



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

### Open Day – Session 2

23 June 2021

#### a) Experts

- Madhuri Nanda, Director, South – Asia Rainforest Alliance
- Paula den Hartog, Sector Lead, Palm Oil, Rainforest Alliance
- Bhavit Pant, Manager, Markets, Rainforest Alliance
- Bhavna Prasad, Director, Sustainable Business, WWF
- Narendra Mohan, Manager – Forestry Commodities (Sustainable Business)

#### b) Attendees

- Neha Simlai, IDH
- Sanjay Trivedi, IHPCIA
- Gopi Peddinti, Wipro Consumer Goods
- Harshal Thakare, Galaxy Surfactants

#### c) Brief Summary

- Bhavya gave a brief introduction of I-SPOC. She highlighted that the four founding members of the coalition are WWF, Rainforest Alliance, RSPO and CRB (which is also the Secretariat). The Coalition at present has 28 members and 3 working groups namely Government Policy and Domestic Production, Supply Chain and End Users and Financial Institutions
- Gopi Peddinti gave a brief overview of the sustainability initiatives that Wipro Consumer Goods are undertaking and helped in identifying the areas where the coalition can work with Wipro in taking their sustainability agenda forward. He also spoke about soap manufacturing being undertaken by Wipro and how Wipro could support the coalition
- Paula mentioned that if needed the coalition will be happy to support Wipro in understanding the supply chain, the procurement of materials and even developing or tweaking the sustainable sourcing policy for palm oil along with figuring out the next steps and the way forward in their sustainability journey
- Harshal gave a brief introduction of Galaxy and its sustainability initiatives. Galaxy started its RSPO journey in 2012 by joining in as an ordinary member. In 2014, they went ahead and got one of their unit RSPO certified. In August 2014, all of their locations in India were certified under RSPO. In 2015, their Egypt location was certified. Subsequently, RSPO certified Mass Balance (MB) was then being supplied to different consumers of galaxy across the globe. Since 2016, all of their units in India and Egypt are RSPO certified. Over the years, they have seen that more and more consumers have been asking for RSPO certified palm oil. In 2020, more than 80, 000 MT was dispatched as RSPO MB material. As far as oil palm traceability is concerned, Galaxy initiated that in 2016. All the customers (HUL, P&G, Colgate) are all using/procuring RSPO certified materials

- He further added that as far as challenges related to RSPO are concerned, there were initial issues related to understanding the system and its functionality. It also included awareness generation and capacity building of the officials, suppliers/vendors and auditors as well
- Galaxy functions in the B2B market that is completely consumer driven and 35% of their total material is RSPO certified and all of it is MB. He added that a premium of \$100 is attached to the conventional material (derivatives of oleo chemical which includes palm oil and palm kernel oil), this premium has increased 2 to 3 folds in the last few years. Galaxy is looking forward to increase the quantum of material from 35% to more but it is all depended on the demand of the consumers and their uptake of the same
- Sanjay Trivedi from IHPCIA spoke about the challenges faced by the members of the association (comprising of companies manufacturing home care products) on the use of certain raw materials. The association has moved the members to use palm-based derivative as one of the raw materials, the uptake of which is taking a longer time since it isn't the most sort after material. The association is also pushing its members to use more green raw materials including palm oil derivatives and see if a business case can be developed on that basis. The business case looks at replacing fossil fuel based raw materials with natural green raw material. He also mentioned that there is traction for using green and natural raw materials but it is still very low
- Bhavna asked Mr. Trivedi if the members of IHPCIA are familiar with the sustainability criteria related to palm oil consumption and where are the gaps that need fulfilment. Mr. Trivedi mentioned that the industry doesn't use palm oil directly. They work on two important fractions namely; PKO and Palm stearin (by product produced when we process palm oil and separate it from edible oils). He added that the Indian market has to move towards a change in the oppose to clean products, something that all the neighbouring countries have moved towards concentrate. Our focus now is to move to ultra concentrates and encourage their production
- Mr. Trivedi also mentioned that currently India produces close to 15,000 tonnes of detergent powder with a low active ingredient and each of them is packed in a separate bag that goes into garbage which further pollutes the environment. People have to now identify the most sustainable option and the government has to provide fiscal benefits for the same
- Looking at a small-scale industry and the communication/branding of sustainable palm oil within them, the coalition aims to engage with the companies to understand their needs. It also will involve looking at their supply chain and making them to commitment towards no deforestation and then communicate the same at a corporate level than at a marketing level. The coalition is also developing a framework highlighting the steps, available frameworks that can help members/observers in their journey towards sustainability and sustainable palm oil