

### **Summary of Nineteenth Technical SRWG Meeting**

The nineteenth Shared Responsibility Working Group (SRWG) technical meeting (twentieth teleconference meeting) was opened at 4.00PM (MYT), August 23, 2022 by the Secretariat.

The agenda of the meeting was presented to the SRWG briefly just after the anti-trust statement was read and acknowledged.

The Secretariat provided an overview of the action points from the previous SRWG meetings, and updated the SRWG on the status of each action point.

The SRWG physical meeting will be on October 18 and 19, 2022 in Amsterdam, the Netherlands. The Secretariat shared the draft agenda with the SRWG.

The received input during the public consultation on the Verification Manual was presented by the Secretariat. The SRWG is asked to give their input to make final decisions on sampling size and methodology for the third-party audit, the appropriate sanction mechanism for not complying with the SR requirements, and if the central office can delegate the audit to another office.

The Secretariat informed the SRWG that SR will be included in multiple breakout sessions during RT2022 and there will also be an SR Award during the Awards Ceremony.

The Secretariat thanked everyone for attending the meeting, and looks forward to seeing everyone in the next meeting on October 4, 2022.

The meeting was closed at 5.30 PM (MYT).

**MINUTES OF MEETING OF RSPO**  
**RSPO Shared Responsibility Working Group (SRWG) 19th Technical Meeting**

Date: August 23, 2022 (Tuesday)

Time: 4.00 PM to 5.30 PM (MYT)

Venue: Video Conference (RSPO ZOOM 6)

**Attendance:**

<p><b>Members and Alternates</b></p> <ol style="list-style-type: none"><li>1. Kamal Seth (KS, WWF International)</li><li>2. Joshua Lim (JL, Wilmar)</li><li>3. Harjinder Kler (HK, HUTAN)</li><li>4. Lim Sian Choo (Bumitama Agri Ltd)</li><li>5. Catarina Vivalva (CV, BNP Paribas)</li><li>6. Ben Vreeburg (BV, Bunge)</li></ol> <p><b>Absent with Apologies</b></p> <ol style="list-style-type: none"><li>1. Girish Deshpande (GD, P&amp;G)</li><li>2. Ben Waring (BW, Signature Brands, LLC)</li><li>3. Surina Binti Ismail (Sbl, MPOA)</li><li>4. Mariama Diallo (MD, SIAT SA)</li><li>5. Julian Walker-Palin (JWP, RPOG)</li><li>6. Brian Lariche (Humana Child Aid Society, Sabah)</li><li>7. Nursanna Marpaung (NM, HUKATAN)</li></ol>	<p><b>RSPO Secretariat</b></p> <ol style="list-style-type: none"><li>1. Inke van der Sluijs (IS)</li><li>2. Lilian Garcia Lledo (LGL)</li><li>3. Joyce van Wijk (JW)</li><li>4. Imam Marzuq (IM)</li></ol> <p><b>Absent with Apologies</b></p>
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No	Description	Action Points
1.0	<p><b><u>Welcome Note</u></b>  The Secretariat welcomed the SRWG members to the meeting.</p> <p>The SRWG members acknowledged the anti-trust statement prior to the meeting.</p> <p>The agenda of the meeting include:</p> <ol style="list-style-type: none"> <li>1. Welcome, Agenda</li> <li>2. Approval of Meeting Minutes</li> <li>3. RSPO Secretariat Updates <ul style="list-style-type: none"> <li>o Action Points</li> <li>o RSPO Secretariat Updates</li> <li>o Status of Key Deliverables</li> </ul> </li> <li>4. SRWG physical meeting</li> <li>5. Verification Manual</li> <li>6. SR in RT</li> <li>7. AOB and Next Meeting</li> </ol>	
2.0	<p>No comments from the SRWG members were received on the 18th SRWG meeting minutes. The Secretariat will give the SRWG members who could not attend this meeting the opportunity to comment by email. If no comments are received, the Secretariat will consider them endorsed.</p>	<ol style="list-style-type: none"> <li>1. SRWG members to send feedback on 18th SRWG minutes by email.</li> </ol>
3.0	<p><b><u>RSPO Secretariat Updates</u></b>  Open action points for the Secretariat are analysing ACOP data by region and include the section 'Scope - membership category' back in the verification manual. All other action points have been completed.</p> <p>Upcoming events and updates:</p> <ul style="list-style-type: none"> <li>• SPOD <ul style="list-style-type: none"> <li>o 20 October 2022, Hoofddorp.</li> <li>o Registration:<a href="https://link.mvo.nl/ct/m5/k1/EqC1tjmx0V4nkd3nXZnHyhRrJKuaVf2fMJ">https://link.mvo.nl/ct/m5/k1/EqC1tjmx0V4nkd3nXZnHyhRrJKuaVf2fMJ</a></li> </ul> </li> </ul>	

	<p>cNHQG7IN1iA_dKSFuiLUMSHBg8ZyZZ/fD4KVp8cHULMrpN</p> <ul style="list-style-type: none"> <li>● RT2022: <ul style="list-style-type: none"> <li>○ Shangri - La Hotel, Kuala Lumpur, 28 November - 1 December. Registration: <a href="https://rt.rspo.org/r/reg.php">https://rt.rspo.org/r/reg.php</a></li> <li>○ Sponsorship deck <a href="https://rt.rspo.org/c/sponsorship-opportunities/">https://rt.rspo.org/c/sponsorship-opportunities/</a></li> </ul> </li> <li>● Final list of ACOP 2021 Non Submitters: <a href="https://rspo.org/news-and-events/announcements/final-list-of-acop-2021-non-submitters">https://rspo.org/news-and-events/announcements/final-list-of-acop-2021-non-submitters</a></li> <li>● Revise Clause 3.2. of the CoCs: <ul style="list-style-type: none"> <li>○ Approved by SSC - 20 July 2022.</li> <li>○ Next step: endorsement by BoG - 27 September 2022.</li> </ul> </li> </ul>	
4.0	<p><b><u>SRWG physical meeting</u></b>  The Secretariat shared the draft agenda with the SRWG by email. The physical meeting will take place on 17 (afternoon), 18 (full day) and 19 (morning) October 2022. Venue TBD, Amsterdam, the Netherlands.</p> <p>An eNGO member asks all SRWG members to attend item number 3 on the agenda for the physical meeting.</p>	<ol style="list-style-type: none"> <li>1. SRWG to complete the form to indicate if they will be attending the physical meeting.</li> </ol>
5.0	<p><b><u>Verification Manual</u></b></p> <p><b>First round of Public Consultation (PC)</b>  60 days PC - 59 respondents finished the survey:</p>	<ol style="list-style-type: none"> <li>1. Secretariat to add a transparent process in the Verification Manual to list members who failed to comply with SR requirements on the website.</li> <li>2. The Secretariat will explore how to deal with members failing to increase their target, if it is part of the sanctions following an audit, or based on Secretariats analysis.</li> <li>3. The Secretariat will include the modelling discussion on the agenda for the physical meeting.</li> <li>4. SRWG members to send the completed homework.</li> </ol>

Stakeholder category	# respondents	# organisations
Certification Body	1	1
Consumer Goods Manufacturer	11	11
Environmental NGO	2	2
Grower	1	1
Other (oleochemical, distributor, consultant, RSPO peer reviewer)	7	7
Processor or trader	27	20
Retailer	10	9

All questions (except one) have been answered with a YES by more than 70% of the respondents.

However:

- Not all the questions have been answered by the 59 respondents.
- Several respondents from the same stakeholder category gave the same feedback (n=3 and n=2)
- None sNGO respondent

There are some comments and suggestions that need our attention. The comments result in three types of actions:

- SR Unit follow up actions, namely including clarifications;
- SRWG to reach an agreement;
- SRWG to be aware of the comment/barrier/suggestion.

**Section 3 Verification process:**

SR Unit follow up actions - include clarifications (highlighted in draft 2 for SRWG perusal):

Who does what in which step:

- Assessment from RSPO Secretariat (1st step): to show the SR performance of members.
- CB audit (2nd step) is to reassure compliance via a third party. Auditors shall check the existence of the policy as well as the content of the policy, to ensure it complies with the SR requirement. Members choose CB.
- There is no weighting of the parts for the final result but each of them have their own objective during the verification process.
- Improve infographic. Clarify that the 'volume' SR requirement refers to both CSPO and CSPKO uptake. Credits valid.
- Clarify the idea that SCC and SR are subject to different audits as the scope is different, i.e. SR audit is independent of any other (content wise) but possible to combine as per logistic arrangements with the CB/auditor (same time same auditor). Include a timeline for audit notification (member elected that year) and audit performance.
- Elaborate the sampling method section (formula, number of years of the audit cycle) once agreed by SRWG

**SRWG to reach an agreement** - (homework):

- Sampling size. Out of 53 answers - 24 respondents chose '5%' and 21 respondents chose 'square root'
  - E.g. with SR memberbase of 1700 members; 5% would be a sample of 85 members, square root would be a sample of 42 members
- Sampling method. Out of 55 answers - 18 respondents chose 'fully random' and 17 respondents chose 'risk based'.

**SRWG to reach an agreement** - (homework):

Suggestions of parameters for the risk based approach - [SR Unit feedback]:

- Country of registration at group level - [The risk categorisation needs to follow an international ranking - suggestions? B&I methodology with investees?]
- New members - [It will bring an extra burden to new members]
- Open complaints (at the time of the sampling)
- Palm Oil volumes

- Reporting in ACOP/MyRSPO, i.e. completeness. - [If too many non-reporters, who are considered high risk, they can cover all the available 'spots' (set by the sampling size) to undergo the audit, so there is not an option to audit members who has SR evidences in MyRSPO.]

**SRWG to be aware of:**

- Request of other mechanisms/systems accepted by RSPO to show SR compliance.
- High profile retailers will be lower risk due to existing public and NGO scrutiny, and should only be required to submit to a reduced impact means of verification, e.g. a public statement confirming data, or similar.
- Major barrier for retailers: third party audit will likely lead to both damage to the RSPO's reputation amongst this sector and potentially a drop in (new) membership, particularly when considered with upcoming legislative requirements that will add increased burden.
- Retailers propose that third-party audits are one of multiple options:
- Public statement to this effect in annual public ESG Reports or website
- Audits using existing corporate systems, eg ESG Report audits, following a list of criteria supplied by RSPO
- Inclusion in existing audits against criteria supplied by RSPO (?)
- New third-party audit (as proposed)
- Comment on what is the objective of the third party verification, the added value for the member.
- Comments against the cost of the SR audit to be covered by members, specially when not all the members have to cover it in the same year.
- NGOs are here to help strengthen the standard, we already struggle to do this with limited funding, further challenges such as this (cover the cost of the audit) would only make things more challenging for us.

A P&T member commented that whatever the sampling size is, members selected for an audit will not be re-selected until all other members of that membership group have been selected for an audit. The Secretariat confirmed this approach and this needs to be included in more detail in the next version of the manual.

A P&T member raised again their concerns about the added value of SR verification on top of the uptake percentage. Acknowledge it's a multi-stakeholder approach and if the SRWG sees this is the way forward then it's fine, but flagging this is an issue again. Uptake is easy to measure and everyone is committed to that, all other elements are already covered in many other systems/procedures and governments systems. Therefore, P&Ts are asking RSPO again if this is the route to go. And if so, what is the value of only sampling a proportion of the members, and how does this link to imposing sanctions compared to members who were not selected for an audit? An eNGO member added that it's a valid point, but back in 2019 the BoG endorsed all requirements and without a verification mechanism it will lose its value. It's three years down the road, so it's too late to change direction now. It's for RSPO to decide how this verification happens in an efficient manner in terms of sampling methodology.

A grower member added that uptake is important but all members uphold the Standard is also important. Standard shouldn't be only applicable to growers, should be applicable to everyone. Growers also need to go through a very rigorous certification process and are being audited externally.

A P&T member acknowledges SR is more than uptake, but when RSPO started 20 years ago it was around production, the entire ESG arena has evolved over the past 20 years for all companies, not just for growers. This links to the point from the Retailers about tapping into other systems and audits should be considered. Grower member agreed and questioned if we need to look at Task Force level on what would be palatable for everyone. The Secretariat closed the discussion by flagging that this could be something to look into when revising the requirements.

#### **Section 4 Incentives and Sanctions:**

**SR Unit follow up actions** - include clarifications (highlighted in draft 2 for SRWG perusal):

- Elaborate the Public Recognition (Award ceremony) and SR performance report sections - include some of the M&E framework descriptions.
- To clarify that the CB cannot issue the Independent Assurance Statement if a NC is found. The statement shall be issued within 30 days.
- Improve the Table 2- Sanctions.
- To specify that 'failure to comply with SR requirements' means: a) failure to submit in MyRSPO, b) failure to undergo/pass the audit. These members will be listed with recommendations and brought to the BoG for its knowledge and apply appropriate sanctions

- To include in the list of potential members to sanction, the barriers/challenges that the member has mentioned, if any.

A P&T member flagged that 30 days seems very short to produce the Independent Assurance Statement. E.g. in some of the SCC audits due to recent challenges with PalmTrace, licences couldn't be used for 3 months resulting in a member being sanctioned. face delays with PalmTrace checks. The Secretariat confirmed that the SR audit will not go through Palmtrace, details need to be decided on how the statement will be published, but it will definitely not be through PakmTrace.

**SRWG to reach an agreement** - (homework):

Indicate the list of the 'appropriate sanctions' that the BoG can determine, i.e. pre-define sanctions SR Unit Proposal for failure to comply with SR requirements:

- 1st MyRSPO not submission/ SR audit not performed/passed → 1st Warning letter
- 2nd consecutive year → 2nd warning letter
- 3rd consecutive year → 3rd warning letter
- 4rd consecutive year → Recommendation to the BoG for suspension of membership
- 5th consecutive year → Recommendation to the BoG of termination of membership

Proposal of different sanctions depending on the SR requirement that is not fulfilled.

An eNGO member commented that it would be good practice to publish a list of members on the website who did fail to comply with SR requirements to make the process more transparent, similar to publishing members who are suspended or terminated due to failure to submit their ACOP report. A P&T member agrees to use the same process as non-ACOP submission.

**Section 5 Verification Systems Requirements:**

**SR Unit follow up actions** - include clarifications (highlighted in draft 2 for SRWG perusal):

Make clear that members not undergoing/failing the SR audit (they have 30 days to close any findings from the CB) will enter the sanction mechanism and as ultimate action be brought to the BoG with proposed sanctions (suspension/termination).

**Section 6 Independent Assurance Statement (IAS) Template:**

**SR Unit follow up actions:**

To include that the SR IAS is the proof of the SR audit and it will be published on the MyRSPO page of the member.

Check with the Assurance team if the inclusion of 'Observations during the verification of the member' in the IAS violate the data protection.

An NGO member asked if the SR audit only includes the SR policies and plans, or will it cover all SR requirements including uptake. The Secretariat clarified that the SR audit covers all SR requirements, including uptake. NGO member asks what the consequence is of not meeting uptake, same sanction for not passing the audit? The secretariat has all the data and does not have to wait for auditors to verify this. The Secretariat thanked the member for the good question, this is something we need to explore how to sanction members who are not compliant with the uptake targets.

A P&T member is happy this point is mentioned, current uptake will run out, there is not enough supply if members continue to meet their uptake targets. Mathematical model doesn't make sense, it's too late now as the targets are agreed but this is an issue. An eNGO commented that supply needs to grow through efforts on jurisdictional approach and group certification, so that supply from mid-sized and small growers enter the market. The Secretariat proposed to put this discussion item on the agenda for the physical meeting, so bring everyone on the same page regarding modelling and vision for Y4 uptake targets. SRWG agreed to park discussion for now and discuss during physical meeting.

**General feedback**

**SRWG to reach an agreement -** (homework)

Option for the central office to delegate the audit to another office?

**Next steps:**

- Homeworks for SRWG to give feedback on open questions - by 9th September
- CB consultation- mid September
- Prepare draft 2 and send to the SRWG with highlighted changes - mid/end September
- Physical meeting to align on the final version of the draft 2 - end October

	<ul style="list-style-type: none"> <li>• Second round of Public Consultation - announcement and webinars - end October/beginning of November</li> </ul>	
6.0	<p><b><u>SR on RT</u></b></p> <p><b>Breakout session:</b></p> <ul style="list-style-type: none"> <li>• 9 sessions planned, but 14 proposals were received.</li> <li>• SR during previous RT: <ul style="list-style-type: none"> <li>○ RT17- Bangkok, 2019 - A Shared Responsibility: Converting Commitments into Action. Background, Process of the SRTF document, stakeholders positions (Growers, SC, NGOs, Banks, <a href="https://rspo.org/library/lib_files/preview/1264">https://rspo.org/library/lib_files/preview/1264</a>)</li> <li>○ RT2021- virtual - high-level overview of SR and presented regional uptake performance in EMEA, Americas and APAC session</li> </ul> </li> <li>• RT2022 Concept Note → Reviewed by RT Task Force → SR session needs to combine with others. <ul style="list-style-type: none"> <li>○ Original proposal: Give data insight on members SR performance, showcasing the implementation of SR by members testimonials, and next steps: Verification Manual (performance reports), guidance documents, M&amp;E Framework (uptake targets if agreed to by SRWG, SSC and BoG)</li> </ul> </li> <li>• Need to align with other Secretariat teams to integrate/combine the content → separate SR performance and showcasing SR implementation in different sessions.</li> </ul> <p><b>RT Excellence Awards Ceremony:</b></p> <ul style="list-style-type: none"> <li>• Monday 28th November, after the reception (6-8pm)</li> <li>• Internal discussion on the session→ one award for SR based on SR performance (ACOP and MyRSPO results)- Wall of fame. Methodology to be finalised.</li> </ul>	
7.0	<p><b><u>Closing</u></b></p> <p>The next SRWG meeting will be on 4 October, at 4 pm (KL time).</p>	