

## Minutes of the T&T meeting November 16, 2015

### Agenda

1. Approval agenda
2. Approval minutes T&T September 15, 2015 (Appendix 1)
3. Announcements secretariat
4. ISCC study
5. One-to-one rule SG to MB  
MB admin per site
6. Micro-users under supply chain group certification (Appendix 2)
7. Who reports what where and why (Appendix 3)
8. Uptake figures and other updates GreenPalm
9. Uptake figures and other updates UTZ
10. Progress IT system and WG
11. RSPO Next update by Liza Murphy
12. AOB
13. Next meeting: **teleconference on March 1 10-12h CET**

### Present

Adam Thomas	New Britain Palm Oil (AT)
Alasdair McGregor	BM Trada (AM)
Ashwin Canakarambedu	UTZ Certified (AC)
Bob Norman	GreenPalm (BN)
Cherie Tan	Unilever (CT)
Daphne Hameeteman	Wilmar Europe Holdings (DH)
David Ogg	Consultant (DO)
Ed McPhillimy	Oriflame (EM)
Eddy Esselink	MVO (chair-EE)
Filipe Guerrero	Daabon (FG)
Harald Sauthoff	BASF (HS)
Helen Scholey	Shell Oil Company (HY)
Inke van der Sluijs	RSPO secretariat (minutes-IS)
Jan van Driel	RSPO secretariat (JD)
Joshua Lim	Wilmar (JL)
Lieven Callewaert	EU rep RTRS, project leader IT project for RSPO (Observer, LC)
Paula den Hartog	UTZ Certified (PH)
Premalatha Mogan	RSPO secretariat (PM)
Robbert Kessels	Sipef (RK)
Sietse Buisman	Cargill (SB)
Sylvia Poel-Sietsema	Control Union (SP)
Thibault Gravier	Transitions (Observer)
Wai-Tuck Choong	IOI Oleochemicals (CT)
Miguel Tejada Iraizoz	Agrobiz (MI)

**Opening:** round of introductions.

**1. Approval agenda**

Approved

**2. Approval minutes T&T September 15, 2015 (Appendix 1)**

Approved, no changes

**3. Announcements secretariat**

In the Supply Chain Standard, traders and distributors are exempted from certification. These companies need to apply for a traders or distributors license. A guidance for these licenses has been published: <http://www.rspo.org/resources/key-documents/certification/rspo-supply-chain-certification>

All license holders are published on our website: <http://www.rspo.org/certification/traders-license-holders> and <http://www.rspo.org/certification/distributors-license-holders>

T&T members indicate that they cannot find documents on our website. The RSPO secretariat needs to look into this. Also, we will post more news in the eGazette as members read this newsletter.

Market study Europe: IS explains that the secretariat of the RSPO has drafted a proposal for a market study of sustainable and conventional palm (kernel) oil use in the top 10 importing countries in Europe. The proposal was published on our website and we received one good response. We will talk in more detail with this company. A part of this market study will be interviews with market players. We hope that the members of the T&T are willing to contribute to this study. The T&T questions the value of this research as they know which companies do not buy certified palm oil and the only reason is cost. IS says that many companies are looking for help in terms of how to get started and information sharing is key in market transformation. Also, the refiners may have these insights, the secretariat does not have access to information about non-members and conventional palm oil users. This is key in the engagement plan in Europe.

On December 7, there is a ministerial meeting in Europe on EU and global value chains and palm oil is on the agenda. Also for government involvement it would be good to better understand uptake in different markets. With the target of 100% sustainable palm oil in 2020, we need to monitor the progress and identify the laggards for active engagement.

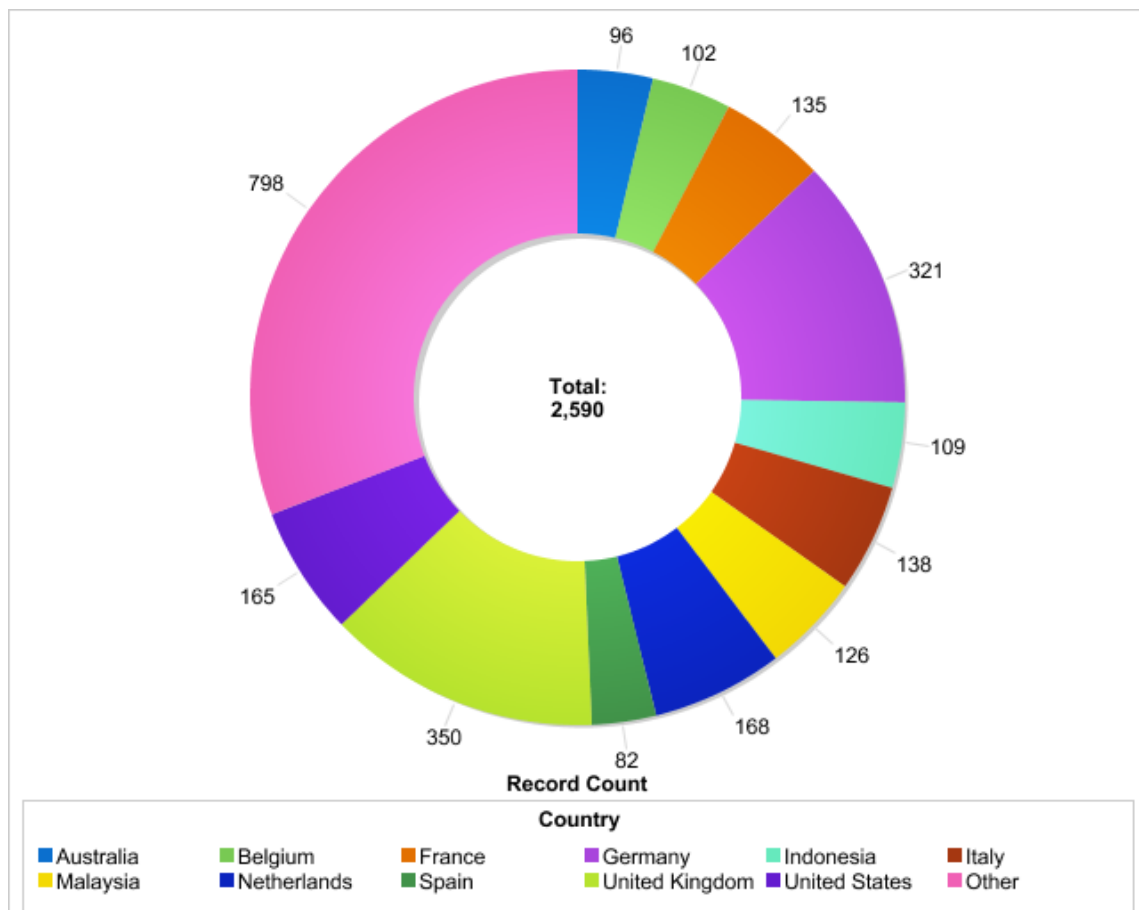
RSPO used to have a market directory for sustainable oil palm products. This was a static database which was not found to be useful as such. The C&C and RSPO members have discussed many times the need for an up-to-date database for manufacturers in the different sectors. EM refers to the INCI database of the Personal Care Products Council that is used by this industry. It

would be very useful if RSPO supply chain models can be added to the INCI list. RSPO should engage with the owners of this database. eTrace contains useful information for members. A search engine would be useful. RSPO is looking into facilitating the request for a market directory on products that are available but can only do this with full member support. T&T members are supportive. RSPO will discuss further internally how this can be developed. RSPO organized a workshop on Supply Chain Certification in Italy, one day before the European Palm Oil Conference 2015.

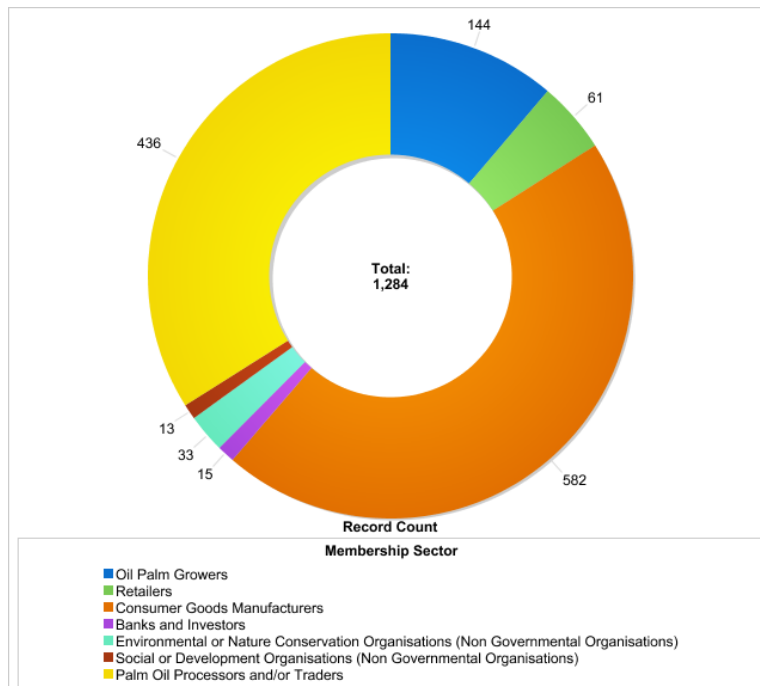
The impact update has been launched on November 12: [www.rspo.org/resources](http://www.rspo.org/resources)

This week, the secretariat will meet the endorsed trainers and ASI to align and improve the quality of audits.

Current members of the RSPO by country:



Ordinary members by sector:



RK asks whether we can start publishing the supply and sales data for the different physical supply chain models separately. The secretariat will look into this.

#### 4. ISCC study

IS: a benchmark between RSPO-RED and ISCC was conducted and the results need to be verified before we can develop communication to our members. SIPEF has offered help.

JL: under RSPO-RED, Land Use Change (LUC) is not allowed (for example grassland to palm) after Jan 2008. Low carbon clearance is allowed under ISCC. JL are doing RSPO-RED next week, it was paddy field. Rubber to palm, cocoa to palm is not allowed under RSPO-RED. DH: certification and uptake of RSPO-RED will be challenging if this cannot be changed. Changes to the module would mean that we need to seek EC approval. RSPO secretariat will look into this (feedback after meeting: if RSPO would plan a renewal of the approval by the EC in 2017, this can be changed).

#### 5. One-to-one rule SG to MB

SB: when a company buys SG palm oil and fractionates this, it can sell SG stearine. The produced olein can be exchanged to another palm product on a one-to-one basis and be sold as MB certified. The discussion is whether you can go up or sideways in the product tree. We agreed that both is allowed for all certified companies. This cannot be administered in eTrace and we agreed that this programming has low priority compared to the other required changes to the system. It is important to keep in mind, as stated in the Standard that this cannot be done between palm oil and palm kernel oil. For the oleochemical industry there is a MB one-to-one rule.

### **MB admin per site**

Currently, MB accounting should be done per site. SB: explains that this is very difficult for Cargill Europe as it may ship to Rotterdam and want to sell out of Hamburg. In eTrace this can be done by announcing the volume from one site to the other but there should also be physical shipment of oil. This is a barrier and not very sustainable. Several companies experience difficulties with this rule. This was also discussed in the SCC review TF and it was decided to keep the rule per site. We will now review this again and need to set up a small WG to come up with a proposal. AT: FSC will allow in next version operating from central office, had trials and found no problems. MB accounting is completely different in ISCC.

EE: start WG discuss pros/cons and feasibility, and include NGOs.

### **6. Micro-users under supply chain group certification (Appendix 2)**

All agree that this is a good proposal and we can proceed.

### **7. Who reports what where and why (Appendix 3)**

See appendix. Long discussion on who needs to report what.

JL/DH: announcements bounce, and the time lag for claims is a problem. For example, when you decide to trace because the buyer has not confirmed the announcement, and then the buyer asks for an announcement, you do not have the volume anymore. All need a buffer for this.

PH: correction needed: mills do not downgrade in the system.

CT: is there information missing? We are not asking for batch by batch information.

MB accounts will never reflect reality so processors and traders do not see the need for reporting sales from the refinery to other supply chain actors than refineries. Reporting for all refineries is agreed upon.

We agreed to start with a pilot to also announce/trace/remove all SG sales from the final refinery. CBs should not raise NCs at this moment yet.

All agreed on annual license period that mills should report ISCC volumes by removing this volume from stock in eTrace and use the reason "sold as ISCC" that is already built in eTrace. CBs will be informed to check this reporting requirement. RSPO secretariat will communicate this.

### **8. Uptake figures GreenPalm**

BN gave update. RK until when GP active? BN until notice.

CT are companies moving away from certificates? Yes, there is a transition to physical.

### **9. Uptake figures and other updates UTZ**

PH gave update. The frequency of announcements now that it can be done by Excel upload or as normal= 1x month maximum for 1<sup>st</sup> buyers. What is consequence if don't? Secretariat should discuss this. Quarterly for all others. Keep within license period, when expires-have to do it again.

## 10. Progress IT system and WG

RSPO credits: audit regime is proposed to keep as is. All agree.

Open or anonymous trade (Recommendation needed):

No consensus reached. The product manufacturers do not want open trade despite the fact that OMD (off-market deals) will still be possible. Buyers do not want to publish their company name with bids. Conclusion: credit trade will remain anonymous.

The sellers are open to transparency but this should come from both sides.

Clearing house: UTZ is asked to facilitate this. Fees might need to be changed.

Global Oil Mill list: will be built.

- ~~11. RSPO Next update by Liza Murphy~~ JD: the BoG is still discussing this as we speak. Initially, the WG discussed that there will not be 5<sup>th</sup> SC model for this. RSPO Next will be voluntary and companies can only join when they meet certain requirements (for example a minimum percentage of the plantations should be RSPO certified). The wording is still discussed but the focus is on no deforestation, no planting on peat, no HR violations. Audits are under discussion. To set up: what can be claimed and how to buy-proposal for credits. Buyers can only purchase RSPO Next credits when they are already at 100% sustainable palm oil (credits and/or physical). A new WG needs to be started for implementation (audits, frequency, communication, eligibility). T&T member will be asked to join.

## 12. AOB

13. **Next meeting: March 1 telcon 10-12h CET**, next live meeting will be the day after the European Round Table Conference (EU-RT = June, T&T June 10 in Milan).

AM: CBs have difficulties with company name or contact information changes in eTrace and ask whether it is possible to get admin rights. JD/AM/SS will discuss with UTZ Certified.

DH: BoG would like more information on the Supply Chain models and has asked several times. The BoG should state that the RSPO supports all SC models. (Information after the T&T meeting: the communication team has submitted this already to the BoG for their meeting.)

DH: there are questions about the validity of certificates. Why is it valid for 5 years if it needs to be renewed annually? This will be on the agenda for next meeting.

SB: asks about the minimum price for certificates. IS: we have submitted a proposal to the BoG.

JD: we need to make changes to the SCC Standard & Systems document. How should this be implemented and can we publish a revision when no fundamental changes are made? Yes, it is best if there is a new version with a revision date.

DO: how can independent mills supply CSPO when they are not P&C certified?

JL: increasing independent smallholder and our system does not differentiate between IS physical material and other physical material. CT good idea. Agenda next meeting.