Towards Business Commitment & Actions on Certified Sustainable Palm Oil in India

Annual Activities Report
2020-21
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1. Introduction

Centre for Responsible Business (CRB, www.c4rb.org) has been working in partnership with the Roundtable for Sustainable Palm Oil (RSPO) since 2018. The main aim of this partnership has been to promote awareness about the need for and opportunities from uptake of certified sustainable palm oil with actors along the supply chain in India. This was envisaged as a first step of a long-term initiative to increase uptake of certified sustainable palm oil in India. Since the beginning of this partnership, CRB and RSPO have not only been engaging FMCGs, processors, traders, industry associations but also other actors in the ecosystem including international organisations, policy community, media and the general public.

In this the third year of this partnership, in spite of the challenges posed by COVID19, the project tried to maintain the momentum built over the last two years of the partnership. In addition to deepening the engagements with the above stakeholders, CRB also managed to engage with two new set of actors in this year (2020-21), viz. retailers and financial institutions – thereby expanding the horizon of stakeholder engagement on sustainable palm oil in India even further. Over the course of the year, the project endeavoured to:

i. Engaging with businesses for commitment and actions on Sustainable Palm Oil

ii. Offering learning and sharing opportunities through the ‘Sustainable Palm Oil Coalition for India’ (I-SPOC, www.indiaspoc.org)

iii. Designing and delivering awareness and capacity-building for various actors in the supply chain

Box 1: Sustainable Palm Oil in India: A Few Salient Points

- In 2019-20 import of Palm Oil fell to 7.22MMT as compared to 9.4MMT in 2018-19 (23% drop) (refer: https://seafindia.com/import-of-veg-oils-nov-18-sept-19/) primarily due to drastic drop in RBD palmolein import due to additional 5% duty. Crude palm oil import figures remained consistent (6.67 MMT)

- There has been some progress with uptake of certified sustainable palm oil in India (250,000MT approx.)

- Government of India is keen to expand domestic production of palm oil. There is potential to expand the acreage to over 19 lakh hectares from the current 3.3 lakh hectares (refer: https://www.financialexpress.com/economy/modis-atmanirbhar-bharat-how-palm-oil-cultivation-can-make-india-self-reliant-in-edible-oil/2037185/)


Owing to the pandemic, the social and economic fabric of countries has been adversely affected pushing many economic activities near shutdown and increasing unemployment. Some implications of the pandemic and the ensuing lockdown were felt on the project especially as most activities were undertaken remotely and online. Investment in technologies like online meeting tools, virtual conference and engagement solutions helped effectively implement the project activities mostly on time. This report summarizes main activities and achievements of the project and highlights the future course of action for the CRB-RSPO partnership in 2021-22 and beyond.

2. Activities updates
In this section a brief update of the activities has been provided highlighting some of the achievements and also certain challenges.

2.1 Engagement with Businesses
During the course of the project, CRB intensified its engagement with two sets of actors:

- supply chain actors (retailers, FMCG, processors)
- ecosystem actors (NGOs, industry associations, financial institutions, policy community)

In September 2020, CRB developed an engagement ladder - a tool that helped categorise and prioritise businesses to be engaged and the possible approach based on their commitment to sustainability and the nature of response to CRB’s outreach. For each of these (four) categories (see Fig1 below), the engagement ladder attempted to suggest strategies that could work towards enabling business commitment and actions.

![Fig 1: Engagement Ladder](image)

India is a price-sensitive market and there is heavy competition in the edible oil segment. Many market players perceive transition towards sustainable palm to involve substantial financial investment which might affect their position in the market. CRB and RSPO are both conscious of this factor and have pursued engagement with businesses/industry practitioners highlighting both the ‘business case’ and the importance and need for applying the principle of ‘shared responsibility’ along the
supply chain to enable market transformation in India that is co-created. Using the four categories of the engagement ladder here is how businesses have responded:

i. Engaged & Acting: These organisations have shown active participation in discussions and have taken some actions to promote/buy CSPO. This category includes businesses like AAK, Hindustan Unilever Limited or HUL, HSBC, RaboBank, P&G, Colgate Palmolive, Dukes, IFFCO Allana, Navbharat, Reckitt, and organisation like ECube Investment Advisors Ltd.

ii. Engaged not Acting: These organizations have been participating in discussions but have not yet taken concrete actions to promote/buy CSPO. The businesses included in this category were: Karnataka Soaps & Chemical Limited, Havmor, Wipro Consumer Care, Sodexo, RSPL Ltd, SimeDarby, PEPSICO, Retailers Association of India, Haldirams, Ferrero, General Mills and organisation like WRI India and Oxfam India.

iii. Contacted not Engaged: This category includes the companies who have given little or no response to the outreach by CRB. The companies which were part of this category were: Britannia, Parle Consumers Ltd., Mother Dairy, Bikanerwala, Bikaji, Amul, Cremica, Godrej, Yes Bank, Gokul Agro Resources Ltd, Balaji Wafers and Dabur India.

iv. Aspirational: This category included a list of organizations that CRB and RSPO would like to initiate engagement with on CSPO. The Aspirational category included Johnson and Johnson, Emami Agrotech, Adani Wilmar, IndusInd Bank, National Restaurant Association of India, Hotel Association of India amongst others.

In 2020-21 CRB engaged 30 additional organisations and businesses on the subject:

**International Organisations and NGOs**

- World Resources Institute (WRI)
- International Institute on Sustainable Development (IISD)
- International Institute for Environment and Development (IIED)
- Oxfam India
- Zoological Survey of London (ZSL)
- Cheyenne Mountain Zoo (CMZ)
- Preferred by Nature (earlier known as NEPCON)
- The Nature Conservancy
- Embassy of the Netherlands in India

**Industry Association & Businesses**

- Retailers Association of India (RAI)
- Indian Home and Personal Care Industry Association (IHPCIA)

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1 Further, the organization has engaged with nearly 30 financial institutions/investors over the course of a research that is being undertaken (refer Section 2.5.2)
- State Bank of India (SBI)
- RBL Bank
- Standard Chartered
- ITC
- Havmor
- Sime Darby
- PepsiCo
- Bunge
- Marks & Spencer
- Boots
- Arhaa Food Manufacturers India Private Limited
- Puratos
- Karnataka Soaps and Detergents Limited (KSDL)
- Reckitt
- Crust and Crumb
- Golden Agri Resources (GAR)
- MTR Foods Pvt Ltd
- Dukes
- Barry Callebaut

CRB was successfully able to convert 8 of them to become members of I-SPOC, viz.

- Indian Home and Personal Care Industry Association (IHPCIA)
- RBL Bank
- Arhaa Food Manufacturers India Private Limited
- Zoological Society of London (ZSL)
- Cheynne Mountain Zoo (CMZ)
- Golden Agri Resources (GAR)
- Reckitt
- Preferred by Nature

Some of the other businesses that have shown considerable interest in the Coalition's activities over this period are – Wipro Consumer Care, Dukes, Puratos, Crust & Crumb. CRB believes some of them will become members of I-SPOC/RSPO in the course of 2021.

**Business engagement** is and will continue to remain a key component of this partnership. A few points to consider:

i. It is evident that in spite of COVID19 and other trade policy factors the demand for palm oil (especially crude palm oil) remains consistently high in India. The Government has resorted to protectionist measures to protect/promote the *domestic processing industry* especially to help them during COVID19. Given the high domestic demand *domestic processors will continue to grow – and will have to be targeted for future engagement by this partnership,*
ii. A number of RSPO members seem to be either doing much less or being very slow in their uptake of sustainable palm in India, in spite of their global commitments. **RSPO members especially from the UK and EU countries would have to be targeted** given upcoming domestic legislations in both EU and UK to improve environmental practices in/deforestation free supply chains. This also provides an opportunity for a dialogue with **Indian FMCG exporters**.

iii. Finally, there is a potential for over 6 times expansion of the land currently under palm oil plantation in the country. This means that mathematically a 4-6 times growth in the **domestic production** is possible over the next 5-10 years. Of course, this would depend on enabling edaphoclimatic conditions and the availability of water and land – and prioritisation by the State Governments. However, safe to say there is also scope for RSPO to engage strategically with both the **National and the State government actors** to position RSPO as a framework to enable sustainable expansion of oil palm plantation in India.

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

CRB acts as the secretariat for I-SPOC and continues to strengthen it by onboarding potential members, enhancing visibility, producing and relaying reading materials, supporting the 3 Working Groups, managing the website and participating in events. Given the growing membership base and the mandate to both strengthen the coalition and expand its membership base and activities, it would be critical to find resources to further build and strengthen the Secretariat.

#### 2.2.1 Managing & Strengthening the Coalition

The following activities were undertaken to strengthen the coalition:

i. **Monthly Founders’ Meetings**: The four Founders (CRB, RSPO, WWF India and Rainforest Alliance) have been meeting every month to review progress of the Working Groups, identify strategic partnerships/dialogues, discuss key actions (including onboarding important members, member meetings, external events, etc.) and funding possibilities

ii. **Steering Committee (SC) Meetings**: In the year 2020, the Steering Committee met twice (before each of the Members’ Meeting). The idea of these meetings was to share and communicate the strategic and operational plan of the coalition seek inputs. Some of the other issues pertaining to the coalition, namely increased member engagement, capacity-building activities, merging of working groups, formation of a working group on financial institutions have also been discussed during these meetings with the SC. CRB draft minutes of these meetings and also prepare and share quarterly Action Taken Report (ATR) based on the suggestions made by the SC.

iii. **Members’ Meeting**: A bi-annual event, in 2020 the members meeting was held in April and December respectively. The meeting was attended by all members...
(27) and approximately 30+ organizations that participated as observers\(^2\). The summary report for each of the meeting was developed and shared by CRB to all the participants.

iv. **Working Group Updates**: Other than carrying out quarterly meetings with the group members, the Working Group chairs with inputs from the group members also developed the annual action plan highlighting the activities that each of the Working Group will undertake in the year. The annual plan as developed by the chairs was showcased and discussed with the members and the observers in the April members meeting.

v. **Membership**: Over the past year, CRB has been engaged in discussions and dialogues on sustainable palm oil with nearly 30 organizations and businesses and convert 8 of them to become members of I-SPOC.

vi. **External Financial Support**: CRB, Rainforest Alliance and RSPO co-developed a proposal to the Norwegian Ministry of Foreign Affairs NORAD focusing on one of the NICFI priority areas, viz. ‘Deforestation-free supply chains and financial markets’ - with activities to be undertaken in India (consumer country) and its trading/sourcing partners in Indonesia and Malaysia (tropical forest countries supplying over 80% of India’s need). Unfortunately, the proposal didn’t go through but provides a solid idea to be explored with other funders.

### 2.2.2 Outreach & Visibility of the Coalition

i. **Presentations and reports**: CRB with inputs from other Founders developed an introductory deck for I-SPOC. Along with that, CRB and the Founders jointly also developed the *Biennial Report of I-SPOC* (2018-20) – with commentaries from most Members. Both these documents were launched at the Members Meeting in December 2020. The report can be accessed through the following link: [http://www.indiaspoc.org/images/I-SPOC-Biennial-Report.pdf](http://www.indiaspoc.org/images/I-SPOC-Biennial-Report.pdf)

ii. **Information & Knowledge dissemination**: To increase I-SPOC visibility, CRB engaged with organizations/professionals to publish knowledge and outreach materials (articles, interviews, blog, vlog, news stories, etc.) online. Some of the articles as published by professionals from other organizations and CRB are:


\(^2\) I-SPOC has engaged about 60 organisations, mostly businesses in the two Members Meetings held in 2020. Effort is invested to convert these (oriented) observers into Members.
o Article written by Soumya Sarkar on ethical production practices to push palm oil in India was published in Scroll on 26 July 2020- https://scroll.in/article/967186/as-worlds-largest-importer-of-palm-oil-india-has-a-duty-to-push-for-ethical-production-practices

o On the occasion of UN International Youth Day (12 August) Bhavya Sharma, Programme Office, CRB wrote an article on how youth can be catalyst for a sustainable future, which was published by The Logical Indian - https://thelogicalindian.com/story/feed/awareness/international-youth-day-need-for-a-sustainable-future-22948

o Based on CRB’s discussion with Vaishanavi Rathode from the Bastion, an article on Can Palm Oil Have a Sustainable Supply Chain highlighting sustainable palm oil, CRB, RSPO and I-SPOC was published on October 5th 2020. The link of the article - https://thebastion.co.in/politics-and/9369/

o Article on sustainable economic recovery road map after Covid – 19 was written by Rijit Sengupta, CEO and published in the India Climate Dialogue on 26 October 2020 - https://indiaclimatedialogue.net/2020/10/26/stitching-together-covid-19-recovery-through-sustainable-efforts/

iii. Social Media Outreach: CRB has been using its Website/twitter/FB/LinkedIn/Instagram handles effectively to disseminate content related to activities of I-SPOC on a regular basis (over 60 social media feeds). It has published articles/press releases by partner organisations, including RSPO. Along with that a LinkedIn Page for I-SPOC was created in March 2021. The Secretariat has been posting 3 articles per week.
"As India takes steps to increase edible oil production, sustainable practices such as controlling deforestation while boosting palm oil production will help it meet its Paris Climate Agreement pledges", writes @Kamal_Seth, @RSPOtweets
linkedin.com/posts/the-sust...

#ISPOC
The Sustainable Palm Oil Coalition for India (I-SPOC) on Link..
"As India takes steps to increase edible oil production, sustainable practices such as controlling deforestation while...
linkedin.com

7:29 PM - Mar 30, 2021 - Twitter for Android

Follow linkedin.com/company/the-su... for updates and latest news on #SustainablePalmOil in India.

@RSPOtweets @WWFINDIA @RnfrstAlliance @Centre4RespBiz

#PalmOil #OilSeeds #Deforestation #Environment #Biodiversity #Sustainability #IndiaSPOC #ISPOC

I-SPOC
The Sustainable Palm Oil Coalition for India (I-SPOC) on Linke...
The Sustainable Palm Oil Coalition for India (I-SPOC) 169 followers on LinkedIn. Promoting sustainable palm oil ...
linkedin.com

12:36 PM - Mar 18, 2021 - Twitter Web App

Several org. are trying to create awareness & increase demand for sustainable PalmOil in India, the world’s biggest importer of palm oil. The situation may not change drastically, but the sector is taking small steps to green their supplychains.

AAK Kamar walking the path of sustainable palm oil in India
Creating demand and supply for sustainable palm oil in India, the world’s biggest importing nation, is vital for greening global supply chains

#HappeningNow !!
@Centre4RespBiz & @RSPOtweets's discussion on, 'Leadership in Sustainable Sourcing - How to transition to certified SustainablePalmOil in India.'
#SDGs #EdibleOil #Biodiversity #Environment
@rai_india #RetailLeadershipSummit2021
The Sustainable Palm Oil Coalition for India (I-SPOC) 

Promoting sustainable palm oil production and consumption through collective action.

Environmental Services • New Delhi • 171 followers

Roundtable on Sustainable Palm Oil (RSPO) has released its Practical Guidance on #GenderInclusion and #Compliance to the 2018 RSPO Principles and Criteria (P&C) and the 2019 Independent Smallholder (ISH) Standard. Develop ...

RSPO STRENGTHENS WOMEN’S ROLE IN SUSTAINABLE PALM OIL PRODUCTION | Articles
rsopo.org • 4 min read

Why make the switch to sustainable palm oil? How to implement a sustainable sourcing policy? What happens when you discover a non-compliance in your supply chain?...
2.2.3 Value Proposition for Members:
In order to increase member’s involvement the following activities were undertaken:

i. **Members’ Needs Assessment**: In order to engage more closely with the members and help them in their sustainability journey a Needs Assessment Study has been undertaken. The emerging areas of support needed is provided in Table 1 and priority areas suggested by members follow in Table 2.

<table>
<thead>
<tr>
<th>Support needed</th>
<th>I-SPOC activities (past and current)</th>
<th>Way forward</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop local market (incl Local Production)</td>
<td>Domestic production related issues being incorporated into the WG - Govt Policy</td>
<td>Specifics of domestic production related issues to be developed (training of smallholders, state-level policy, farmer support, investments into domestic production, etc.)</td>
</tr>
<tr>
<td>Government Engagement &amp; Policy Advocacy (Green Procurement, Import Regulation)</td>
<td>(i) Research on Trade Policy (currently being done by WWF) (ii) Other means and methods of Govt Engagement</td>
<td>Identification of relevant government agencies (national and state level) and engagement based on evidence/experiences</td>
</tr>
<tr>
<td>Capacity building of downstream Value Chain actors (Indian refiners)</td>
<td>(i) Capacity building initiatives to be rolled out in 2021</td>
<td>Targeted technical capacity building programme - targeting refiners, processors, suppliers (FMCG ISPOC members to support and nominate suppliers)</td>
</tr>
<tr>
<td>Awareness generation on Sustainable Palm</td>
<td>(i) Business engagement (initiated and uninitiated) (ii) Awareness generation of other key stakeholders (Govt agencies, multilaterals, financial institutions, civil society, Agri-farming Risk, etc.)</td>
<td>Key agenda of ISPOC to raise awareness across key stakeholders</td>
</tr>
<tr>
<td>Business case (benefits of shifting to sustainable palm) - global examples</td>
<td>Business Guide (How to transition to sustainable palm oil)</td>
<td>Case Studies - good practices of global leaders (Interventions and Benefits) would help</td>
</tr>
<tr>
<td>Linkage between sustainable palm and biodiversity conservation, climate change</td>
<td>TBD</td>
<td>TBD</td>
</tr>
</tbody>
</table>

Table 1: Support Needed (ISPOC Members)

<table>
<thead>
<tr>
<th>I-SPOC works-streams</th>
<th>Priorities (rank)</th>
<th>I-SPOC future interventions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical capacity building - downstream V C actors</td>
<td>1</td>
<td>(i) Targeted technical capacity building programme - targeting refiners, processors, suppliers (FMCG ISPOC members to support and nominate suppliers)</td>
</tr>
<tr>
<td>Consumer Sensitisation</td>
<td>2</td>
<td>(i) Wider public sensitization (ii) Consumer engagement by Companies (UNEP Guidelines on Product Sustainability Information for Consumers, see video: <a href="https://www.youtube.com/watch?v=wOOBn_RUKVE">https://www.youtube.com/watch?v=wOOBn_RUKVE</a>)</td>
</tr>
</tbody>
</table>

Table 2: Priority Areas (I-SPOC Members)
## I-SPOC works-streams

<table>
<thead>
<tr>
<th>I-SPOC works-streams</th>
<th>Priorities (rank)</th>
<th>I-SPOC future interventions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Linkage</td>
<td>3</td>
<td>ISPOC brings together palm oil VC actors (traders, processors/refiners, FMCG) - so there are considerable opportunities to strengthen market linkages, both the (i) Imported and (ii) Domestic production markets Some suggestions to bolster market linkages (imported and domestic production) would be: (i) Learn from international experiences of achieving market linkages (ii) Identify barriers to market linkages</td>
</tr>
<tr>
<td>Awareness &amp; Capacity Building (generic)</td>
<td>4</td>
<td>(i) Awareness generation of key stakeholders has been done by ISPOC (ii) Awareness generation of government to be taken up more strategically</td>
</tr>
<tr>
<td>Reporting/Disclosure</td>
<td>5</td>
<td>Guide members interested in sustainability reporting using the National Guidelines on Responsible Business Conduct (NGRBC) influences Business Responsibility &amp; Sustainability Reporting framework of GoI</td>
</tr>
</tbody>
</table>

### ii. Open days:
To increase interaction with the members and observers and apprise them with technical knowledge and information on sustainable palm oil, the Steering Committee recommended that the Secretariat should organize/facilitate an ‘Open Day’ every quarter for members and observers. These have been designed as a 2–3-hour session with 2-3 experts answering questions/relevant queries of members. The first open day of I-SPOC will be organized in June 2021.

### iii. Capacity-building workshops:
As has been revealed from the need’s assessment study, I-SPOC is planning to undertake technical capacity building on sustainable sourcing strategy, supply chain certification and such specific areas in 2021.

### 2.3 Awareness & Targeted Capacity Building
While some progress has been made in terms of raising awareness about sustainable palm oil and the effectiveness of certified sustainable palm oil in addressing deforestation in palm oil supply chain, a lot more is clearly needed. CRB has been developing a set of videos (in English and in Hindi) on sustainable palm oil for targeted stakeholders.

The first video looks at sustainable palm oil from the perspective of a consumer and also businesses especially in the Indian context and helps in highlighting the need to and potential benefits from a move towards sustainable palm.
The second video primarily focuses on providing a step-by-step guide to businesses to make the transition towards sustainable palm oil including becoming a RSPO member and the development of a sustainable procurement policy.

**Fig 2: Theme shot for the video**

![Theme shot for the video](image)

2.4 Sustainable Palm Oil Dialogue at CRB’s 7th Annual Conference (India and Sustainability Standards (ISS) 2020)

RSPO was the Lead Partner of CRB’s 7th annual sustainability conference - *India and Sustainability Standards (ISS) 2020 Conference*.

i. RSPO’s CEO, Beverley Postma was a speaker in the Inaugural Session of the Conference together with leading thought leaders and policymakers like Suresh Prabhu, India’s G20 & G7 Sherpa & Former Minister of Commerce and Industry and Civil, Aviation, Government of India; Bimal Arora, Assistant Professor, Aston Business School, UK and Honorary Chairperson CRB; Dr. Rajiv Kumar, Vice Chairman, NITI Aayog, Government of India; Dr. Ashok Khosla, Chairman of Development Alternatives & past Co-Chair of the International Resource Panel; Dr. Yasmin Ali Haque, UNICEF Representative in
India; Ashwini Chhatre, Executive Director, Bharti Institute of Public Policy (BIPP), Indian School of Business and Mr. Frank Hoffmann, Regional Project Manager, Friedrich Naumann Foundation, Regional Office South Asia.

ii. RSPO led a session on the second day of the conference on Sustainable Palm Oil Dialogue India, 2020 - Shared Responsibility for Sustainable Palm Oil in India: The objective of the session was to highlighting the role India can play in addressing the problem of deforestation in palm oil supply chain in South East Asian countries, look at building broader awareness about the subject of sustainable palm oil and the role brands and consumers can play, understanding the perspectives of industry leaders about possible opportunities for and benefits from greater uptake of sustainable palm oil in India and identifying specific policy pointers to engage with the government. The recording of the virtual session is available at http://videos.sustainabilitystandards.in/videos/day-2

iii. RSPO also participated in discussions of 2 other sessions, which were:
   - **VSS Contribution towards SDGs in India**: The session explores the contribution of VSS to SDGs and chalks out a roadmap for VSS organisations in strengthening their contribution to SDGs. The session recording is available at - http://videos.sustainabilitystandards.in/videos/day-2
   - **Youth for Sustainability (YfS) India Alliance**: The session that launched the YfS India Alliance also aimed at mobilizing youth-focused and multi-stakeholder organizations for SDG 12 - Responsible Consumption and Production and SDG 13 - Climate Action along with empowering collaborative, decentralised, glocal and hyperlocal approaches for actions
by the youth to become responsible consumers. Its discussions were focussed on encouraging youth to use the power of their vote and wallet for SDG 12 and 13 and become role model citizens. The video recording of the session is available at http://videos.sustainabilitystandards.in/videos/day-3

2.5 Strategic Value-Addition

2.5.1 Engagement with Retailers

CRB and RSPO realise the importance of engaging retailers on the subject in India. In order to initiate this process, a partnership was forged with the Retailers Association of India (RAI) – the largest association of retailers in India with over 1,800 retailers as members.

Joint Webinar with Retailers Association of India (RAI)

CRB jointly organized a webinar with RSPO, I-SPOC and the Retailers Association of India (RAI) on Sustainable Procurement in Food Retail in India - Building Business Resilience with SDGs on 9th October 2020 on Zoom. The webinar spoke about transitioning to products that use sustainably sourced palm to help businesses in ensuring transparency along the value chain/supply chain, especially from the perspective of impact on deforestation and forest loss – one of the grand challenges of our times. It brought together variety of food and FMCG retailers face to face with leading FMCG businesses and organisations that are advocates of deforestation free supply chains. It will help highlight and create understanding about the ‘business case’ for promoting sustainable procurement – especially from addressing supply chain risks and increasing transparency. The webinar was live streamed on YouTube and has 577 views (till April 28 2021).
As part of the RLS 2021, a session was organised entitled *Leadership in Sustainable Sourcing - How to transition to certified sustainable palm oil* on 24th February 2021. The speakers at the event included, Bhawna Yadav, Regional Social & Human Rights Manager (South Asia and ASEAN) at Reckitt; Arvind Kumar, CEO, Dukes; Rijit Sengupta, CEO, Centre for Responsible Business and Srinivas Prasad, CEO & Director, Navabharat Limited.

![Figure 6: RSPO session at Retailers Leadership Summit (RLS) 2021](image)

### 2.5.2 Role of Financial Sector

CRB realises the importance of bringing issues pertaining to sustainable palm oil to the attention of the financial sector in India. This is necessary given the growing interest of investors and lenders globally on climate finance – and the opportunity to link deforestation free supply chains to the climate agenda. The study aims to capture where the Indian finance sector stands with respect to funding the sourcing/processing of (sustainable) agro-commodities in India, with particularly reference to palm oil. As part of the study, insights of over 30 experts in the financial sector has been gathered and is collated into a report to be ready by end-May 2020. Some of the emerging points from the study are as captured below.
3. Reflecting on three years of the Partnership (2018-21)

This marks 3-years of the partnership between CRB and RSPO, and is therefore a good time to reflect on this engagement and identify the lessons learnt and the way forward. At the start of this partnership, CRB and RSPO were confronted with the following challenges (problems):

- Business awareness on CSPO was limited hence uptake was abysmally low (*business case* was not clearly visible)
- There was little or no visibility on the topic in media, hence no public awareness
- Certain socio-cultural factors are attached to palm oil consumption in India

Overall, there was a need to create the *India story* on certified sustainable palm oil, as conventional supply chain sustainability approaches involving South-South actors was unlikely to work based on initial discussions with and inputs from key stakeholders. Using a simple step-wise approach of problem solving, we highlight the journey (CRB-RSPO partnership) towards addressing this problem and the way ahead.

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**Define the Problem**

Creating and using an *India story* to support business led market transformation on sustainable palm oil

**Brainstorm Solutions**

- Conventional sustainable supply chain strategy might not work
- Using a systems approach to engage a wider community of stakeholders is needed
- Consistent messaging to businesses and industry actors (business case)

**Identify Solution(s)**

- Promoting the principle of ‘shared responsibility’ going beyond supply chain related issues
- Identifying ‘champions’ in industry and in the ecosystem
- Support and hand-hold businesses interested in moving towards CSPO (a bigger carrot and a smaller stick)

**Implement Solution(s)**

- Capacity building and explaining the business case
- Creating supportive ecosystem (policy, finance, legislation in advanced economies, etc.)
- Consumer awareness, engagement of millennial and public opinion
- Identifying the right policymakers/agencies as allies

**Review results**

- A framework for assessment of results is needed

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4. **Next Step (2021 & Beyond)**

Based on the above, the two organisations believe the next phase of this partnership should focus on the following areas to achieve certain specific aims.

**Table 3: Taking the Partnership Forward**

<table>
<thead>
<tr>
<th>Focus</th>
<th>Details</th>
<th>Aim</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Business Engagement</strong></td>
<td>Commitment to Action by RSPO Members</td>
<td>Increase uptake of CSPO</td>
</tr>
<tr>
<td></td>
<td>Greater interest and commitment by ISPOC Members. Graduating non-RSPO ISPOC members to consider RSPO</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Focus on downstream actors, especially domestic processors/refiners</td>
<td></td>
</tr>
<tr>
<td><strong>Capacity building of Financial Institutions</strong></td>
<td>Organise workshops to build awareness and capacity of lenders/investors</td>
<td>FIs are better informed and integrate knowledge in</td>
</tr>
<tr>
<td></td>
<td>Meet the need of the financial institutions</td>
<td></td>
</tr>
<tr>
<td>Focus</td>
<td>Details</td>
<td>Aim</td>
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<tr>
<td>Value Proposition for I-SPOC Members</td>
<td>- Engage with RBI and Ministry of Finance(^4)</td>
<td>lending decisions/processes</td>
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<td></td>
<td>- Strengthen the Secretariat</td>
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<td></td>
<td>- Focus on Capacity Building and Value Addition for Members</td>
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<td></td>
<td>- Continued engagement with Observers</td>
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<tr>
<td>Visibility &amp; Outreach</td>
<td>- Continue to build <em>Sustainable Palm Oil Dialogue</em> for India at the CRB Annual Conference – to help reach out to a wide audience</td>
<td>- Consistent Membership growth and leadership by members</td>
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<td>- Continue public outreach and engagement</td>
<td>- Improve visibility on the subject among relevant stakeholders</td>
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<tr>
<td>Strategic Engagement</td>
<td>- Strategically engage with other actors/influencers like SEA, GLOB OIL, etc. platforms</td>
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<td>- Build bridges with other like-minded platforms like NASPON, POIG, etc.</td>
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<td>- Identify relevant policymakers and engage with them</td>
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</tbody>
</table>

\(^4\) CRB is part of a Ministry of Finance, Govt of India Working Group on Sustainable Finance (since March 2021) – and will use its links to share some policy relevant pointers