

Minutes of Meeting

Subject : 1st Greenhouse Gas Working Group 2 (GHGWG-2) Meeting
Date : August 24th, 2022
Time : 9.00 - 10.15 am
Venue : Virtual (Zoom Meeting)

Name	Organisation	Status
Eza Nurain Abdullah	Sime Darby	Substantive
Peter Callister	New Britain Palm Oil Limited	Substantive
Derrick Jovannus	Musim Mas	Alternate
Dita Galina	Musim Mas	Substantive
William Siow	IOI	Substantive
Lai Wei Shoon	IOI	Substantive
Foo Siew Theng	Wilmar International	Substantive
Azizul bin Rahman	Wilmar International	Alternate
Hema Nadarajah	WWF	Substantive
Henry Cai	Permata Hijau Group	Substantive
Julia Majail	RSPO Secretariat	Secretariat
Siti Nurhayati Kamaruddin	RSPO Secretariat	Secretariat
Akmal Arif Razali	RSPO Secretariat	Secretariat
Azamuddin Hassan	RSPO Secretariat	Secretariat
<i>Absent with apologies:</i>		
<i>Gotz Martin</i>	Sinar Mas-Golden Agri	Substantive
<i>Kamal Seth</i>	WWF	Alternate

No.	Item Descriptions	Main Discussion Points	Action Points	Progress Update
August 24th, 2022 (Wednesday)				
1.	Signing of RSPO GHG WG Code of Conduct (CoC)	<p>A round of introduction of RSPO Secretariat; with briefing that the meeting session is recorded for reference purpose and a reminder to members for CoC to be signed and softcopy is kept within RSPO Secretariat.</p> <p>RSPO Secretariat then proceeded on explaining the antitrust statement, consensus-based decision making, and declaration of conflict of interest to members.</p> <p>Before introduction of members, Secretariat gave the basis of the formation of the GHGWG-2 with key aim to revise the methodology (i.e., calculation boundary, emission factor and calculations) for PalmGHG.</p> <p>Then, the timeline for PalmGHG calculator development was presented where it all started with the first GHG working group formed in 2009 to quantify and determine the boundaries in measuring GHG emissions, to the latest development of PalmGHG V4 which is a web-based platform and is used by all RSPO members to date.</p>	For Information	N/A
2.	Introduction of Members and Appointment of Chair	<p>A round of short introduction by all members of GHGWG-2 conducted. The group was informed that Gotz Martin of Sinar Mas – Agri sent his apologies for not being able to participate the meeting due to conflicting schedule. And, Kamal Seth, WWF to be an alternate to Hema in case of her absence.</p> <p>Secretariat reiterated the objective of GHGWG-2 with reference to the Term of Reference (ToR) which is to revise the PalmGHG methodology that aligned to the established GHG calculations (IPCC, ISO 14064, GHG protocol etc.) and to address the interest on developing downstream emission calculation.</p> <p>There was a mentioned by Henry that the current PalmGHG calculator combined Scope 1 and Scope 3 emissions. For example, urea (fertilizer) emissions are coming from production and distribution of urea (Scope</p>	For Information	

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		<p>3) As one of areas to be focused by the WG later, Henry suggested that to have a clear distinction between the two in the calculator.</p> <p>Consensus obtained in appointing and accepted by William Siow (IOI) as the chair of the working group and Peter (NBPOL) and Henry Cai (Permata Hijau) as leaders for upstream and downstream subgroups, respectively.</p>		
3.	Gaps in WG composition	<p>Currently, the group consists of Sime Darby, NBPOL, Musim Mas, IOI, Wilmar International, Permata Hijau Group and WWF representing Malaysian Grower, ROW Grower, Processors and/or Traders and Environmental NGO.</p> <p>There is currently no representative from Indonesian Grower as Gotz Martin from Sinar Mas was absent due to his conflicting schedule.</p>	RSPO Secretariat to ensure Indonesian Grower's attendance in the future meetings and to loop in all information discussed within the WG during his absent.	Dr. Gotz has confirmed his attendance for a second meeting

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August 24th,2022 (Wednesday)				
4.	Elaboration on Term of Reference (ToR) and expected outputs	<p>RSPO Secretariat gave an elaboration on ToR (Annex 1) and expected outputs for upstream and downstream subgroups to the members.</p> <p>There was a mentioned that the development of next PalmGHG shall be explored and be promoted so it can be in-line with International Sustainable Carbon Certification (ISCC) and to get the recognition of EU requirements as well. This is to ensure that the calculator is aligned to current established methodologies (as mentioned in Item 2) and there is no double work for growers needing to recalculate emissions when reporting their emissions as part of sustainability reporting due to incompatibility.</p> <p>Alongside with the meeting, there was a query if the downstream emission boundary could be extended more than the refineries scope to oleochemicals and customer packing. Secretariat believes it depends on the interest of the WG to possibly include it in the feasibility study. And, the chair, William too mentioned that Scope 3 segment contributes a largest emission amongst all integrated operations which the WG shall explore later.</p>	For Information	To amend ToR since only a chair was appointed for the working group
5.	Development of workplan and timeline.	<p>Secretariat presented the draft of development of work plan to the members for discussion.</p> <p>Chair proposed to shift the timeline of the gap study development to be before the P&C Review so members are able to make well-informed recommendations in the review.</p> <p>Over the meeting, members proposed that the evaluation of outdated emission factors and emission boundary are to be inclusive part of the gap analysis studies. It's also proposed that the gap study shall cover both upstream and downstream segments; detailed for upstream and basic for downstream. And the study reports could be completed before RSPO RT 2022 (mid of Nov).</p> <p>On the downstream segment, members raised concerns on which area to focus on.</p>	RSPO Secretariat to circulate the development of workplan and timeline with WG members for review and amendments.	Members has yet to review on the workplan

No.	Item Descriptions	Main Discussion Points	Action Points	Progress Update
August 24th, 2022 (Wednesday)				
		<ul style="list-style-type: none"> - Henry mentioned that the largest emission would be from suppliers (trading/dispatch of CPO, CPK etc.). He then suggested to the WG to refer to the research that he conducted previously as a baseline to start with. - He also proposed for the calculator to have default values or actual calculation (custom values) as per ISCC. - As per Shared Responsibility requirement, under climate change and GHG theme, there is a policy on GHG emissions, which includes: a) identification and assessment of GHG and b) monitored implementation plans to reduce or minimise them for stakeholders (Environmental/Social NGOs, Banks & Investors, Processors & Traders, CGM and Retailers). - In order to make it compulsory to cover emission from upstream to downstream segments, there must be another step of discussion to be taken and to make necessary recommendations. - Secretariat believed that it requires some explorations and to be backed up with a background paper to begin with. Through gap analysis etc being deployed in the discussion later, then the WG could determine the emission boundaries and downstream scope to set on. 		
6.	AOB	<p>Meeting Frequency: Secretariat proposed to have a monthly meeting (on every month end). To be set until end of the 2022 year. Then perhaps, to have discussion on a bimonthly basis.</p> <p>Members to propose other means of communication (i.e., WhatsApp) for members to have quick discussions, progress or issues than e-mails channels.</p> <p>Next Meeting: Last week of Sept 2022</p>	<p>Secretariat to send out Doodle poll to members to vote their availability for the next monthly meeting.</p> <p>Secretariat has formed a WhatsApp group as other means of discussion. To send out invitation link to absent members/ to request mobile numbers from members.</p>	<p>N/A</p> <p>N/A</p>

Terms of Reference

RSPO Greenhouse Gas Working Group

Introduction

The RSPO Greenhouse Gas Working Group (GHGWG) was first formed in May 2009 to establish a mechanism to quantify and determine the boundaries in measuring GHG emissions. As a result, in 2012 the PalmGHG calculator Version 1 (an Excel-based calculator) was developed, which enabled identifying, monitoring and assessment of GHG emissions from upstream palm oil production.

In 2016, the PalmGHG was revamped into a desktop-based software as Version 2.1.1 and Version 3.0. After two years, the PalmGHG Version 4 (currently in use) was upscaled into a web-based software.

Note: This Terms of Reference (ToR) was developed in two parts — the first part explains the role of the first subgroup and the second part explains the role of the second subgroup (Annex 1).

Main Purpose

To revise the methodology (i.e. calculation boundary, emission factor and calculations) for PalmGHG. The establishment of this GHGWG is to also echo the Malaysian Palm Oil Association (MPOA) request on the PalmGHG Tool.

Scope of Work

i. PalmGHG

- Developing a gap study which includes identifying areas that overlap with other GHG initiatives/calculator/methodologies with the existing PalmGHG calculator as well as opportunities for improvement in emissions/sinks/removal and reporting
- Evaluating the current PalmGHG emission boundary (plantation and mill activities)
- Recommending GHG emission reduction targets to support the revision of the 2018 Principles and Criteria (P&C)
- Supporting the P&C review Task Force on GHG-related matters
- Evaluating outdated emission factors and incorporating new emission factors (including Scope 3 emission)
- Overseeing the development of the PalmGHG calculator Version 5

Expected Outputs

- i. A report based on the Gap Analysis on GHG emissions calculation and recommendation for emissions reduction target to support the revision of the P&C 2018
- ii. PalmGHG Version 5

Meeting Frequency

Members of this working group are expected to meet once/twice every three months.

Composition

This proposed GHG WG-2 will be supported by two subgroups. The first subgroup will look at the upstream emission scope and the second subgroup will look at the downstream emission scope.

As agreed during the 27th Standard Standing Committee (SSC) meeting, the first subgroup will be drawing members from the former Emission Reduction Working Group (ERWG) to oversee upstream emission-related scope of work (PalmGHG). The second subgroup, also as agreed in the SSC meeting, will be formed to look at the downstream emissions related scope of work. Both the subgroups will be reporting to the main working group.

The group must comprise mainly specialists in GHG measurement for upstream and downstream emissions, with familiarity of plantation or climate change matters. The composition proposed for each sector of RSPO follows:

- Indonesian, Malaysian and ROW Growers (3 substantive and 3 alternate)
- Environmental NGOs (1 substantive and 1 alternate)
- Social NGOs (1 substantive and 1 alternate)

In addition, some independent GHG experts may be invited to join/ provide inputs. There will be **one Chair, selected** from Growers and Processors & Traders with refinery.

Role of the Secretariat

The Secretariat should support the working group and facilitate interactions with the members and stakeholders. The Secretariat will also oversee the preparation of commissioned studies and other work.

Active Period

The working group will be carrying out its work from **August** 2022 to **August** 2023.

Note: All members of the WG will not be involved in any consultancy work as per the RSPO Code of Conduct

Annex 1

Terms of Reference

Subgroup - RSPO Greenhouse Gas Working Group

Introduction

There has been growing interest among RSPO members to report downstream GHG emissions. In line with this, RSPO is seeking to develop a mechanism to calculate downstream GHG emissions, with the aim of measuring operational emissions which is the largest emissions contributor for downstream activities.

RSPO is also aware of the palm oil industry's growing interest to be Net Zero. With more members embarking on this journey, the existing upstream emissions calculator (PalmGHG) and a downstream emissions methodology (to be developed) will be an instrumental tool towards this commitment. This would also guide members to espouse one of the goals of the Shared Responsibility requirements.

Main purpose

To conduct a comparative study based on existing initiatives in measuring downstream emissions for the palm oil sector that will be used to report operational emissions.

Scope of work

- A comparative study based on existing initiatives in measuring downstream operational GHG emissions for the palm oil sector
- A feasibility report evaluating methodology for RSPO to measure downstream operational GHG emissions

Expected Outputs

- A comparative study based on existing downstream emissions calculators and methodologies
- A feasibility study proposing a methodology for RSPO to measure downstream operational GHG emissions

Meeting Frequency

Members of this subgroup are part of the RSPO Greenhouse Gas Working Group (GHGWG) and are expected to meet once/twice every three months. The subgroup discussion will take place independent of that of the working group's meeting; however, the working group will be kept updated on the progress of this subgroup.

Composition

This proposed GHGWG-2 will be supported by two subgroups. The first subgroup will look at the upstream emissions scope of work and the second subgroup will look at downstream emissions scope of work.

As agreed during the 27th Standard Standing Committee (SSC) meeting, the first subgroup will be drawing members from the former Emission Reduction Working Group (ERWG) to oversee upstream emissions-related scope of work (PalmGHG). The second subgroup, also as agreed in the SSC

meeting, will be formed to look at the downstream emissions scope of works. Both the subgroups will be reporting to the main working group.

A subgroup will be overseeing the scope of works listed here in Annex 1. The subgroup must comprise mainly members familiar with oil palm life cycle inventory/assessment, GHG Protocol for operational emissions as well as members familiar with downstream processes in the palm oil industry.

- Palm Oil Processors and Traders with refinery (2 substantive and 2 alternate)
- Consumer Goods Manufacturers (2 substantive 2 alternative)
- Environmental NGOs (1 substantive and 1 alternate)
- Social NGOs (1 substantive and 1 alternate)

In addition, some independent experts may be invited to join/ provide inputs.

Role of the Secretariat

The Secretariat should support the subgroup and facilitate interactions with the members and stakeholders. The Secretariat will also oversee the preparation of commissioned studies and other work.

Active Period

The subgroup will be carrying out its work from August 2022 to August 2023.

Note: All members of the subgroup will not be involved in any consultancy work as per the RSPO Code of Conduct