

Minutes T&T meeting Zoetermeer 2 July 2014

Agenda

- 1 Opening 9 am CET
- 2 Approval of agenda
- 3 Approval of minutes (see appendix 1)
- 4 Announcements secretariat, BoG, other
- 5 Update SCC Review: presentation by Andy
- 6 Draft URS: presentation by Hidde (see appendix 2)
- 7 Update GreenPalm: presentation by Simon
- 8 Update Datalink, physical sales, eTrace and palm kernel: presentation by Liza
- 9 Activities 2014-2015: TF Biofuels, RT12
- 10 Next meeting date: 17 November 2014
- 11 Closing around 4.30 pm CET

Present

Alien ten Kleij	Control Union (AK)
Andrea Bolhuis	Ahold (AB)
Andy Green	BM Trada (AG)
Ben Vreeburg	IOI Loders Croklaan (BV)
Daphne Hameeteman	Wilmar Europe (DM)
Ed McPhillimy	Oriflame (EM)
Eddy Esselink	MVO (chair-EE)
Inke van der Sluijs	RSPO secretariat (minutes-IS)
Jan van Driel	RSPO secretariat (JD)
Joshua Lim	Wilmar (JL)
Judith Murdoch	AAK (JM)
Liza Murphy	UTZ (LM)
Marieke Leegwater	Solidaridad (ML)
Martin Craven	AAK (MC)
Michelle Morton	Shell International (MM)
Qua Kiat Seng	Asean Oleochemical Manufacturers group (QS)
Robbert Kessels	Sipef (RK)
Sietse Buisman	Cargill (SB)
Simon Christmas	GreenPalm (SC)
Surina Ismael	Emery (SI)

1. Opening

EE opens the meeting.

2. Agenda

MM: add ISCC, will be discussed under 9.

QS: add ToR Subgroup Derivatives, will be discussed under 4.

MC: will move for AAK and is thanked for his valuable contribution to the T&T. JM will replace him, she is also member of the SC C&C.

AB: will leave T&T, thanks for input in T&T. New position open-will try to fill asap, suggestions are welcome.

3. Minutes

No comments.

4. Announcements

Update secretariat:

The second European Round Table was held in London in the beginning of June. It was well attended with approx. 340 participants and overall we had really positive feedback.

Participants liked the plenary, breakout sessions, and the venue. Some asked for more time for networking, however budget did not allow an additional networking event. NGOs considered the registration fees being too high. We discussed whether this should be an annual event and many people were in favour because it strengthens the position of RSPO in Europe. There was good exposure in the media even now there are still articles published. It remains challenging to reach new and potential members. Organising the conference is very time consuming and can be too costly to organise annually. The secretariat will discuss this internally with the comments of the T&T in mind.

Update on National commitments: we had a meeting with the National Commitments before the EU-RT. Danielle and Inke visited Denmark, Sweden, Norway, and Germany. Sweden has officially launched an initiative, Denmark and Norway will follow.

The secretariat will work on the review of the Communication and claims documents and looks for participants from the T&T and C&C. EM, AB and JM volunteered.

The Annual Communication of Progress reports (ACOP) are due September 19, 2014.

IS will send the new infographics of the supply chain models and is also developing one for the palm oil supply chain.

BV: BoG discussed upcoming initiatives. The BoG needs more time to define an action plan and are currently nailing down the key priorities. EM asks whether they are talking directly to the members to find out why the RSPO is not sufficient. This is the case. The RSPO should respond to this, some companies with 'beyond RSPO' commitments are in the BoG. A new working group (Innovation Lab) is formed to innovate and create a safe testing environment. Simon Lord and Simon Siburath are the chairs, will seek alignment with POIG (Palm Oil Innovation Group) and try to facilitate new developments within the RSPO. ML asked whether smallholders also included in this discussion, BV will discuss with the chairs. AB asked whether all initiatives should be included in the RSPO or whether it is also good when these are developed independently. We further discussed whether there should be an RSPO

plus module. MM explains that we already have this in RSPO-RED, it should just be rebranded. RK asked why there is no leadership in communicating about this plus module if this is known in secretariat. The BoG also discussed strengthening the secretariat and that there is a shortage in certification capacity, especially P&C accredited CBs.

QS explain that the Oleochemicals and derivatives subgroup had several telcons, and have drawn up the Terms of Reference. This will be send to the participants. MM said that the biofuels industry uses esters which are derivatives, these are excluded from the subgroup.

JD told the T&T that the extended accreditation process for CBs has ended. The capacity for supply chain certification is sufficient but that of P&C certification is of concern. Five CBs are still not accredited, and these have another extension of three months under the provision of presenting a sound Time Bound Plan showing that they can achieve accreditation within the three months, otherwise these are terminated directly. ML asked whether the RSPO is satisfied with ASI and whether it is just a desktop exercise. RSPO secretariat is satisfied with ASI as it adds to the credibility of the certification. It is expensive and time consuming (AK, AG). The RSPO should share the learnings of and with RTRS and Bonsucro. RK asked whether the secretariat can improve the communication to members on the accreditation of CBs (action secretariat discuss with Comms department).

6. Draft URS presentation by Hidde

Presentation, please see attachment.

Questions/remarks from T&T:

- Voluntary reporting- only for RSPO volumes or also for conventional oil palm products?
- Start reporting at FFB or oil mill? FFB does not have to be handshake, can be aggregated over 1 week or month. How to check not more FFB coming in the mill? Checked in system, mill can only produce certain volumes and is audited for that volume. How to control that FFB are indeed SG? ML volunteered to test reporting from FFB level possibly in collaboration with the smallholders and Cargill.
- Sales of sustainable oil palm products, RSPO certified or also ISCC? All in favour of also reporting the ISCC volumes, ISCC also checks volumes of RSPO certified material. In eTrace it is already an option to trace out volumes to other schemes but it is not used frequently nor consistently. It needs to be mandatory in the P&C or SCC Module D and E.
- Certificate trading is also done by smallholders.

Policy decisions

1. Should it be mandatory for all CB's to be RSPO member?
T&T: some in favour, some not.
2. Should it be mandatory for all certificate traders to be RSPO member?
T&T: Yes, but perhaps different rate for small buyers.
3. Should independent mills be certified against P&C?
The Task Force on the SCC review advised just Supply Chain Certification for independent mills. We should work on how they get their certified volume.
4. Who collects volume based fees?
T&T: no advice.

5. Languages

English, Bahasa, Spanish, Mandarin. Consider Thai, Portuguese and French.

Choices in tender

1. Provide user helpdesk: Yes
2. Provide "clearing house": Yes
3. Provide "fee collection": decide what would be best in terms of taxes.
4. Local service or cloud based service: up to the provider
5. RSPO gets license or full ownership: no preference, if off the shelf you won't get license, JD not in favour of full ownership. EM process of tendering should be transparent. EE invitation to T&T to suggest service providers.

The T&T discussed the current palm kernel supply chain. Certificates for palm kernel oil and expeller are sold by the mill but the products are actually produced by the palm kernel crush.

The T&T further discussed the voluntary add-on in response to the traceability demand. The T&T questions whether the RSPO is able to offer full traceability, other systems are developed to facilitate in this needs and concludes that this can be deleted from the URS.

The credibility of system needs to be maintained. This can not only be done by an IT system. This is why the RSPO has strengthened supply chain certification and all CBs have to be accredited.

5. Update SCC Review: presentation by Andy

Approx. 300 unique comments were received, equally distributed over the standard and systems document. 85% of the comments were adopted or incorporated by the SCC review Task Force. The TF has recommended to the T&T to put the proposed new documents on the Supply Chain Certifications Standards and System, up for a second round of public consultation. The main changes were:

1. The disputed 95 % contamination rule, which was proposed to change to 97 % was further changed to not naming a figure. The principle remains: it is not allowed to mix deliberately non-certified material with certified. The goal must be to get 100 % certified product out to the customer.
2. The proposed scheme for small businesses was removed. It was felt not necessary as small business can join the group scheme. Within SCC the first group certification is now a fact.
3. The traders license remains for traders who do not physically handle the certified materials. For distributors, a similar license will be designed in order to remove a potential gap in the supply chain as well.

The T&T agrees with the recommendation.

This second public consultation will be open until 20th September 2014, and is now published at http://www.rspo.org/en/second_public_consultation_for_scc_documents.

We aim to have it ready at the BoG meeting in November.

The discussion on membership fees should take place in the BoG and not in the TF.

7. Update GreenPalm by Simon

See attachment and the GreenPalm website.

The T&T is interested in the premium paid per FFB (certificates and physical). This is confidential data. Perhaps there are possibilities to present this at an aggregated level. It would be of interest to growers.

8. Update Datalink, physical sales, eTrace and palm kernel: presentation by Liza

See attachment.

The T&T discussed ISCC reporting in eTrace, can be done as removal reason for mills.

Voluntary.

DH asked how the RSPO communicates about these changes. It was published in the release notes. JL did not know. RK asked whether the secretariat can publish monthly newsletters (action secretariat discuss with C&C and Comms department).

No overselling over 2013 after manual reconciliation. Does not prevent double selling to ISCC.

Discussed time extension on certificate. This is important when ship arrival is after license expiration before confirmation can be done.

Discussed business rules license year, holding level, expiring, future sales (out already) cannot block the trade.

This needs to be included in the URS.

Some T&T members have not received the news release on Q1 sales. The T&T asked for regular updates (action secretariat).

9. Activities 2014-2015 TF Biofuels, RT12

The Task Force on Biofuels met in June. Two mills are RSPO-RED certified and the first transaction was done in June. We discussed the development of the Palm GHG tool (not approved for RED) and other tools that are approved by the European Commission (Biograce and Neste).

Oil World data show that there was a considerable increase in the amount of palm used for the biofuel market. Is there a potential for an increased uptake of RSPO certified volume?

Many plantations are certified for RSPO and ISCC. Should we promote RSPO-RED certification? It can be a solution for the current lack of demand for sustainable olein.

Again we should look into rebranding RSPO-RED for RSPO-Green to meet the "beyond RSPO" commitments. The RSPO-RED module is in the attachment. We should find out whether this meets the demand of the Consumer Goods Manufacturers and Retailers. Not all CBs are accredited for RSPO-RED certification.

IS went to the Oleofuels 2014 to present the RSPO and RSPO-RED. She also sat in a panel debate with ISCC and RSB. Both would like to work with the RSPO.

BRC invites RSPO to be included as a module of BRC audit for Version 7. Approval will take place in the middle of next year. The issues with adding this to a BRC audit is that the perception is that RSPO certification can be reached in a couple of hours (AG). BRC auditors are most often not accredited for RSPO. Cost reduction may be limited. Version 8, 2018

would be better. There may also be other food safety audit combinations possible with RSPO. AG thinks it is a risk to dive into this now.

AB combination with UTZ possible? Yes, BM Trada does, and it is much easier.

The secretariat is planning a plenary session on traceability during the RT12. Further, we are planning an outreach program for members and CBs.

10. Next meetings

November 17, Kuala Lumpur (prior to RT12)

MM is leaving the T&T and Helen Scholey will take over. MM may come to RT because Bonsucro has a meeting around that time.

11. AOB

QS what is happening in terms of the traceability commitment? The BoG has started a WG.

JL: IDH also started a traceability WG. The secretariat will join.

Meeting is closed.