

Minutes of Meeting

RSPO Communications & Claims Standing Committee (C&C SC)

Date: 14 September 2017
Venue: WebEx TeleCon
Time: 9am – 12:00pm (BST)

ATTENDANCE LIST

Stakeholder Group	Members	Organization	Email
Consumer Goods Manufacturer	Jan Kees Vis (JKV)	Unilever	Jan-Kees.Vis@unilever.com
Refiner/Trader	Eddy Esselink (EE)	MVO	esselink@mvo.nl
Consumer Goods Manufacturer	Chris Sayner (CS)	CRODA	chris.sayner@croda.com
Industry Association	Jelmen Haaze (JH)	IMACE	Jelmen.Haaze@imace.org
Oil Palm Grower	Eliza Mohamed (EM) Dhevia Kalyana Sundram & Alfyan Mohd Adnan standing in	Sime Darby	eliza.mohamed@sime-darby.com; alfyan.mohd.adnan@sime-darby.com; dhevia.kalyana.s@sime-darby.com
Retailer	Laura Jungmann (LJ)	Ahold-Delhaize	laura.jungmann@ahold.com
Trader	Judith Murdoch (JM)	AAK	Judith.Murdoch@aak.com
Environmental NGO	Emma Keller (EK)	WWF UK	Ekeller@wwf.org.uk
RSPO Secretariat	Stefano Savi (SS)	RSPO Secretariat	stefano.savi@rspo.org
RSPO Secretariat	Danielle Morley (DM)	RSPO Secretariat	danielle@rspo.org
RSPO Secretariat	Fay Richards (FR)	RSPO Secretariat	fay.richards@rspo.org
RSPO Secretariat	Inke van der Sluijs (IS)	RSPO Secretariat	inke@rspo.org

Agenda

9.00 - 09.10	Anti-trust policy Approval of minutes Review action points	Jan-Kees Vis
09.10 - 09.30	RSPO P&C Review	Stefano Savi Danielle Morley
09.30 - 09.50	Global and regional updates	Stefano Savi
09.50 - 10.00	Geo-RSPO & Fires	Stefano Savi
10.00 - 10.15	Monitoring Rules on Claims - complaint cases	Stefano Savi
5 minutes	Break	
10.30 - 10.45	Antitrust amendment to C&C rules	Stefano Savi
10:45- 11.15	Claims for 100% certified members	Stefano Savi / Judith Murdoch
11.15 - 11.45	European updates <ul style="list-style-type: none">• EURT report back & planning June 2018• Public policy• Media relations• Consumer campaigns• National markets - Poland.	Danielle Morley
11.45- 12.00	AOB Dates of next meetings & close.	

Minutes

Welcome & Introductions

- Apologies:
 - Paula den Hartog, UTZ
 - Eliza Mohamed will replace Leela Barrock on behalf of Sime Darby. EM is unable to join today therefore Dhevia Kalyana Sundram & Alfyan Mohd Adnan will stand in on this occasion only.

Section I

- Anti-Trust Statement
- Actions from last committee confirmed completed

SS:

- Woolworths & Coles complaints cases updated online
- ACOP Countries form updated
- ACOP Report uploaded to website this week
- Merchandise follow-up made by JM, EK & SS. Will update in next C&C meeting.

IS:

- Revisit certification bodies use of trademarks. Covered in latest CB meeting

- Minutes Approved

1. RSPO P&C Review Update (SS)

- 1.1. Ongoing review process as according to ISEAL best practices. First public consultation has started online, open from 1 September for 60 days.
- 1.2. Series of public consultations (face-to-face) until end of October. First face-to-face consultation takes place in Malaysia then Indonesia, Colombia, Ghana, Honduras, Thailand and UK.
- 1.3. There are also roadshow events which share just the methodology in Germany, France, Sweden, Belgium, North America and China.
- 1.4. P&C review will close at end of 2018 at the General Assembly RT16.

2. Global and Regional updates (SS)

2.1. RT15

- 2.1.1. Registrations are going very well. Possibility we will need to cap registrations as venue capacity is 900
- 2.1.2. Sponsors: Musim Mas and PepsiCo as Gold Partners. Lots of interest in sponsorship and booths

2.2. North America

- 2.2.1. Membership growth continues at a high rate in the market, both due to supply chain actors and retailers/CGMs – US growth 106%
- 2.2.2. Rate of Supply Chain Certification (SCC) continues to be robust as many retailers move to convert private label brands to Mass Balance, US SCC growth stood at 77%
- 2.2.3. Initiated the launch of the North American Sustainable Palm Oil Network working toward a 100% CSPO goal, with momentum building toward a formal group structure
- 2.2.4. Recruiting suppliers to restaurants/food service companies
- 2.2.5. Important brands/retailers, such as Dunkin' Brands, have joined the organization with recruitment of other large volume users continuing
- 2.2.6. Membership and Supply Chain Certification (SCC) in the U.S., if current trends continue, could potentially reach 160 new members and 50 new SCC facilities by the end of the CY 2017. Retailers are pushing their supply chains hard to move to physical material in the U.S. and Canadian markets.
- 2.2.7. Next steps; Unite and Empower the Membership, Colombia Media Tour and U.S.-based Physical Meetings.
- 2.2.8. Working more closely with Latin America colleagues and members.

2.3. Indonesia

- 2.3.1. Membership growing regardless of new group membership rules. Mature market. PO Mill certification has decreased due to not re-certifying
- 2.3.2. Indonesia Movement for Plantation and Human Rights Transformation (IMPACT): Continued training with ELSAM to grassroots communities.

Communicated using radio – live talk shows – to reach more communities and ensure that RSPO is utilised in palm oil expansion.

- 2.3.3. Plantation Issue in Utilizing Local Communities to Integrate Human Rights (PULIH)
- 2.3.4. RSPO Roadshow in Indonesia 2017: Targeting members and non-members; such as labour unions and key actors along supply chains.
- 2.3.5. Announcement of Indonesia Youth Leader in Sustainability winners, identified three leaders and will start programme soon increasing sustainability knowledge in collaboration with WWF and The Body Shop
- 2.3.6. Next Steps: RSPO CSPO uptake study in Indonesia, Strategic Industry Dialogue Platform on SPO, Indonesia White Paper on finance key players and sector risk in PO industry investment, and Intermediary Organisation (IMO) advisory group.

LJ: Are there other retailers making other claims in Indonesia?

SS: No. We are in touch with others but with Ahold we have had most progress in the discussions so far.

LJ: Okay. Also, is RSPO taking a role in the feedback role in the process for national action plan?

SS: Can speak to Tiur and get back to you.

LJ: Yes, that would be useful as we are also providing feedback as Supo-Indo so it could be politically sensitive

Action Point: SS to connect Tiur with Laura Jungmann in regards to feedback on national action plan in Indonesia (2.3.6)

2.4. Asean-9

- 2.4.1. Membership decreased slightly in Malaysia and Thailand due to new group membership registration, there are new members too.
- 2.4.2. Four media partnerships have been established with RSPO to further consumer communications in the region
- 2.4.3. SPO works with the Youth Leadership in SDGs Forum
- 2.4.4. Consumer awareness campaign. Planned on ground activation in collaboration with WWF MY.
- 2.4.5. ASIA PALM OIL CONFERENCE (APOC): RSPO participated in the conference as a speaker presenting topic on Trends Analysis & Future of Sustainable Palm Oil in Southeast Asia
- 2.4.6. RSPO Roadshow in Thailand which saw 90% attendance of Smallholders in Thailand
- 2.4.7. Singapore Alliance sets the standard and example to encourage other ASEAN countries National Initiatives on CSPO uptake e.g. Malaysia, Thailand
- 2.4.8. Expanding stakeholder mapping
- 2.4.9. Working on a trademark digital campaign
- 2.4.10. RSPO Roadshow Singapore, date tbc. as delayed by key partner restructuring at WWF MY. Postponed until end of year.

JKV: It's fair to say member numbers for Growers Indonesia & Malaysia is no longer growing

SS: Yes, we are at a plateau, at least for past year. Partly from group membership and many big players are already members. The P&C review process and its inclusivity will be fundamental in reaching out to different pockets of growers especially smallholders and medium enterprises

JKV: Any specific plans to achieve this?

SS: Roadshows to involve small and medium players are part of these plans to bring them closer to RSPO. We can only pull the supply chain by increasing demand for CSPO

JKV: Okay thanks.

2.5. China

2.5.1. Steep growth in membership

2.5.2. Follow up on CFNA and keeping up engagement after RT15. Working on proposal together.

2.5.3. Deliver full proposal to Master Kong's senior management. At Shanghai, 23 Feb 2017

2.5.4. RSPO & CFNA Working Meeting on China Mapping Study of Palm Oil Supply Chain. Awaiting approval. Study will show date for 2015 and 2016. We hope to draw a trend toward 2020 target.

2.5.5. Delivered Keynote speech at CCFA WABEL China Summit at Shanghai on 7 Jun 2017

2.5.6. In collaboration with WWF, launched 'Say Yes to Sustainable Palm Oil' Campaign at Beijing on 12 August 2017 – received very successful coverage

2.5.7. Next steps; Launch 'China Sustainable Palm Oil Alliance' at October 2017, Conduct RSPO China Forum on 12-13 Oct 2017 and launch China Sustainable Palm Oil Road Map 2030 at RT15

JKV: Progress in China is impressive. The long-term relationship with CFNA is paying off.

SS: Presence in China and follow up by staff with CFNA is working well. I will pass comment to Yun.

2.6. India

2.6.1. Recruiting a new representative. Close to signing contracts, start date 1 October 2017.

IS: WWF India released a report yesterday

SS: Correct. Good piece of work. They will use this report to engage supply chain actors and stimulate uptake

EK: We're also very pleased with the results of this report.

3. Geo-RSPO & Fires (SS)

3.1. New tool: Mapping platform designed to present RSPO members' concession maps for both certified and non-certified areas, and other relevant information such as fire data and forest cover. The platform allows both visualization and simple geospatial

- analysis. The data shown excludes Indonesia and most of Malaysia except for the State of Sabah due to uncertain legality status. Critical in terms of reputational risk.
- 3.2. We do not have all our Malaysian and Indonesian members' concession boundary maps and we are in the process of compiling concession boundary maps for Indonesia as we had sorted out the legal issue. The deadline to submit all concession boundaries is 31st Aug 2017 and we should have an updated dataset next month.
 - 3.3. Based on the 10,923 hotspots recorded over Malaysia and Indonesia over the period 20th to 27th August 2017. There was a total of 34 hotspots recorded within RSPO concessions and 123 hotspots recorded within one km of the boundary.
 - 3.4. Fraction of fires happening in RSPO concessions compared to non-members
 - 3.5. This data is updated weekly to spot re-occurring issues to address fire management

4. Monitoring Rules on Claims - Complaint cases (SS)

- 4.1. Woolworths & Coles: now available on the Complaints Case Tracker for the status. Both cases are now on 'Action Plan'
- 4.2. Woolworths has complied to all the requirements via the Complaints Panel. Expect complaint to be closed at next CP meeting.
- 4.3. Coles' situation different as there are other non-compliant issues. PO lead has left Coles and new person not briefed. Seems collaborative but not much progress. Will wait for CP deliberation.

Section II

5. Antitrust amendment to C&C rules (SS)

- 5.1. This was brought to us by a member in Europe who advised that their legal department had reviewed our rules on communications and claims.
- 5.2. Issue: It has come to the attention of the RSPO Secretariat that such a claim could be deemed in breach of antitrust laws of the EU, under Article 101 (ex Article 81 TEC)
- 5.3. RSPO Proposal with advice from legal advisor: It is proposed that the below wording is included in the 3rd bullet point in Article 3.3 of the Rules on Market Communications and Claims Document: "This "negative claim" requirement shall not in any way whatsoever restrict Members' freedom to make any other claim or statement regarding its product(s) or its composition provided always that any such claim be in accordance and compliance with applicable laws including competition law"

JKV: This wording was recommended by the UNILEVER anti-trust lawyers

SS: Yes, it was, thank-you.

- 5.4. Action: C&C SC to approve the above wording, and task the RSPO Secretariat to present the above change to the RSPO Board of Governors so that such change is adopted in the approved within the RSPO Market Communications and Claims rules, and on the RSPO Code of Conduct for Members.

EE: I can see that we don't want to be against these applicable laws. But I was wondering if we need to include this complete text as being proposed. A question, if you stick to wording as presented, why don't we include one sentence such like 'above standing should be in compliance with applicable laws including anti-competition laws'. Then we circumvent everything and save wording.

SS: Following advice lawyers that additional statement required rather than amended sentence to 1.1. This is not my expertise but following this advice.

EE: I just like to reduce the words as much as possible.

JKV: This is the wording suggested, if we don't have a problem with what it means then we should accept this.

JH: In Belgium, court ruled that the negative claims used by Delhaize were unscientific and unsubstantiated. Is there some way we change this that we can clarify and remark that there is indeed no scientific data?

LJ: The court decision actually said it was fine to make negative claims but not fine to make legal claims with a statement about positive impact - environmentally or socially - as this is not scientific proven

JKV: Which confirms the intention we had with the definition of negative claims right?

EE: Correct

LJ: Shall I ask the lawyers who worked on this case to take a look at this?

JH: Yes please.

LJ: Ok, will do that.

JKV: In the meantime, Stefano would like to present this to the Board of Governors next Monday

JH: Yes, I have not problems with what is said. My only request is to put in the context of what happened in Belgium

SS: I don't think the text that has been presented today is in conflict with what you would like to add, so if further explanation on our clause on negative claims. Would it be okay if we proceed with the text presented today and then we wait to hear feedback from Laura in case we have to add further explanation on negative claims going forward? Would that be agreeable to the group?

LJ: Yes

JKV: You could refer in a footnote to the ruling of the Belgium court.

SS: To clarify I will go ahead and await feedback from Laura's lawyers regarding a footnote referring to the Belgian ruling.

Action Point: LJ to ask lawyers for advice on Antitrust amendment to C&C rules and necessity for a footnote referencing the Belgian court ruling (5.4)

6. European Updates (DM)

6.1. P&C Information Events:

Berlin: 26 September 2017

Brussels: 11 October 2017
Paris: 17 October 2017
Stockholm: 19 October 2017
Consultation:
London, 24 October 2017

LJ: We are leading retail and food services, like other stakeholder groups, we will also be doing consultation rounds with our constituencies. Make sure you get in touch with your constituent lead.

DM: That's great. Are you going to bring others from your group to the London Consultation?

LJ: I haven't thought of that, what we are doing a WebEx to go through verbal and written feedback

6.2. National Markets

6.2.1. France

- 6.2.1.1. More balanced coverage
- 6.2.1.2. European Parliament resolution helpful here to take heat out of the debate
- 6.2.1.3. Biofuels in focus - due to Total refinery – raised eyebrows
- 6.2.1.4. New Environment Minister - wants to ban Palm Oil in biofuels and end import unsustainable Palm Oil. Action plan not clear yet. Therefore, it is helpful that we have paired up with the French Alliance on P&C event.
- 6.2.1.5. October meetings established with PM and President's office
- 6.2.1.6. Establishing a media partnership with AuFeminin

6.2.2. Italy

- 6.2.2.1. Huffington Post partnership progressing
- 6.2.2.2. Italy signed Amsterdam Declaration – positive momentum
- 6.2.2.3. Outreach to politicians ahead of elections 2018
- 6.2.2.4. Aiming for RSPO - NGO roundtable event Q1 2018

6.2.3. UK

- 6.2.3.1. Chester Zoo started a campaign to make city a Sustainable Palm Oil city which is a good counter narrative
- 6.2.3.2. UKSPO has signed up to the Amsterdam Declaration. Taking UK commitment forward to 2020
- 6.2.3.3. Bank of England decided not to replace tallow with SPO. Disappointed as this would have been a strong PR opportunity. This was perhaps an economical or supply issue.

6.2.4. Brussels

- 6.2.4.1. Updated stakeholder mapping
- 6.2.4.2. E.C. benchmark study consultation – 2nd October. 30 external participants. A draft is available on 24th September. Outcomes will influence what happens next
- 6.2.4.3. Appreciate a group to discuss the draft to see if aligned messaging. Can I send an email suggesting a conference call between those participating?

EE/JH/EK: Yes

6.2.5. Poland

6.2.5.1. 1st Task Force Meeting: While there may be low awareness amongst Polish people, it should not be assumed that they do not care. Consensus that a B2B approach will be the most likely to succeed. Many large brands (Nestle, Mars, Mondelez) are manufacturing in Poland for export to rest of Europe. Group membership makes it more important for MNC to provide info on progress in less visible markets like Poland.

Actions include:

- Mapping the PO and CSPO/CSPKO flows into Poland.
- Review ACOP submissions; commitments, progress, import data and Polish relevance.
- Identify and contact members and stakeholders.
- Assess Government interest/positions.

6.2.5.2. 2nd Task Force Meeting, October: Pool research. Discuss and define objectives and approach.

6.2.5.3. 3rd Task Force & Stakeholder Meeting, Q1 2018: Physical meeting, hosted by BASF Poland.

6.2.6. Spain (IS)

6.2.6.1. First Members Meeting on 19 September in Barcelona attended by Spanish Alliance, EPOA, UTZ, Fediol and C.Bs. Aimed for a small event but pleased to say over 90 participants coming from food, oleochemical, feed and other industries. RSPO members and non-members.

6.2.6.2. Sessions with auditors and experts

6.2.6.3. Media interest growing – negative

6.2.6.4. Shortlisting PR agency for stakeholder mapping

6.3. EURT report back & planning June 2018:

6.3.1. Film now available and written report finalised next week

6.3.2. 391 delegates from 27 countries, 18 media reports in Europe, increase in sponsorship. The EURT Conference Film available for highlights.

6.3.3. Recognise need a larger venue and considering Berlin or Paris as locations for next year

7. Claims for 100% certified members (JM)

7.1. The Proposal is to introduce an additional module within the C&C rules November 2016, defining new guidelines on product claims for RSPO members.

7.2. Request for this claim from board, key focus on CGMs

7.3. New guidelines for members who can demonstrate that all oil palm purchased by that member, either direct or indirect via known product suppliers is covered by any of the four agreed supply chain options to 100% as described below.

- 7.4. Member would be able to make a claim on pack, use of trademark and on any other form of communication. Member has to be supply chain certified. Specifically checked at audit. Must include all their facilities as supply chain certified.
- 7.5. A member with full SCC status, this includes all facilities under the member certification number. Has the ability to demonstrate via SCC audit that 50% of its oil palm usage is covered by any combination of IP/SG/MB and the remaining 50% is covered by any combination of IP/SG/MB/RSPO credits, will be allowed the use of the current Module C product claim label “50% MIXED” and the message “contributes to the production of RSPO sustainable oil palm” on packaging or other forms of communication.
- 7.6. This new option will become Module G. All other modules will remain in place for those members who find those options more appropriate to their business.
- 7.7. Propose module because;
 - 7.7.1. Less focus on an individual product but on a total business/company effort. A business is likely to create more change than an individual product.
 - 7.7.2. Rewards businesses who are active within the RSPO across their total supply chain.
 - 7.7.3. Promotes use of RSPO credits an essential supply chain method for smallholders.
 - 7.7.4. Resource friendly to members.
 - 7.7.5. Clear audit focus on input and outputs of all oil palm.
- 7.8. Risks;
 - 7.8.1. The risks are no different to currently experienced.
 - 7.8.2. Non-compliances will be picked up in the usual manner at SCCS audit following the above standing rule, ACOP or by external stakeholders

LJ: A good step in the right direction. Explanation different from what I read in the file. Not clear how it promotes full brand RSPO as it still seems to push product labelling. That's something that most retailers probably won't do. I think this needs to be clear on the website communication or in the ACOP. Not on pack but statement elsewhere.

JM: That's a fair comment as there is focus on packaging and this could develop further to try and show the benefit. There are cases where it's not clear what some brands are claiming.

LJ: At this point every retailer I know is making some type of claim whether that's in ACOP, annual reporting, WWF Scorecard etc. For a lot of us, this data is third party audited and not by an accredited auditor. This could be a big change and we would need to discuss this further.

Also, curious to hear how this would impact things like RPSO tools. For example, FONAP only promote labelled products. If we are talking about companies, how would tools promote products that are not labelled.

JM: So far, the app has not been considered. From a retail perspective, the number of members is limited and without doubt there is a complex data held by retailers. We can explore further. Another factor is that this is aimed at CGMs and asking more to use trademark. Big percentage not using trademark on pack.

JKV: I don't see what this adds. Any company that is 100% by any model can make a claim

JM: If you are talking about a corporate claim, in principle yes, but where we are seeing. Use of trademark very limited and we want to encourage from a different angle. Is there any harm to introduce this? This will bring more focus to aim for trademark. We do have examples where people want to make claims in food service industry. This approach would get labelling within this market which is very low in numbers.

JKV: But they could do this under module

JM: They could. But this helps total labelling where products are bought randomly A claim about business approach is a way to get around it.

EE: Module C only directed to one particular product.

JM: Correct

JKV: Would it not be easier to add to module C to say this approach can be added to all products of a company? The guidelines are complicated already. There needs to be a clear benefit for another module.

JM: I agree with you. I have added another module for audit purposes. It highlights the module for members.

EE: You could put in brackets that this is a member module not directed to products

JM: It doesn't stop you making claims and proving claims. This is specifically adding 50% of what they do is CSPO.

SS: Would it be helpful if we moved away from on-pack claims to product claims. Discuss making a claim on ranges not on-product.

IS: I am concerned about companies who use complicated derivatives as this will not make it easy. It is in conflict with our standards and the ratios within the standards.

JKV: Does it make it less desirable or more complicated?

EE: Yes. Claim they can make is therefore limited

JKV: But that was always the case

JM: Is still relatively limited about those making trademark claims. This is just giving another option to encourage trademark claims.

JKV: Are there any objections?

LJ: I can't agree until I understand more from retail perspective.

JM: If helpful, we can have a conference call to discuss and bring back to the group

LJ: I will need to discuss with RPOG

JM: I will share more information and have a call to clarify for retailers.

LJ: That would be helpful, thank-you.

JKV: Thank-you.

AOB: None

Next Meeting: Tuesday 23 January 2018 – location TBC.

Actions

(2.3.6) - Stefano to connect Tiur with Laura Jungmann in regards to feedback on national action plan in Indonesia

(5.4) - Laura to ask lawyers for advice on Antitrust amendment to C&C rules and necessity for a footnote referencing the Belgian court ruling. Feedback to committee.

(7) – Judith to share more information with Laura Jungmann and retailers on the new claims for 100% certified members

Thank-you & Close.