style-type: none"> <li>• JkV –It is about giving trademark use for non-members Perhaps to replace the SC associate category with the same volume cap.</li> <li>• BH gave an impression that it is impressive. Focus on supply chain category membership. They did not look at SC certification.</li> <li>• AGG – the proposal was for ACOP to be voluntary for supply chain associates.</li> <li>• JKV – Two things. Survey is about uptake. It is about what the trademark licensee model would look like.</li> <li>• MC–Many people would not be interested on trademark</li> <li>• KH – suggests target for fully segregated.</li> <li>• JC – Thailand consumed as much as Malaysia.</li> <li>• JKV – to include Thailand into the list as well.</li> <li>• MRC – on partnership. Who will decide on which organizations that we partner with?</li> </ul> <p><b>Decision:</b></p> <ul style="list-style-type: none"> <li>• The secretariat is to conduct a survey with inactive members and retailers (how many of their suppliers may want to use the TM license model instead of membership). The secretariat will develop a proposal on whom and how the survey will be carried out including the messaging to be conveyed. Position the objectives of the survey as: how we aim to increase the uptake of CSPO/volumes thru the TM license.</li> <li>• To develop a proposal for the TM licensee model – it is about access to supply chain certification and trademark licensing. Those companies who want to be supply chain certified are different from those who may use the Trademark at end manufacturing.</li> <li>• Analyze the data and information the supply chain models and trends. The secretariat to set the target to achieve: a number in a year: e.g. 60% by time frame. To look into current assessment reports on the description of the supply chain.</li> <li>• Secretariat to develop a strategy in demand markets in Asian markets: Indonesia; Malaysia; Thailand; and for the longer term: China and India.</li> <li>• To identify and evaluate the purpose of the individual partnership and what is the outcome of the relations and who in the secretariat or EB is responsible to manage the relationship. 26 were identified by McKinsey and few more added (United Nations; UNEP; UNDP). The secretariat needs to review this feedback</li> </ul>	<p><b>DW/AG</b></p> <p><b>DW</b></p> <p><b>DW</b></p> <p><b>DW/AG</b></p>
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<p><b>3.0</b></p>	<p><b>Report from Treasurer(See Attachment)</b></p> <p>YTD May 2013 Full year forecast – surplus of RM763,000</p> <p>SY mentions that a new division has been created in the secretariat. This is the Impacts division, which will be headed by Ms. Audrey Lee.</p> <p><b>New offices:</b></p> <ul style="list-style-type: none"> <li>• UK will be set up by this year. Offices in China, India, Colombia and Ghana is pending</li> <li>• JKV – In China- RSPO looks forward to some collaboration between FSC, MSC and RSPO in China. Especially in dealing understanding and complying with regulatory requirement.</li> <li>• JKV – we need to spend money to support RSPO members and RSPO processes. We may need to consider lowering the trade fee.</li> </ul>	<p><b>FYI</b></p> <p><b>FYI</b></p> <p><b>FYI</b></p>
<p><b>4.0</b></p>	<p><b>Trade &amp; Traceability</b></p>	
<p><b>4.1</b></p>	<p><b>Trade &amp; Traceability</b></p> <p>Progress on Integrated IT system HvK – Presented on the development - No consensus reached at the last T&amp;T meeting</p> <p><b>Decisions:</b></p> <ul style="list-style-type: none"> <li>• Workout this simple reporting technique in more detail</li> <li>• Workout info management</li> <li>• Subsequently examine whether handshaking would be possible in new protocol; investigate what additional information handshaking would bring us</li> </ul>	<p><b>SY</b></p>
<p><b>4.2</b></p>	<p><b>T&amp;T Subgroup – Derivative</b></p> <p>SY presented the paper titled ‘RSPO rules for physical transition of Oleochemical and its derivatives’ that has been prepared by the Derivative sub group, requesting EB approval so that it can be used for the supply chain.</p>	

	<p><i>This paper :</i></p> <ul style="list-style-type: none"> <li>• <i>Explains the differences between Mass Balance and Segregated effects from a diverging production.</i></li> <li>• <i>Considers a standard yield factor and with this allows to stay away from proprietary knowlegde on operational excellence.</i></li> <li>• <i>Contains (under 3.4.) a much more detailed list of common derivatives (47 instead of 24), but using the same factors for the 24 items and the same mechansim under stoichiometric principles that where already on the first list.</i></li> </ul> <p><i>There is confusion around the MB mechanics in the Oleochemical market and this draft shall clarify a few critical items.</i></p> <p><i>Ultimately a new revised version that combines the two papers and lets them become an integrated part of a new SCCS would definitely be the next step.</i></p> <p><b>Decision:</b> With such clarification, EB has approved the new document</p>	<b>SY</b>
<b>4.3</b>	<p><b>Validity of “Future Sales” under Green Palm</b></p> <p>SY presented to the EB the reconciliation work currently undertaken comparing GP and UTZ trade. The study would eventually marry the two systems. In the process, many items have been identified that require decision by RSPO Secretariat. Most of the items have been resolved. The only remaining unresolved issue is on the future sales currently undertaken by Greenpalm. Secretariat require advise from the Board.</p> <p><b>Decision:</b> Pass the discussion on the future sales under GP back to the T&amp;T to discuss and find ways for system using calendar year for reporting <b>No future sales should be allowed.</b></p>	<b>SY</b>
<b>5.0</b>	<b>Standards &amp; Certification</b>	
<b>5.1</b>	<p><b>HCV compensation update</b></p> <p>AH presented progress that have been made by the Compensation Task Force in coming up with guidance on compensation. All issues have been resolved and now is planning for coming up with document for public consultation.</p> <p>Growers have voiced concerns on monetary value compensation claiming insufficient consultation. Request delay for public consultation.</p>	

	<p>EB reminded Task Force members that it is their responsibility to seek feedback from their respective constituents, after receiving the said consultation documents.</p> <p><b>Decision:</b> CTF to come out with consultation document explaining clearly justification for every decision made prior to public consultation. Must circulate the draft consultation documents to, and obtain consensus from the task force members.</p>	<b>AH/SY</b>
<b>5.2</b>	<p><b>ISEAL banned pesticide listing</b></p> <p>SY briefed the EB on RSPO participation in ISEAL’s pesticide working group. The WG group is coming up with a statement that needs to be signed off by the ISEAL members as well as compilation of a list of banned chemical.</p> <p>RSPO Secretariat requires advice from EB whether RSPO need to continue to participate in the WG and the development of the banned chemical list.</p> <p><b>Decision:</b> EB agreed that RSPO should continue to participate in the ISEAL’s pesticide working group. However the RSPO will maintain its position on agro chemicals as per 4.6.6 in the RSPO P&amp;C. There are no foreseen negative repercussions on RSPO.</p>	<b>SY</b>
<b>5.3</b>	<p><b>Decision on text of the revised P&amp;C definition and annexes</b></p> <p>AH presented to the EB on the progress of the task force established to look into the definitions and annexes of P&amp;C 2013.</p> <p>Most issues had consensus apart from the guidance on ‘extensive planting on fragile soil’.</p> <p><b>Decision:</b> The EB has discussed the issue and has agreed with the following wordings:</p> <p><i>Extensive planting on fragile soils – Total area of planting on fragile soil within a new development should not be greater than 100 ha. Recognising that small growers have fewer options, for the development of 500 ha or less, no more than 20% of the total area should be on fragile soil.</i></p>	<b>SY</b>

6.0	<b>Communication &amp; Claims ( Day 2)</b>	
6.1	<p><b>Communication and Claims</b></p> <p>AG presented the recent Target consumer market which consists of France – Belgium – Norway – Sweden; Germany – UK – US – Australia &amp; N Zealand; Netherlands.</p> <p>MRC – The growers (MY and ID) do not know what RSPO is doing on the front to counter the negative campaigns.</p> <p>AG - We need to create/communicate positive elements of PO not to battle the negative one. Need to stop people from running away from PO.</p> <p>JC – Export of PKE to New Zealand also affected.</p> <p>AGG – We promote sustainable PO but not defending the PO per se.</p> <p>KH– Communication can never be enough. Need communication strategy. How do we measure the effectiveness of our communication efforts? MPOB and RSPO went to Australia Zoo – now we can see the positive outcome where zoo are now supporting sustainable palm oil.</p> <p><b>ACOP</b></p> <ul style="list-style-type: none"> <li>• The ACOP 2013 was launched at 12 June</li> <li>• Deadline for submission will be on the 6th Sept.</li> <li>• Total number of members required to send in – 682</li> <li>• Starting next month – we will have a dashboard on the web recording companies submitted the ACOP.</li> <li>• The final ACOP report will be available before RT11 this year.</li> </ul> <p>Decision:</p> <p>The EB member should advocate the fulfillment of the membership obligations with regards to ACOP submission, within their constituents.</p> <p>AG will draft a letter to be used by the EB grower to communicate downline.</p>	<p><b>EB</b></p> <p><b>AG</b></p>

**Trademark**

- License is valid for 2 years. There are many enquiries coming in.
- A Complaints form is developed and published on the RSPO website, which is [www.betterpalmoil.org](http://www.betterpalmoil.org).
- Trademark toolkit/merchandising for Indonesia market is still at conceptual stage.

**RT11**

July 5<sup>th</sup> – the draft programme will be given and the RT11 promises to be the most interactive one yet.

**RSPO Debates Blog**

- Contract with vendors just signed
- Blog up by Sept 3<sup>rd</sup>.

**Toolkit for Zoos & associations**

- Developed toolkit containing core messages

AG updated EB on matters including, Online market directory, Membership application, Chinese website gone live.

**WIPs**

- Members profile pages
- Revamp of the homepage
- Website in Bahasa Indonesia

**European summit in Berlin**

There are Four sessions that were discussed:

- Europe's changing regulations
- Boosting industry commitment
- Challenges in becoming RSPO certified
- Credibility of certified sustainable palm oil

**European roadshow** – A roadshow will be conducted in Norway and Sweden immediately after the Berlin European Summit.

**Updates provided on operational matters:**

1. Review on H&K completed – decision of C&C SC is to continue with H&K pending detailed scope of work and the role of new RSPO EU Communication Director.
2. Currently the communications cost makes up 20% of overall RSPO budget.
3. Indonesian communication manager interview concluded

	<p>and a candidate has been identified and will be appointed.</p> <p>4. AG updated the EB about her migration plans to Australia and the vacancy of the role of Communication Director in Malaysia which will soon be replaced through a recruitment process.</p>	
<b>7.0</b>	<p>JV briefed on the progress of the proposed Human Rights WG JV has circulated the ToRs</p> <ul style="list-style-type: none"> <li>• BH – Volunteers from retailers who already have similar programmes, will be made known. The supply chain wants to be involved.</li> <li>• SS – Mathews from United Plantations has agreed to be in this Working Group.</li> </ul> <p><b>Decision:</b> Develop programme with budget</p>	<b>JV/SY</b>
<b>8.0</b>	<p><b>Complaints – JV</b></p> <p>JV assisted DW, who was absent, on the systemic issues faced by the complaint panel.</p> <ul style="list-style-type: none"> <li>- More volunteer are required for this panel. These volunteers require two hours every two weeks contribution.</li> <li>- Grower members are particularly encouraged.</li> <li>- need to clearly specify what documents to be made public</li> <li>-</li> </ul> <p>BH – appeal to supply chain constituent to volunteer.</p> <ul style="list-style-type: none"> <li>- NL volunteered.</li> <li>- JL will revert later on volunteer from HSBC</li> <li>- JKV will check with Cherie Tan</li> </ul> <ul style="list-style-type: none"> <li>• JKV – transparency is essential. Need to be made public on the progress of the complaint. The complaint coordinator and CP to decide on the documents to be made public.</li> <li>• KH – opportunity to be heard from the complainee is essential.</li> <li>• AH – recommendation on the ‘case tracker’. Like to see the history there as well.</li> <li>• SS – a lot of complaints from New Plantings Procedures (NPP). Growers worry that NPP is being used to block the progress of the proposed development. ‘Stop Work’ is undesirable. Stop work should not be extended to areas not implicated in the NPP. Need to provide a leeway (in terms of time) for the complainee to act on it. Complainants are not based on site and come with unrealistic</li> </ul>	

	<p>demands.</p> <p>JKV suggests that Grower members are encouraged to join. Need more NGO's in the pool.</p> <p><b>Decision:</b></p> <ul style="list-style-type: none"> <li>• EB instructed that all complaints should be published immediately after verification of complaints has been conducted.</li> <li>• To create clarity on which corresponding supporting documents needs to be published.</li> <li>• All communications regarding the complaints should be managed by the Secretariat and no instance should it be via individual members of the complaint panel.</li> <li>• All historical cases should be published on the RSPO website.</li> </ul>	<p><b>DW</b></p> <p><b>DW</b></p> <p><b>DW</b></p> <p><b>DW</b></p>
AOB	<p><b>Paul W – Outreach to local intermediary organization in producing countries</b></p> <ul style="list-style-type: none"> <li>- Followings steps proposed <ul style="list-style-type: none"> <li>o An assessment of RSPO's current and potential outreach. Develop TORs.</li> <li>o Information and capacity building needs assessment amongst local organisations</li> <li>o Formulation of best practices, with respects to FPIC and land tenure</li> <li>o Develop knowledge base and training capacity</li> <li>o Update and proactively disseminate guidance on FPIC</li> </ul> </li> </ul> <p><b>Decision:</b> Paul to develop the plans for the above.</p>	<p><b>PW</b></p>
AOB	<p><b>RSPO chairmanship</b></p> <p>JKV reiterate his decision for not extending his presidentship. Urge members to identify replacement.</p> <p>HvK– two important strategic decision be made by RSPO</p> <ul style="list-style-type: none"> <li>- Technical decision should not be discussed by the Board</li> </ul> <ul style="list-style-type: none"> <li>• KH– proposed co-chairmanship</li> <li>• JKV – question on legal. Co-chairmanship is a good idea but we need to get lawyers advice.</li> </ul>	

	<ul style="list-style-type: none"> <li>• SS – ID grower supporting the proposal for co-chairmanship</li> <li>• CWK we will check with the lawyers.</li> <li>• MRC – the strength of organization is also based on a chairman who has a global standing, and someone who are knowledgeable on the palm oil industry.</li> <li>• JC – Agreed with HvK that we need a strong technical Secretariat.</li> </ul> <p><b>Decision:</b> Secretariat to contact the lawyer on the co-chairmanship proposal. What are the legal implications and changes require implementing that</p>	<b>DW</b>
AOB	<p><b>Scientific paper</b></p> <p>Tim Killeen presented via teleconference progress on the scientific paper being compiled by GHG WG2. Four papers are being produced and will be published very soon. Before its publication, it is important to brief the EB on the salient points of the paper.</p> <p>Three main take home messages:</p> <ul style="list-style-type: none"> <li>- Planting of oil palm is not on primary forest (ie. palm oil is not the biggest contributor to deforestation)</li> <li>- Planting on peat is the biggest contributor of GHG emission and will continue</li> <li>- Important to establish our own datasets on emissions.</li> </ul> <p><b>Decision:</b> The EB concur that the papers carry important scientific facts and messages on palm oil planting. To find an editor/designer for high quality publication.</p>	<b>SY</b>
AOB	JKV requests that DW is to retable the e-voting proposal at the next EB meeting.	<b>DW</b>

AOB	<p>JKV informs that Unilever, in collaboration with others are looking to develop a voluntary standard/system within the current RSPO certification scheme that incorporates elements of the RSPO RED standard. This is to cater to existing market demands.</p> <p>AH clarifies that whilst the terminology of what to call this proposed standard/system, it should essentially be a mechanism which can help to identify growers who operating at the top end of the certification requirements or at the bottom end.</p> <p>Many EB members mentioned their hesitance of such a proposal for fear of fragmentation and/or “cannibalization”. Some even suggest that this standard/system be moved out of the RSPO systems.</p>	<p><b>FYI</b></p> <p><b>FYI</b></p> <p><b>FYI</b></p>
AOB	<ul style="list-style-type: none"> <li>• DK informs that the ISPO and RSPO joint study is ongoing.</li> <li>• AG informs, on behalf of DW, that the Vegetable Oil substitution and comparison study is ongoing. And may be finalized by next month. It may be therefore shared at the Berlin summit.</li> </ul>	<p><b>FYI</b></p>
AOB	<p>AH informs that there is a new report from WWF that shows that RSPO members may be buying FFB from illegally planted oil palm from smallholders/growers. WWF is having dialogue with the companies to develop tools to handle the problems. WWF and the RSPO Secretariat will come up with a WG to address this issue.</p>	<p><b>FYI</b></p>