

Sustainable Palm Oil Coalition for India (I-SPOC)

8th Members Meeting

26 August 2022, 11 AM to 1 PM (IST)

1. Meeting Objective

- Welcome by I-SPOC Steering Committee Members
 - Dheeraj Talreja, President, AAK- India
 - Ashwin Selvaraj, Deputy Director Market Transformation (India & China), RSPO
- Introductions and comments from participants on current issues in the palm oil industry (Moderated by Mr. Rijit Sengupta, CEO, Centre for Responsible Business (CRB))
- Updates on I-SPOC
- Panel discussion on Integrating Sustainability Principles in the palm oil sector in India

Moderator - Karishma Vohra, Senior Expert, Commodities and Sustainable Supply Chain, WWF- India

- Panellists
 - Akhil Kumar Gawar, Director, Food Processing Department of Industries & Commerce, Government of Telangana
 - Dr. Kalidas Pothineni, Principal Scientist (Retd.), ICAR-IIOPR
- Special Remarks by Caroline Westerik - Sikking, Global Manager Sustainable Oils, AAK
- Summary and Action Points AoB

2. Brief Proceedings

i) Welcome

- **Ashwin Selvaraj, RSPO**
 - Ashwin highlighted that climate change is real and so are its impact on ecosystems and biodiversity. He added that there is a need to increase engagement within relevant thought leaders and other stakeholders in the supply chain to work on shaping the climate agenda while also addressing the impact it has on the environment, biodiversity and livelihoods. The new mission The National Mission on Edible Oils and Oil Palm (NMEO-OP) could be one such approach towards addressing the issue of demand/supply or import/export of palm oil
- **Dheeraj Talreja, AAK**
 - Highlighted that climate change is real it can be seen through change in the weather patterns across the world. He added that there is no planet B and thus, we need to be more aware of our actions

ii) Updates from I-SPOC

- **I-SPOC deck, website and resource page**
 - The deck includes information about the Coalition, the governance structure, members, the need to make the transition and how to become a member. The deck was last updated in July 2022 and is available on the website
 - The website is regularly updated by the Secretariat
 - The resource page that is updated on a monthly basis has articles, knowledge products, blogs, podcasts as developed and shared by the Founders/Steering Committee Members and Members
- **LinkedIn updates**
 - I-SPOC has 452 followers (as on 25 August 2022) on its LinkedIn page

- Information related to palm oil in the form of articles, news clips, blogs, knowledge products, updates from the Founders/Steering Committee Members and Members is regularly shared on the page
- News articles are shared every Monday, Wednesday and Friday
- The Secretariat plans to start introducing the members (organization description and logo) on the LinkedIn page
- The Secretariat will also be creating a LinkedIn community or group for including all I-SPOC members and observers
- **Upcoming activities/ documents**
 - **Commitment Document**
 - a) The commitment document that includes the action points/activities that an organization has to carry out after becoming a member has been finalized by the Steering Committee Members
 - b) The document will be shared with the members in September along with the proceeding of the meeting
 - c) The members are requested to sign the document and fulfil the activities defined in the document
 - **Newsletter**
 - a) I-SPOC will also start mailing a newsletter from January 2023. Newsletter will include details of upcoming events in the sector along with a highlight on member initiatives and relevant palm oil news
 - b) The format for the quarterly newsletter is being finalized by the Founders
 - **Biennial Report:** The founders are also working on the biennial report (2020-22). More details of the report will be shared in the next meeting
 - **Testimonial Videos:** The Founders with support from the Steering Committee are also going to develop testimonial videos of members and observers. In the 2-3 minutes long video, the member or observer will be talking about their views on I-SPOC and the highlighting the support that the coalition has provided them
 - **Knowledge Products**
 - a) CRB
 - Policy Input Notes or Policy Briefs
CRB in collaboration with RSPO has developed policy briefs that will be used to initiate engagement with relevant stakeholders. The briefs were developed on the following topics:
 1. Domestic Production and it's impact on climate and biodiversity conservation
 2. Labour and Human Rights – Social impacts on Domestic Production
 3. Sustainable Public Procurement: Strategies for palm oil use by PSUs in India
 4. Role of finance in promoting uptake of Sustainable Palm Oil in India
 5. Ensuring sustainability standards in Palm Oil – the potential of India's bilateral and regional trade negotiation
 - Practitioners' Guide
CRB with support from RSPO developed a Practitioners' Guide¹. The guide is being finalized and will be launched in the next 2-3 months. It will also be made available to the members and the observers of the coalition
 - As a co-chair of Financial Institutions Working Group, CRB will use the guide as developed for initiating discussions and possible applications by selected financial institutions and actors

¹ Practitioners' Guide: Mitigating Potential Risks in Financing agro-commodities in India with special reference to Palm Oil

b) WWF- India

WWF has developed the following knowledge products

- [Sustainable Procurement Guide for Conscious Buyers in India](#) is a tool to support companies in making the transition towards sustainable procurement of palm oil in India. The guide outlines steps in line with the Accountability Framework Initiative's (AFI's) twelve core principles that the companies in the Indian market can undertake to transition their supply chains towards sustainable sourcing practices. The guide was launched at the annual event of the Retailers Association of India (RAI); the Retailers Leadership Summit (RLS) on 27 April 2022 in Mumbai
- WWF is also working on a policy brief on conducive mechanisms for responsible sourcing of edible oils that will be available from member/observers view in the latter half of the year

c) Rainforest Alliance and RSPO

Rainforest Alliance and RSPO have developed the Sustainable Palm Framework – A Roadmap for Indian Companies has been finalized and will be shared with members and observers. It will also be made available on the I-SPOC website

iii) Suggestions and comments from participants

Putting down a few suggestions/inputs as received from some of the participants

- **Bhawna Yadav, Reckitt**
 - Need to look at traceability and transparency of the value chain and identify how I-SPOC can be used for the same
 - The Indian suppliers don't share data, how could the companies make them share data
- **Ram Vaidyanathan, Godrej**
 - Deforestation isn't only the single issue that we should look at and address, there is also a human right issue as well
 - While reaching out to supply chain actors, I-SPOC or any other coalition and even organizations now should keep in mind the human rights aspect and include it in their Needs Based Assessment survey or questionnaire
 - Granular information is important but we also need to do a cost-benefit analysis
- **Aswathaman Vijayan, ITC**
 - While talking about traceability and transparency, we need to narrow down and see if we are looking at the origin from where the produce is coming or we are also taking into account the farm practices as well
 - Giving an example, he added that traceability is a big term and we as a coalition or an organization need to see what it means to us and why is it important
- **Harshal Thakare, Galaxy**
 - Galaxy started their traceability exercise in 2016 on a calendar year basis
 - There is a template for needs assessment (a similar template is used across for all suppliers)

- The data collection is done by a single agency and the listing is done on plant basis
- Galaxy could share their experience on traceability with the members
- **Yogesh Pathak, MTR**
 - They have been implementing sustainable sourcing
 - Would like to know more about I-SPOC and how MTR and I-SPOC can collaborate on uptake of sustainable palm oil
- **S.P. Kamrah, IVPA**
 - IVPA along with RSPO and CRB will be hosting an industry event on 18 and 19 November in Hyderabad
 - Invited all members and observers to be part of the event
- **Dheeraj Talreja, AAK**
 - AAK is doing traceability up to mill level
 - There is a need to understand traceability and also take into account the social aspect
 - There are solutions available for 100% traceability
- **Ashwin Selvaraj, RSPO**
 - We should look at what is available when it comes to sustainable sourcing
 - On Palm Trace, for all sustainability models, traceability methods up to the mill level are already mentioned
 - RSPO has worked together with Global Forest Watch to combine global palm oil mill lists. The list includes certified and non-certified mills
 - A unique ID is created for each user on PalmTrace. Interested organizations can ask for their suppliers for the mill lists. Impact assessment data (emissions, ways to reduce) is also available for the users on PalmTrace
- **Rijit Sengupta, CRB**
 - The Founders along with the members/observers to put together an action group to work on traceability and explore a common understanding on traceability and it's implications. The group to also identify ways for I-SPOC to work on the topic and CRB can facilitate this process

iv) Panel discussion on Integrating Sustainability Principles in the palm oil sector in India

a) Dr. Kalidas Pothineni, Principal Scientist (Retd.), ICAR-IIOPR

He highlighted the benefits and challenges of palm oil cultivation in India

- About one-third of the world's trade in oils and fats is dominated by palm oil
- The world oil palm cultivation consumes only 2-3% of total 171 million hectares devoted to all oils and fats crops worldwide. Yet palm oil contributes to 8 to 10% of the total world's population of oils and fats
- The high photosynthetic rate of palm oil enables it to produce between 8 to 10 times more oil per ha/per year than other oil seeds such as rapeseed or soyabean or groundnut
- It emits 8 to 10 times more oxygen and absorbs up to 10 times more CO₂ per hectare/per year than any other annual crops grown in temperate countries
- The crop also requires less fertilizers per unit of output than any other crop (Basiron,2007)

- In terms of water use efficiency, oil palm consumes 1875 litres of water as compared to rice (3000-5000liters) and cotton (22500 litres)
- Based on the current scenario of demand and supply (ICMR recommendation), India's per capita consumption of vegetable oil in India is 18kg/per person/per annum². In order to meet the demand, he recommended that we should look at growing palm oil in India. There is a need to look at high yielding crops. The yield of palm oil is about 4-6 tonnes per hectare per year. More yield also links to generating more employment opportunities further linking to continuous income flow
- It is estimated that post NMEO-OP, the edible oil per person consumption for 2020-25 would be 16 kg/annum and 12.50 kg/annum in 2029-30
- While suggesting the way forward, he highlighted that by 2050 requirement for vegetable oils is 40.5 million tonnes, if the area to be covered under palm oil is 1.93 million hectares. Approximately, 14 million tonnes of palm oil would be produced, taking the contribution of palm oil to vegetable oil requirement up to 33.4%
- Looking at challenges, Dr. Kalidas put light on the seed sprout availability, market price (low and fluctuating prices), drought and cyclones affecting the yields, lack of advanced processing facilities amongst others

b) Mr. Akhil Kumar Gawar, Director, Food Processing Department of Industries & Commerce, Government of Telangana

He gave an introduction to palm oil cultivation in Telangana

- Telangana was a water scarce state, in the last 8 years a lot of focus has been on irrigation and water efficiency in Telangana
- Telangana now has water and paddy surplus; it is difficult for state government to procure paddy. There is a significant benefit in order to convert paddy to palm oil
- For the state, crop diversification is a top priority
- Goals under NMEO-OP for Telangana
 - 20 lakhs acres in 3 years
 - In the state, zones have been allocated to 11 companies, most land is digitised (implementation through end to end)
 - 80-85% of the saplings are already booked
 - The state government has reached out to all key experts on palm oil in India and world regarding the production of palm oil in Telangana
- Business perspectives: challenges and opportunities
 - Production: India palm oil could be produced sustainably, once the price premium is understood. There is a need to amplify that India can sell sustainable palm oil as a premium and as a producer of sustainable palm oil

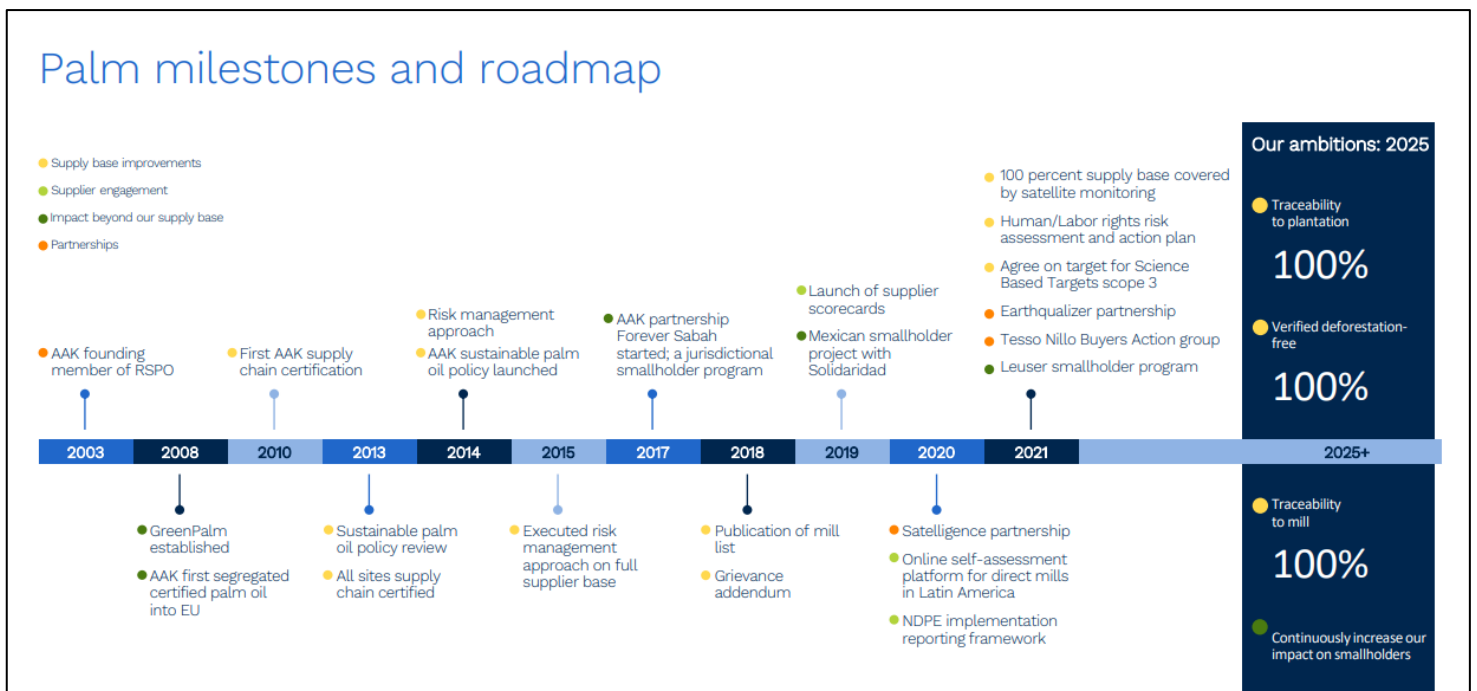
v) Closing remarks by Caroline Westerik-Sikking, Global Manager Sustainable Oils, AAK

She gave an overview of AAK's journey on sustainability from plant to brand

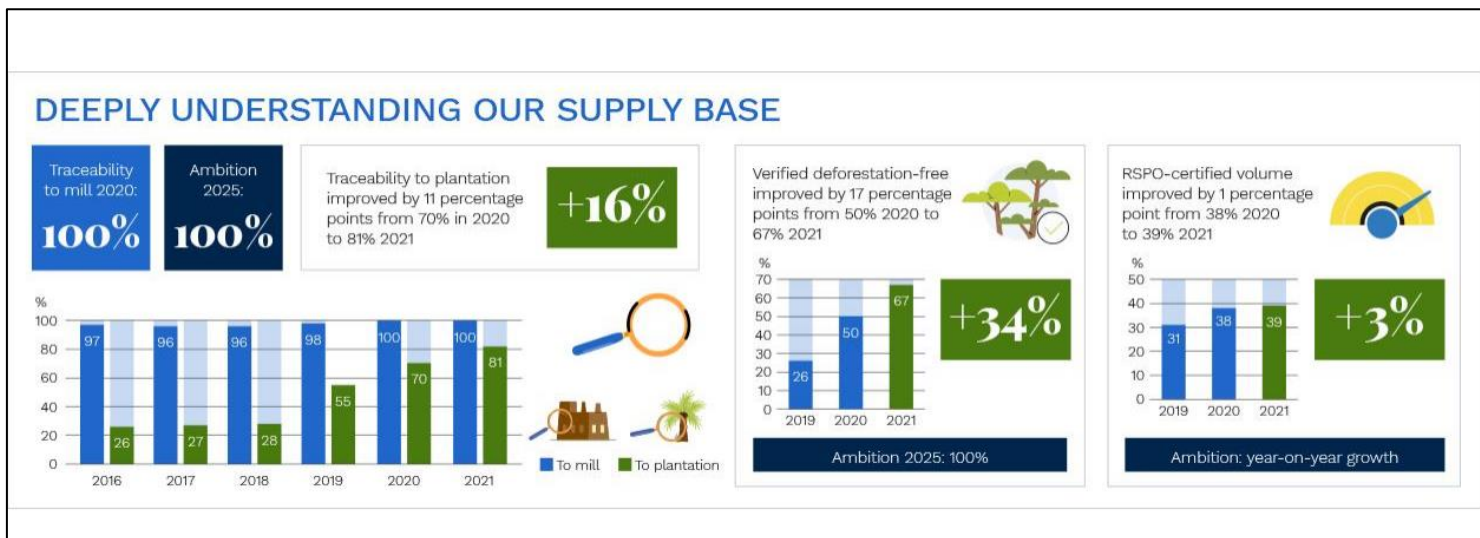
- Highlights from their dynamic sustainability landscape
 - Consumers adopting more sustainable lifestyles, have some understanding of sustainable products – affordability is important

² ICMR recommendation is 30g/per person/day: 12 kg/person/annum
Current per capita consumption: 19 kg/person/year
data, 2018-19

- Customers commit to Net zero, combining no deforestation, reforestation (biodiversity) into climate ambitions & shift their focus towards human rights
- Investors are accelerating
 - ESG requirements
 - TCFD –Taxonomy
 - Impact assessment
- NGO's keep pushing
 - Environment
 - Human rights
- Governments stepping up
- AAK's approach – The House of sustainability looks at making better happen from plant to brand by looking at better sourcing, better operations and better solutions
- Progress in 2021
 - Better sourcing includes
 - Protecting biodiversity and ecosystems: 100% verified deforestation-free palm and 150,000 trees planted by 2025
 - Empowering smallholders and women to improve livelihoods
 - Better operation includes
 - Enabling the well-being of the people
 - Minimizing our environmental impact
 - Better Solution includes
 - Increasing the demand for better solutions: Strong growth in revenue from new solutions to the plant-based food market
 - Enhancing sustainable development with their solutions: 50 % of revenue contributing to Sustainable Development Goals
- Palm Journey of AAK



- AAK goal by 2025
 - 100% verified deforestation free
 - 100% traceability to plantation
 - Ensuring science-based targets and human rights due diligence fully embedded
 - Increased collaboration is the solution. Only together can we create a palm oil industry that is 100% sustainable
 - Global demand for palm oil can be met without compromising high environmental and social standards
- AAK's criteria for Sustainable Palm Oil
 - Other than adhering to RSPO, NDPE and respecting human and labour rights AAK's own criteria for responsible sourcing of vegetable oils covers requirements within the areas of human rights, freedom of association, forced labour, child labour, discrimination, working hours, workplace violence, environment and anti-corruption
- Sustainable Palm Oil: Progress 2021



- AAK support to further build capacity in India
 - In close collaboration with WWF and FMCG companies
 - Increase awareness of RSPO
 - Increased engagement with customers on sustainable palm
 - Educate & train
 - Stimulate the market uptake