

Sustainable Palm Oil Coalition for India (I-SPOC)

First Members' Meeting Report 16th May 2019, Mumbai



1. Background

The Sustainable Palm Oil Coalition for India (**I-SPOC**) organized its first meeting of Members on May 16, 2019 at the Hindustan Unilever Limited office in Mumbai. The consultation was attended by Coalition *Members*¹ and *Observers*². I-SPOC is a business led multi-stakeholder initiative created with the goal of promoting *sustainable consumption, import and trade of palm oil and its derivatives* along the supply chain. It was formally launched in September, 2018 by the **Centre for Responsible Business (CRB), WWF, Roundtable for Sustainable Palm Oil (RSPO) and Rainforest Alliance**- the four *founding organisations*. Since its launch, it has grown to include ten businesses and six institutions. The overarching **goal** of the coalition will be achieved through industry collaboration and the pursuance of the following objectives:

- Create **awareness** on sustainability issues within industry and consumers and foster greater commitment to responsible sourcing policies and practices
- Facilitate multi-sector **industry dialogues** on sustainable palm oil
- Build and grow sustainable trade partnerships through **links with similar platforms** in producer countries
- Engage in **policy dialogue** for a supportive policy environment and regulation

2. Proceedings of the Meeting

The objective of this meeting was to formally introduce the I-SPOC mandate and architecture to the members and to seek inputs. The meeting started with context setting by Rijit Sengupta, CRB and a round of introductions. In his introductory remarks, he highlighted the importance of such an Initiative given the multiple (across the supply chain) and widespread (across geographies) impact points of the Palm Oil sector. He emphasized on the need for a continuous and consistent engagement of all members to steer the sector towards its goal.



During the round of introductions that followed, the members also stated their expectations from I-SPOC. The next speaker, Bhavna Prasad, WWF India presented the guiding tenets³ for the Coalition and all activities it proposes to undertake. She also delineated the broad roadmap to effectuate the desired change and impact. In his presentation, Kamal Prakash Seth, RSPO spoke about the structure of I-SPOC and the role of each actor within the structure. As is envisaged, the Coalition will have a Steering Committee (SC) comprising eight members (four founding members and four other members), holding the position for a period of two years. Broadly speaking, the SC will be responsible for maintaining oversight and steering & growing the Coalition. It will be supported

¹Members: Organisations that have formally joined the ISPOC Coalition

²Observers: Organisation that have interest in the ISPOC Coalition, but have not yet joined it formally

³**1)** Adherence to applicable laws, acts, statutes and policies **2)** The adoption of best practices and a commitment to continuous improvement in key areas of activity **3)** Commitment to conserving natural resources, biodiversity and the broader environment (specifically No Deforestation, No Peat and No Exploitation) **4)** Respect for human rights and ethical treatment of affected stakeholders including employees **5)** Commitment to transparency and disclosure **6)** Commitment to ethical and fair business practices **7)** Commitment to long term economic and financial viability

by CRB, the coalition's Secretariat, which will be responsible for the implementation of activities. Members will allocate themselves into the following three 'Working Groups' engaging on specific issues (as provided below) for a period of one year:

- (a) **Policy:** identify policy intervention areas, help articulate I-SPOC's position on policy issues (e.g. import of palm oil/sustainable palm oil), forge strategic partnerships with industry associations
- (b) **Supply Chain:** conduct trainings for suppliers, exchange good practices, promote benefits of sustainable palm oil among buyers and raise awareness among business associations
- (c) **End-users:** draw up action plans to fulfil global commitments on sustainable palm oil and derivatives, devise strategies to have more informed consumers and engage them on the subject of sustainable palm oil.

This was followed by the introduction of the two Steering Committee⁴ Members – Jasbir Singh Nanda from Hindustan from Unilever and Prakash Chawla representing AAK Kamani. In their addresses, they congratulated the members for joining the Coalition and being part of such an important mandate. Both of them also shared their respective organisation's journey towards sustainable palm oil, motivating all members to embark on this journey.

3. Feedback and Action

It was agreed that the Coalition must define both qualitatively and quantitatively the targets it sets for itself. These indicators must be ascertained based on research and baseline studies. The research work must delve into the structural and contextual challenges in the sector and juxtapose these with the social dilemmas and developmental challenges prevailing in the country. I-SPOC should guard itself from being reduced to a series of conferences and talk-shops. For this a detailed blue print and annual action plans must be thrashed out.



There was consensus on the need for government buy-in and support for the Coalition. This is particularly critical as some of the components of the industry for example refiners are under considerable stress at the moment, especially due to decreasing (import) duty difference between refined and crude palm oil especially imported from Malaysia.

Business case for sustainable palm oil needs to be highlighted by the Coalition, and shared with industry players and other stakeholders to enable wider support for sustainable palm oil across the supply chain/value chain in India.

3.1 Policy Working Group

On policy component, it was felt that timing is of critical essence as also the policy pitch. It was, therefore, consented that the Coalition should allow itself some more time to grow and mature. Once it has identified specific policy interventions, undertaken research and studied the local

⁴Steering Committee of I-SPOC consists of 8 Members, as per the Constitution of I-SPOC. Currently, there are 6 Members comprising 4 Founding members, HUL and AAK Kamani. 2 spots in the Steering Committee are vacant at the moment

context, it may choose to take a call on ‘what’ and ‘how’ to engage with the government. It was pointed out that identifying the right agencies and stakeholders to join hands for the pitch to policymakers would be critical. There was, however, broad consensus that the pitch should be made through industry associations and leading businesses. Highlighting the importance of the industry, for example to create jobs, to improve the livelihoods of smallholders or to mitigate climate change impacts, would be timely.

Additionally, it was suggested that talks with the Malaysian and Indonesian government maybe initiated to explore possibilities of incentivizing sourcing of sustainable palm oil.

3.2 Supply Chain Working Group

There was consensus among the members that sustainability agenda among FMCG companies must be driven by the top management (leadership), hence a need to engage leadership on sustainable palm related discussions. The subject needs to be brought to the attention of the Board and integrated into the core strategy and functioning of businesses. To ensure that the agenda gets the attention of the top management, it was proposed to organize a CEOs Panel at during the CRB 6th Annual Sustainability Conference (20-22 November 2019, Delhi). Additionally, a close door engagement with CEOs should also be explored.

The sector needs greater integration, most players within the sector work in silos. This results in structural issues remaining unaddressed and opportunities to collaborate unexplored. Also, within a business there is often lack of alignment between functions, (e.g. procurement and sustainability), which calls for seamless integration of sustainability across the organisation led by the top management.

It was recommended that there is a need to create demand and supply triggers. On the demand side, it was felt that a clear business case for both the small and big businesses be made, especially to create demand for products using sustainable palm oil (e.g. FMCG products). On the supply side, ways to augment access to sustainable finance, greater transparency and traceability should be established. It was also suggested that efforts be made to enable better uptake of sustainable palm oil in edibles as well as non-edible FMCG products. Currently, while there is good demand for PFAD and Stearin (used in non-edible products) there is low demand for Palmolein (used in edible products).



3.3 End User Working Group

There is lack of knowledge (even misgivings) among end users about sustainable palm oil. Concerted efforts must be made to address this knowledge gap and change mindset. Millennial consumers can be explored as a specific target group, and strategies developed to engage them. It would be useful to undertake 'willingness to pay' surveys among millennial consumers for products using sustainable palm oil.

4. Conclusion and Next Steps

Rosy Choudhary, Rainforest Alliance thanked all participants for their active engagement and emphasised that the onus is on each Member to drive the agenda forward by actively engaging in activities through the three 'Working Groups'.

4.1 Action Points

- All members are requested to indicate their preference for the three **Working Groups**, so that the 'action agenda' for each of the WG can be initiated
 - WG members to develop the 'Terms of Reference' (ToR) for the WG and the Action Plan from June, 2019 to November, 2019
 - Each Working Group (WG) to nominate a Chair, the nomination will be considered and approved by the Steering Committee
 - WG members are expected to meet every quarter (4 meetings in a year). The meetings may also be organized virtually. Next WG meeting to be held in September, 2019
- Interested members are requested to send their nomination for **Steering Committee** to the I-SPOC Secretariat (CRB). There are two vacant spots for the position
 - The Steering Committee is expected to meet twice in a year
- The **Second Members Meeting** will be held on **November 21, 2019** at the **CRB 6th Annual Sustainability Conference (India & Sustainability Standards 2019)**. Request all participants to block their calendars and participate actively in this meeting. In this meeting, activities undertaken and planned by the Coalition would be presented and shared with a wider community for further inputs and refinement.

Annexure 1: Participants

S.No	Name	Organisation	Member
1	Arindom Datta	Rabobank	Member
2	Adil Ghadiali	HSBC Bank	Member
3	Aparna Khandelwal	JubilantFoodworks	Observer
4	Anjana Shanmugave	WWF	Founding Member
5	Aloka Majumdar	HSBC Bank	Member
6	Ashok Batra	Rainforest Alliance	Founding Member
7	Ashwin Selvaraj	RSPO	Founding Member
8	Ayush Sharma	WWF	Founding Member
9	Bhawna Yadav	Reckitt Benckiser	Observer
10	Bhavna Prasad	WWF	Founding Member
11	EdelMonterio	IDH	Member
12	Girish Despande	Procter & Gamble	Member
13	HarshalThakare	Galaxy Surfactants Ltd	Observer
14	Jasbir Nanda	HUL	Member, Chair
15	Jasmeer Dhingra	IDH	Member
16	Julia Majail	RSPO	Founding Member
17	Kamal Prakash Seth	RSPO	Founding Member
18	Karishma Vohra	WWF	Founding Member
19	MiteshThakker	HUL	Member
20	Nandini Sharma	CRB	Founding Member
21	Narendra Mohan	WWF	Founding Member
22	Neha Simlai	IDH	Member
23	Prakash Chawla	AAK Kamani	Member, Chair
24	Ramesh Nair	Loreal	Member
25	Rijit Sengupta	CRB	Founding Member
26	Rosy Choudhury	Rainforest Alliance	Founding Member
27	Snigdha Pramanik	IKEA	Observer
28	Srinivas Prasad	Navabharat	Member
29	Udit Khare	ISEAL	Member
30	Vidya Rangan	ISEAL	Member
31	Virendra Jain	AAK Kamani	Member

Annexure 2: Agenda

Time	Program	Description	Facilitator
9:45 to 1000hrs	Arrival & Registration		
1000 to 1030hrs	Welcome & Introduction	Introduction to I-SPOC Members' Meeting May 2019 and the Participants	Rijit Sengupta, CRB
1030 to 1100hrs <i>(Working Tea)</i>	Overview of I-SPOC	<ul style="list-style-type: none"> • Goal, Objectives & Theory of Change • Structure, Governance & Roles • Introduction to the Steering Committee & Description of their Roles 	Bhavna Prasad, WWF Kamal Prakash Seth, RSPO
1100 to 1245hrs	Working Group Discussions	Allocation of Members across WGs. Members would work in a Group (WGs) to develop Annual Workplan for each WG(2019-20). Each Group to come up with 5 Time-based Action Points	Group Discussion
1245 to 1300hrs	Closing Remarks	Summary Way Forward	Rosy Choudhary, Rainforest Alliance
1300hrs	Lunch		