

Sustainable Palm Oil Coalition for-India (I-SPOC) 9th Members Meeting April 12, 2023

Objectives

- Introduction and Updates
 - I-SPOC: Context Setting
 - Activities since last Members Meeting
- Outputs released or to be released
 - Practitioners Guide: Mitigating Potential Risks in Financing Agro-Commodities in India
 - Policy Input Note: CLIMATE CHANGE AND BIODIVERSITY CONSERVATION- Production of Sustainable Palm Oil in India
 - Traceability Action Group: Briefing Paper
- **Insights from Members and Observers (Group Activity)**
 - Their journey on sustainable palm oil: Achievements and Challenges
 - Capacity Building related needs
 - Any other support required from I-SPOC
- **Capacity Building Session**
 - Presentation by Zoological Society of London (ZSL) on SPOTT
 - Presentation by IDH on the progress on regional market by Tran Quynh Chi, Asia Regional Director – Landscapes

1. Summary of the Proceedings

1.1 Introduction and Updates

- Bhavya Sharma from CRB started the meeting by setting the context followed by an overview of I-SPOC and the activities of the coalition. She also gave a brief update on the activities that have been undertaken by the coalition from September 2022 to March 2023.

1.2. Updates since September 2022

- I-SPOC website and resource page are being regularly updated by the Secretariat.
- I-SPOC introductory deck was last updated in January 2023.
- I-SPOC LinkedIn page has 645 followers. The secretariat posts 3 to 5 posts a week.

- I-SPOC's first newsletter (October to November 2022) was released in January 2023 and the second newsletter (January to March 2023) will be released by the 3rd week of April, 2023.
- Commitment document for members has been revised. The document now includes KPIs for members that are to be fulfilled within the first two years of becoming a member.
- I-SPOC annual report for 2022 was developed and shared with all members and observers.
- Two knowledge products; **Practitioners Guide** - Mitigating Potential Risks in Financing Agro -Commodities in India and **Policy Input Note** on CLIMATE CHANGE AND BIODIVERSITY CONSERVATION- Production of Sustainable Palm Oil in India were launched at the members meeting.
- The Practitioners Guide developed by CRB and Auctus ESG focuses on the role of the financial sector in sustainable production of agro-commodities and the impacts of institutions on climate related actions.
- Ashwin Selvaraj from RSPO and Rijit Sengupta from CRB presented the background of Policy Input Note (PIN) on production of sustainable palm oil in India. The PIN focuses on the ongoing expansion of palm oil in India under the National Edible Oil Mission-Oil Palm (NMEO-OP) scheme. It analyzes the proposed annual plans by the states that overlap with other missions and provides recommendations for planning the expansion in a sustainable manner.
- Nidhi Choudhary from CRB presented updates of the Traceability Action Group. The Group was formed after discussions held in the 8th Members' Meeting of I-SPOC. The first Traceability Action Group meeting was conducted in November 2022 and based on the discussion an outline of a briefing paper on 'Achieving traceability in the Indian Oil Palm Value Chain' was developed. CRB conducted one-on-one discussions with experts. Based on the initial meeting, one-on-one calls and secondary research a draft of the briefing paper is being developed.
- Briefing paper on traceability will be shared with all the experts for their review and inputs before finalization.
- Upcoming Activities:
 - Stakeholders dialogue on sustainable oil palm production in India to be held on 24th May in New Delhi, India
 - Knowledge Products: There are a few more knowledge products that will be launched soon.
 - Capacity Building Workshops: This year I-SPOC work plan will focus on the capacity building of members and observers.

2. Insights from Members

A group activity was conducted to collect inputs from members on their journey towards uptake and opportunity of sustainable palm oil. The activity was conducted by dividing the members into smaller groups where they highlighted and discussed their achievements and challenges that they have had in their journeys towards sustainable palm oil production. They also put light on the support required from I-SPOC to achieve sustainability in the palm oil sector.

Group 1 (Harshal Thakare- Galaxy Surfactants, Neha Simlai- IDH-the Sustainable Trade Initiative, Sneha Maheshwari-IDH, Sourajit Aiyer-Auctus ESG LLP and Priyanka Shirke-Zoological Society of London (ZSL))

Group 2 (Sanjana Das- WWF India, Vishal Dev-WWF India, Chandru Badrinarayanan- Blue Sky Analytics and K. Muni Sekhar- Sodexo)

Group 3 (Karishma Vohra- WWF India, Ashwin Selvaraj-RSPO, Swapnil Patil- Frigorificio Allana and Surabhi Gulve- Frigorificio Allana)

Group 4: Joined virtually (Bhavith Pant- Rainforest Alliance, Akshay P. -RBL, Clare Clifton-Reckitt, Eleanor Spencer- ZSL, Florencia Sarmiento-IISD, Imogen Fanning-ZSL, Sanjay Sethi Plant Based Foods Industry Association (PBFIA), Anubhav Srivastava-AAK, Bhavna Shah-Malaysian Palm Oil Council (MPOC), Rita Roy Choudhary- E-Cube Investment Advisors Pvt Ltd, Sudhakar Desai- Indian Vegetable Oil Producers' Association (IVPA) ,S.P. Kamrah- IVPA, Tran Quynh Chi-IDH, Sanket Bondre-Earthworm Foundation and Aswathaman Vijayan-Imperial Brands PLC)

2.1. Presentations by the groups

The representative from each group represented a brief summary of discussions.

Group 1: represented by Harshal Thakare from Galaxy Surfactants

Group 2: represented by Sanjana Das from WWF -India

Group 3: represented by Karishma Vohra from WWF - India

Group 4: represented by Sanjay Sethi from PBFIA

The pointers of discussions between the groups are compiled in the form of a table presented below:

Groups	Achievements	Challenges	Support required from I-SPOC
Group 1	<ol style="list-style-type: none"> 1. Journey of Galaxy- Galaxy got RSPO certified in 2012 with a single unit in scope. Currently, all of Galaxy's units are certified with RSPO. 2. 40 % of total production is RSPO certified with volume around 35000 MT. 3. Traceability - Galaxy has achieved more than 95% traceability till mill level and more than 50 % traceability till plantation level. 4. 70% plantation undertaken by Galaxy is deforestation free. 	<ol style="list-style-type: none"> 1. Presence of multiple standards for palm oil certification. 2. Achieving sustainability in palm oil is not limited to RSPO certification. 3. Absence of availability of single platform for traceability. 	<ol style="list-style-type: none"> 1. There should be only one single standard for palm oil certification. 2. Requirement of incentives for Indian small-scale industry to create a policy advocacy to engage with the government. 3. Branding of sustainability in palm oil. Involving famous personalities in branding of sustainable palm oil. 4. Organizing big events for creating knowledge in the palm oil sector. 5. Development of curriculum for the young generation on sustainability.
Group 2	<ol style="list-style-type: none"> 1. Price Premium for sustainable oil palm has decreased from 20 % to 5-7%. 2. Ruchi Soya got certified with RSPO which led to increasing the volume of available certified palm oil that further 	<ol style="list-style-type: none"> 1. There is need of doing capacity building in the industry. 2. There is lack of awareness on sustainable palm oil in the industry. 3. False perceptions of the palm oil in the consumers. 	<ol style="list-style-type: none"> 1. Capacity building should be conducted for sharing information on traceability and third-party validation. 2. Incentivizing oil palm production 3. Awareness for branded companies. More focus should be made on B2B than on B2C

	<p>caused a significant decline in the price premium.</p> <p>3. Younger population is showing more interest in sustainability.</p>	<p>4. Awareness on traceability is not much in the industry.</p>	
Group 3	<p>1. Awareness on sustainable palm oil has increased that has resulted into increased demand.</p> <p>2. Increased availability for procurement of sustainable palm oil at the global level.</p> <p>3. Consumers are more focused on quality and sustainability.</p> <p>4. Senior Management of companies are showing more interest in boosting the sustainable oil palm production.</p> <p>5. There is increase in profitability due to linkages with brands.</p>	<p>1. Acceptability for sustainable palm oil is still low In Indian market.</p> <p>2. To extract data from suppliers to achieve traceability till plantation/mill level is difficult. Furthermore, data is not validated.</p> <p>3. Changing geopolitical scenario has caused shortage in supply.</p>	<p>1. Capacity building requirement for increasing suppliers' engagement for public sharing of data.</p> <p>2. Engagement with educational institutes to involve youngsters in the field of sustainability.</p> <p>3. Local brand engagement needs to be strengthened for increased consumer awareness.</p>

<p>Group 4</p>	<ol style="list-style-type: none"> 1. Awareness of the environmental and social risks associated with producing oil palm unsustainably. 2. Improved traceability - to mill and plantation. 3. Large quantity of sustainable palm oil available now. 	<ol style="list-style-type: none"> 1. Demand of sustainable palm oil from major consuming countries in APAC. 2. Compliance and implementation EU deforestation regulation [additional costs, market access barrier] 3. Upcoming EU deforestation free legislation - understanding exposure and supply chain partners actions to be compliant in time. 4. Traceability - having full visibility to plantation level, but more than this relationships (contractual or beyond) in the supply chain that enable info flows on things like deforestation grievances. 5. Collaborative potential between palm oil and users. 6. Information and best practices sharing on how large brands are building their strategy for deforestation supply chain 7. Hand holding the supply chain actors. 8. Low premium for sustainable palm oil. 9. Less understanding of what sustainability means. 10. Trust deficit among the supply chain partners. 	<ol style="list-style-type: none"> 1. Providing platform for sharing of best practices and lessons learnt from experience. 2. Industry expectations to localize the supply chain. 3. Clearing myths associated with nutritional value of palm oil. 4. Transition to plant-based foods including plant-based lipids. 5. Continued development of the traceability action group to address challenges outlined above.
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3. Capacity Building Exercise

Presentation by ZSL and IDH - the Sustainable Trade Initiative

- Priyanka Shrike and Eleanor Spencer from ZSL presented their platform SPOTT.
- Brief pointers from the presentation are listed below:
 - The platform is used for assessing commodity producers, processors and traders on their public disclosure related to their organization, policies, and practices related to environmental, social and governance (ESG) issues. The companies are assessed based on the review of publicly available reports and information for draft assessments. ZSL provides companies to respond to ZSL over their draft assessment during the consultation process.
 - The system also includes a Ranking system for companies ranging from most transparent to least transparent.
 - Importance of tools for financial companies and downstream companies as present in the system is helpful in making investments and purchasing decisions to minimize the negative impacts of unsustainable production.
 - Transparency and traceability are important in achieving sustainability and there are range of indicators for measuring transparency.
 - Achieving traceability through SPOTT is important for both investors and suppliers as it mitigates the risks in the supply chains.
 - Upstream companies are also benefited through SPOTT as SPOTT helps in identifying gaps and weaknesses in its disclosures.

Presentation by IDH - the Sustainable Trade Initiative

- Tran Quynh Chi from IDH presented Palm Oil Landscapes in Asia (Indonesia, Malaysia and India). Chi presented market coverage of palm oil and also represented the market strategy for engagement in the Indian market that would link sustainable production to responsible sourcing.
- IDH proposed to work with I-SPOC for below topics:
 - Capacity Building on Policy Engagement
 - Representation of Standard to the Government of India
 - Consultations with I-SPOC members for research
 - Communicating the research results and advocating the actions further on policy paper, monitoring disclosures, and driving public commitments
 - Contribution to Traceability Action Group for traceable imported Palm Oil

Annex 1: List of Attendees

S.NO.	Name	Company	Mode (In person/virtually)
1	Priyanka Shirke	ZSL	In-person
2	Neha Simlai	IDH	In-person
3	Sneha Maheshwari	IDH	In-person
4	Harshal Thakare	Galaxy Surfactants	In-person
5	Swapnil Patil	Frigorificco Allana	In-person
6	Surabhi Gulve	Frigorificco Allana	In-person
7	Ashwin Selvaraj	RSPO	In-person
8	Sanjana Das	WWF India	In-person
9	Karishma Vohra	WWF India	In-person
10	Vishal Dev	WWF India	In-person
11	K. Muni Shekhar	Sodexo	In-person
12	Sourajit Ayer	Auctus ESG LLP	In-person
13	Chandru Badrinarayanan	Blue Sky Analytics	In-person
14	Rijit Sengupta	Centre for Responsible Business (CRB)	In-person
15	Bhavya Sharma	CRB	In-person
16	Nidhi Choudhary	CRB	In-person
17	Florencia Sarmiento	IISD	Virtually
18	Imogen Fanning	ZSL	Virtually
19	Eleanor Spencer	ZSL	Virtually
20	Sanjay Sethi	PBFIA	Virtually
21	Bhavit Pant	Rainforest Alliance	Virtually

22	Akshay P.	RBL Bank	Virtually
23	Bhavna Shah	MPOC	Virtually
24	Rita Roy Choudhary	E-Cube Investment Advisors Private Limited	Virtually
25	S.P. Kamra	IVPA	Virtually
26	Sudhakar Desai	Emami Agrotech /(IVPA)	Virtually
27	Anubhav Srivastatva	AAK	Virtually
28	Tran Quynh Chi	IDH	Virtually
29	Sanket Bondre	Earthworm Foundation	Virtually
30	Aswathaman V	Imperial Brands PLC	Virtually
31	Clare Clifton	Reckitt	Virtually
32.	Shobha Ramesh	Wipro	Virtually
33.	Shakshar Guha	Wipro	Virtually