



## Sustainable Palm Oil Coalition for India (I-SPOC)

### Open Day – Session 1

23 June 2021

#### a) Experts

- Kamal Prakash Seth, Deputy Director, Market Transformation (Global), RSPO
- Bhawna Yadav, Social and Human Rights Manager (South Asia and ASEAN), Reckitt

#### b) Attendees

- Gautam Aggarwal, CDP
- Aadarsh Mohandas, Preferred by Nature
- Bhavit Pant, Rainforest Alliance
- Sneha Maheshwari, IDH
- Debajit Bhattacharya, Havmor

#### c) Brief Summary

- The scope of Government Policy working group of I-SPOC has expanded and domestic production has been added to the group
- Another working group focussing on the Financial Sector is being put in place. At present, I-SPOC has 4 financial institutions, other members of the coalition are welcome to be part of the Finance Working Group in case it aligns with their work areas
- Biofuel derived from palm oil, is not being considered by the coalition so far. Consumption of biofuel in India is limited (less than 5%). The coalition will focus on hotels, restaurants and catering along with the food and blended oil sector, essentially FMCGs, edible oils and HORECA sector.
- There is a legal discussion as to which derivative of palm oil will be considered under the heading of a biofuel and which would not. This might also depend on the company/country that is enquiring. For instance, a French company will not consider sustainable palm oil as biofuel.
- In June 2021, the Government of India has announced the 'Ethanol Blending Policy' targeting to achieve 20% ethanol-blended fuel by 2025<sup>1</sup>. Focus of this policy is around sugar. The idea is to balance the supply and demand of sugar with the use of ethanol blending
- Most countries in Europe are planning to phase out palm-oil from biofuel by 2030. Malaysia and Indonesia have gone ahead with B20 and B30 programmes in this regard; India is not a part of this
- In the context of sustainable palm oil, two focus areas are deforestation free supply chain and sustainable supply chain. Along with suppliers tend to look at issues related to continuous supply of sustainable palm oil

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<sup>1</sup> <https://www.icis.com/explore/resources/news/2021/06/09/10649792/india-targets-20-ethanol-blended-fuel-by-2025#:~:text=Currently%2C%20India's%20ethanol%20blending%20rate,2022%20based%20on%20the%20roadmap.&text=Oil%20marketing%20companies%20are%20expected,December%202020%20to%20November%202021.>

- In India, FMCGs are not directly procuring palm oil, but procuring another raw material which consists of palm oil. Discussions with vendors always leads to questions around continuity of supply, for which the import channel is kept open
- Awareness about sustainable palm oil at the level of vendor/sourcing still needs strengthening
- The coalition need to focus on the suppliers and retailers. Capacity-building workshop(s) are to be organized for them in the near future. The coalition members are to nominate their suppliers and retailers for these technical workshop(s)
- While introducing Preferred by Nature, Aadarsh spoke about their work on palm oil specially in the South East Asian region. They work as both a solution provider and certification agency. They are keen to partner with the coalition to promote sustainability as an option and increase the uptake of sustainable palm oil. He added that they would like to collaborate to provide customised solutions to companies. They will be working on capacity-building as a way of promoting sustainable palm oil and also be a knowledge centre in the future keeping certification as one of the options
- The coalition needs to help companies that might not have the bandwidth or ability to recruit a sustainable sourcing team. This could be done by making knowledge products and data open-sourced and providing handholding to such companies
- There is a lack of clarity on all existing standards and certification linked to palm oil. There is also a need to create awareness on sustainable sourcing supply chain to smallholders, suppliers and even retailers
- The role of certification bodies become all the more important in segregating certification(s) based on the commodity they are used for with respect to sourcing and standards
- While citing an example, Kamal mentioned that most FMCGs face challenges related to internal communication within teams. For instance the KPI for a procurement team in a FMCG does not include procuring sustainable palm oil rather it includes sourcing at the best possible price available
- In order to increase uptake of sustainable palm oil by FMCGs there is a need develop linkages within teams including sustainability, procurement, sourcing and marketing along with pushing them to developing a sustainable sourcing policy and increase awareness of their suppliers and vendors on sustainable palm oil and its supply
- Bhawna mentioned that for companies that already had sustainable sourcing policy, the EU legislations on palm oil are a positive step. It further makes it easier for FMCGs to socialise within the stakeholders and externally. It will also be helping in further convincing the value chains including suppliers and vendors
- Gautam asked regarding the role that the European markets could play in promoting sustainable palm oil in India. He added that if I-SPOC collaborates and work with other palm oil-based associations like Forum for Sustainable Palm Oil, the Palm Transparency coalition it will help in raising awareness around sustainable palm oil and RSPO certification. To this Kamal, mentioned that recently I-SPOC was represented at the quarterly meeting of NASPON. As part of the coalition, the Steering Committee Members have reached a consensus as to which of these regional/national alliances should I-SPOC collaborate with in the coming months to reach the goal of making sustainable palm oil a norm

- Kamal further added that value addition of I-SPOC for global organizations is work as an extended team and to offer help/ guidance to their India offices to transition towards sustainable sourcing and sustainable palm oil
- Rainforest Alliance is working on a palm oil sustainability framework which will comprise of tools to help the Indian companies and MNCs to move towards sustainable palm oil. Along with that the coalition will also be organizing capacity building workshops for members, observers and even nominated suppliers/vendors. The working groups will also develop knowledge products related to sustainable palm oil and disseminate it amongst members and observers