I-SPOC

Supply Chain and End Users Working Group

Members Meeting

26 May 2021

Co-Chairs

[Logos: Certified Sustainable Palm Oil (RSPO), Rainforest Alliance]
Highlights

1. Alignment with the I-SPOC mission
4. Palm Oil Sustainability Framework for companies in India
5. Q&A
Working Group Members

- AAK Kamani
- Colgate-Palmolive
- ECube Investment Advisors
- Ferrero
- Haldiram’s
- Hindustan Unilever
- HSBC
- Karnataka Chemical
- P&G
- Navabharat
- Galaxy Surfactants
- Manorama Industries Ltd
- Reckitt
- Zoological Society of London
- Cheyenne Mountain Zoo
- L'Oréal
Alignment with the I-SPOC mission
The Destination

I-SPOC Mission
To promote sustainable consumption and trade of palm oil and its derivatives in India along the supply chain, through industry collaboration.
Role of I-SPOC

Context

We are seeing overwhelming global attention and action for a green and sustainable recovery from the COVID-19 pandemic.

This is evidenced by the volume of funding flowing towards nature-based solutions (e.g. The LEAF Coalition and Rimba Collective) and the use of global trade as a tool to fight climate change. COP15 in China, COP26 in the UK and WEF in Singapore have prioritized the theme of deforestation free supply chains and biodiversity protection.

Key Messaging of this Working Group

Solutions that work for India

INDUSTRY TRANSFORMATION

I-SPOC can be a catalyst for sector-wide transformation by convening stakeholders across the supply chain around a shared vision of sustainable palm oil.

RISK MANAGEMENT

Sustainability standards combined with enhanced assurance mechanisms are a powerful tool to deliver the due diligence necessary to underpin green trade deals.

SHARED RESPONSIBILITY

To succeed, I-SPOC calls on all companies, investors and governments to scale up the adoption of certification, drive awareness, and strengthen the assurance ecosystem.
Annual Working Plan: 2020-21 Updates
How to Transition to Sustainable Palm Oil

Why make the switch to sustainable palm oil?

Would you buy a product for your family to use knowing that it had been produced by people working under forced or child labour conditions, or from land that was taken from local or indigenous communities?

If the answer is ‘no’, then ask yourself: why are you not providing the same assistance to your customers and consumers?

By starting your sustainable palm oil journey, you are:

• Doing the right thing – protecting the rights of all people living and working on plantations, ensuring no child labour in your supply chain, and protecting highly biodiverse forests from destruction by sourcing the most productive crops globally. In the end, this contributes to livelihood improvement for thousands of small-scale farmers who rely on oil palm for their income.

Taking the first steps

Like all journeys, this may take time. Have a roadmap. It can be steep or gradual depending on your capabilities, budget, and appetite. You just have to get started!

Start the conservation with top management. Keep the message aligned, and cascade it down so that all employees are on board with a sustainable approach. The message must be clear and concise. Focus on the ‘why’, as this is key for the start of your journey. The ‘what’ and ‘how’ will follow once the organisation is clear about the ‘why’.

How to implement a sustainable sourcing policy

Moving to sustainable palm oil is not an overnight process. Once the intent and ‘why’ are clear, a sustainable sourcing policy needs to be developed and implemented. It requires a series of activities and initiatives to socialise and implement the policy together with internal and external stakeholders.

It also minimises climate change through a reduction of CO2 emissions, reduces the use of water, and promotes waste management in an environmentally and socially responsible manner.

• Making good business sense – a new report by Climate Advisor, a consultancy specialising in climate and financial risk in the land sector, has shown that companies within the palm oil supply chain that commit to sustainable production have higher equity returns compared to their industrial counterparts. Roundtable of Sustainable Palm Oil (RSPO) members outperform non-members by 24.7 percentage points.

• Providing accountability – to customers, consumers, and stakeholders who demand transparency in their supply chains. This will only grow as millennials become more aware of the positive impacts sustainable investments have, thus fuelling increased demand.

Build internal capacity

• Appoint a responsible person who can help build organisational capability

• Create a policy commitment and share with stakeholders – independent third-party experts who can critique.

A step-by-step approach for businesses:

01. Join and actively participate in action-oriented sustainability platforms, such as the India Sustainable Palm Oil Coalition (I-SPOC) and the RSPO to understand and support industry-wide efforts towards sustainable palm oil.

02. Comply to ‘No Deforestation, No Peat, No Exploitation’ (NPNE) policies for your company and your suppliers.

03. Make ambitious, public, time-bound commitment to buy only certified sustainable palm oil as part of your membership to RSPO. You could start with buying RSPO Credits (both independent smallholder and mills), and then move to RSPO Mass Balance, followed by Segregated and Identity Preserved supply chains. The cost of RSPO premiums is part of the cost of goods sold.

04. Launch a subpage and/or other communication assets (articles, videos, graphics, etc.) to socialise your company’s sustainability commitments.

05. Undertake training and capacity building for your employees and suppliers to explain the policy, commitment, expectations, and key actions.

06. Understand your supply chain, publish mills and their locations, and work with suppliers to ensure traceability to the mill and plantation base. Ensure supply chain transparency by publicly reporting on palm oil sources and usage, and progress and actions at least annually.

07. Support sustainable production by supporting smallholders, with buyer commitments and on-ground investments, training, and capacity building.

08. Identify and engage with institutional and individual investors, banks, and financial institutions who are looking to invest in companies built on sustainability principles. Several investors have applied ‘Environmental, Social and Governance’ (ESG) frameworks/policies and offer financial incentives for sustainable-focused companies.

09. Undertake public communication and outreach activities on sustainable palm oil to educate end-consumers.

10. Support government and industrial policy action plans to promote deforestation-free supply chains at the national level.

What happens when you discover a non-compliance in your supply chain?

Engage with the supplier and ask them to stop the violation, then create an action plan to mitigate the risk.

This process allows you to fix the issue whilst you still have purchasing leverage.

Blacklist the last resort when the supplier is not willing to engage and/or is not meeting deadlines despite continued engagement.

The journey to 100% sustainable palm oil sourcing might be challenging but it has a strong business case and it is the right thing to do. We make deforestation-free supply chains the norm. We are here to support you on this journey.

BECOME A MEMBER OF RSPO

www.rspo.org

BECOME A MEMBER OF I-SPOC

www.indiaspoc.org

For more information, contact: Kaneel Prakash Seth India Representative, RSPO Kaneel.prakash@spocog.org

www.indiaspoc.org/resources
Retailers Association of India

SUSTAINABLE PROCUREMENT IN FOOD RETAIL IN INDIA – BUILDING BUSINESS RESILIENCE WITH SDGs

Friday, 9 Oct 2020 | 5:00 PM to 6:30 PM

SPEAKERS

Academy Vijay Jha
Chairman, Future Retail, South India

Uma Devi Tekra
President, RAI, AAI, Kunvar

K. RadhaKrishnam
CEO, National Association of India

Kumar Rajagopalan
CEO, National Association of India

Kamal Prakash Sethi
Chairman, Future Retail, North India

Raj S. Sundaram
Chairman, Future Retail, South India

Vidya Bhushan
Head, Baileys, Mumbai

Vivek Acharya
Director, Retail, I-SPOC

Complimentary Registration


For more details, Contact: Susmita, susmita@rai.net.in

YouTube Live
Consumer Awareness Campaign

The power to bring change lies in YOU

#KnowYourPalm

Ask your favourite brands if their products contain Certified Sustainable Palm Oil (CSPO)

Take the pledge now and tell your family and friends to do the same

TAKE THE PLEDGE

www.knowyourpalm.thebetterindia.com

Social Reach: 13 Million/1.3 Cr
(Sep 2020-April 2021)
300 youth volunteers working in 20+ YfS Clubs across the country focused on responsible consumption and production and climate action (SDGs 12 and 13)
Annual Working Plan: 2021-22 Priorities
1. Palm Oil Sustainability Framework and Advisory for Indian Companies

2. Multi-stakeholder Dialogues for Sustainable Procurement and NDPE Commitments
Palm Oil Buyers Scorecard Launched

WWF PALM OIL BUYERS SCORECARD 2019: KEY FINDINGS

- 132 companies responded
- 131 companies are committed to RSPO Expo
- 117 companies have a target to achieve this by 2020 or earlier
- 46 companies require their suppliers to have a deforestation-free policy
- 14 companies also require the policy to be conversion-free
- 10% require traceability to mills and plantations
- 29% require traceability to mills
- 27% are investing in on-the-ground actions in palm oil producing regions
- 47 companies are members of action-oriented sustainability platforms (excl. RSPO membership)
- 141 companies are RSPO members
- Total PO used by supply chain model:
  - Leading the Way: 9% (1.465 MT)
  - Well On the Path: 12% (2.105 MT)
  - Middle of the Pack: 39% (5.122 MT)
  - Lagging Behind: 17% (2.435 MT)
  - Non-respondent: 24%

Score distribution:
- Leading the Way: 16.3% Segregated/Identity Preserved (3.462 MT)
- Well On the Path: 41.8% Uncertified (7.735 MT)
- Middle of the Pack: 3.3% Independent Smallholder Certificates (0.112 MT)
- Lagging Behind: 27.2% Mass Balance (2.435 MT)
- Non-respondent: 14.3% Book & Claim (1.281 MT)
• The Consumption Study highlights the role of MNCs and local companies in driving sustainable uptake of palm oil in Asian markets

• The Trade Flow Study demonstrates a new model of supply chain tracing, how can this work complement other more direct traceability approaches to drive further transparency efforts across the supply chain.
Webinar Series

• WWF has launched a four-part webinar series to discuss palm oil demand and trade patterns in Asia – uncovering opportunities for stakeholders to take ambitious action for sustainability.

• The sessions include leading businesses and financial institutions in Asia to provide multiple perspectives on progressing sustainable palm oil in the region.

• The first webinar “Deforestation in Asia: Challenges & Solutions for the Palm Oil Industry” was held on 25 May
• Developing a **sustainable procurement guide** for the Indian palm oil industry

• The document will provide guidance to importers/refiners; derivatives manufacturers; and consumer goods manufacturers to set sustainability goals, establish implementation systems and streamline reporting in alignment with the **Accountability Framework Initiative** (Afi)
Palm Oil Sustainability Framework for Companies in India

Steps on the Sustainability Journey

- Awareness raising
- Company Engagement
- Capacity Building for Companies
- Strategic Discussion
- Policy Development
- Supply Chain Assessment
- Corrective Actions and Sourcing Sustainably
- Advocacy

I-SPOC
Thank you!