

MINUTES OF MEETING

39th SSC Meeting

Time: 1500 - 1700 (MYT)

Date: Wednesday, 13th December 2023

Venue: Zoom Meeting <https://zoom.us/j/93698960098> Meeting ID: 936 9896 0098 Passcode: 39@SSC

ATTENDEES

Name	Initial	Organisation	
1. Lim Sian Choo (Co-Chair)	LSC	Bumitama Group	Grower (INA) - Substantive
2. Olivier Tichit (Co-Chair)	OT	Musim Mas	P & T – Substantive
3. Jenny Walther-Thoss	JWT	WWF Singapore	ENGO – Substantive
4. Ian Orrell	IO	NBPOL	Grower (Smallholder) - Substantive
5. Lee Kian Wei	LKW	United Plantations	Grower (MY) – Alternate
6. Jerome Courtaigne	JC	L’Oreal	Consumer Goods Manufacturer – Substantive
7. Brian Lariche	BL	Humana	SNGO – Substantive
1. Leena Ghosh	LG	RSPO Secretariat	
2. Aloysius Suratin	AS	RSPO Secretariat	
3. Akmal Arif Razali	AAR	RSPO Secretariat	
4. Aryo Gustomo	AG	RSPO Secretariat	
5. Freda Manan	FM	RSPO Secretariat	
6. Zaidee Tahir	ZT	RSPO Secretariat	
<i>Absence with apology:</i>			
1. Anne Rosenbarger	AR	WRI	ENGO – Substantive
2. Librian Angraeni	LA	Musim Mas	P & T – Alternate
3. Sander Van den Ende	SvE	SIPEF	Grower (RoW) – Substantive
4. William Siow	WS	MPOA/IOI	Grower (MY) – Substantive
5. Silvia Irawan	SI	Kaleka	SNGO – Substantive

AGENDA

Time	Item	Agenda	PIC
1500 - 1505	1.0	Opening	Co-Chairs
	1.1	Acceptance of agenda	
	1.2	RSPO Antitrust Law	
	1.3	RSPO Consensus-Based Decision Making	
	1.4	RSPO Declaration of Conflict of Interest	
1505 - 1515	2.0	Meeting Dashboard	Co-Chairs
	2.1	Confirmation of the 38th MoM on 13 th October 2023	
	2.2	Action Tracker	
	2.3	Progress Update WG/TF/SG under SSC	
1515 - 1600	3.0	For Endorsement	AAR AG
	3.1	NDJSG ToR Amendment Proposal	
	3.2	Code of Conduct for RSPO Auditors	
1600 – 1610	4.0	Any Other Business	
	4.1	Interim measure on Indicator 2.3.2 – Issues relating to legality of	

	4.2	indirect FFB supplies 2024 SSC Meeting Schedule	
1610		END	

DISCUSSION:

No.	Description	Action Points (PIC)
1.0	Opening	
1.1	The Chairs welcomed everyone to the meeting and presented the agenda of the meeting.	
1.2	The RSPO Antitrust Law, Consensus-Based Decision Making, and Declaration of Conflict of Interest were read out to the Committee. No comments were received.	
2.0	Meeting Dashboard	
2.1	<u>Confirmation of the 38th MoM on 13th October 2023</u> The minutes of the meeting were adopted.	
2.2	<u>Action Trackers</u> Action tracker of the previous meeting was presented. No comments were received.	
2.3	<u>Progress Update WG/TF/SG under SSC</u> The progress update for the WG/TF/SG Committee was presented. The Committee requested updates from the Greenhouse Gas Working Group 2 (GHG WG2). This is of critical importance as this was discussed months ago in which the group’s recommendations should be in line with the growing concern globally especially with EU and GHG protocol scope 1, 2 and 3 computation and calculation. How will the RSPO calculator match the scope 1, 2 and 3 and other nuances within the GHG protocol? The Secretariat provided updates on the PalmGHG calculator. The working group has discussed on how to define the scope, how feasible and which sector should be included in the PalmGHG version 5. Secretariat will then conduct analysis to determine which sector from the 15 sectors in the current GHG protocol should be included in the calculation. The Secretariat will also develop questions for the Members to identify which priority areas to be included. A default data will be developed based on this and an external expert will be hired. The Committee commented that there are two developments; one is Scope 3 calculations that are needed for the EU reporting. Another one is for the Science	

	<p>Based Targets Initiative (SBTi) on GHG protocol and FLAG (Forest, Land and Agriculture) emission calculation. Are we looking at new land use and biomass calculation guidelines? What is the basis? The methodology for science-based targets is a bit different than the target setting and the reporting.</p> <p>The alignment of SBTi and FLAG has been raised by the working group members as well. The next step from the Secretariat is to align with the GHG protocol, which is still ongoing as there will be a Non-Disclosure Agreement (NDA) to be signed between RSPO and GHG Protocol, before we can proceed. The methodology needs to be verified by GHG protocol so that it can be robust enough for the application for any requirements including Scope 3.</p> <p>The Secretariat has proposed to the working group the process to calculate and estimate emissions for the downstream. Based on the study done by the Secretariat, improvement is needed in the formula for the current version of PalmGHG calculator. The formula and default data need to be fixed.</p> <p>The Committee highlighted that RSPO has to ensure that there must be a methodology on how the default data is set. If the calculations are not science-based, how can we set a proper target? Scope 3 is very important. In addition to that, will Life Cycle Analysis (LCA) be included?</p> <p>The Secretariat clarified that Scope 3 GHG protocol includes 15 categories, and each category has a methodology. RSPO needs to decide which category is priority and Members will have the data which represents the priority area. After identifying the priority, the methodology will follow. A default data will be developed based on the methodology where the approach will be LCA.</p> <p>It is important to have someone that has a good overview about different methodologies which are required in different parts of the world. The Secretariat clarified that the expert that was hired is specialised on the Life Cycle Assessment and has conducted preliminary work and is able to understand the local context.</p> <p>The Secretariat will prepare a presentation in the next SSC meeting to provide more updates on this matter.</p>	<p>Include GHGWG2 progress update in the next SSC meeting.</p> <p>Action by: Secretariat</p>
<p>3.0</p>	<p>For Endorsement</p>	
<p>3.1</p>	<p>NDJSG ToR Amendment Proposal</p> <p>The Secretariat presented updates on the proposed amendment to the NDJSG Terms of Reference (ToR).</p> <ul style="list-style-type: none"> Some of the concerns raised in the previous SSC meeting was on the potential delay of the decision making, as the representatives of HCSA 	

	<p>during NDJSG meetings will need to go back to their caucuses for any decisions to be made.</p> <ul style="list-style-type: none"> ● Secretariat has reached out to HCSA to seek clarification and HCSA responded with the amended text below: <i>“In circumstances where proper representation for one or more caucuses is not possible, prior to the meeting, the HCSA Secretariat will facilitate consultations with its members from the respective caucuses, represent its members in meetings, and convey relevant information with the NDJSG (e.g., caucus views, stance, and decision). The HCSA Secretariat will not have the authority to make decisions without prior consultation and agreement with its members.”</i> <p>The Committee highlighted that:</p> <ul style="list-style-type: none"> ● There should be a specific timeframe for the HCSA representatives to go back to the caucuses to avoid going back and forth as this could take a long time. ● Was there any clarification from HCSA regarding the consultation with caucuses? The amendments say they have to consult the caucuses prior to the meeting, which could mean that they must arrive with a decision in the meeting. ● Secretariat clarified that during a verbal discussion with HCSA, HCSA mentioned that given they were notified at least 2 weeks before the meeting along with the agenda, they will be able to discuss with the caucuses on their stance and decision. If a decision needs to be made, it should be reflected in the agenda so that consultation with the members can be made. However, this is not written explicitly in the document. ● The Committee commented that this must be captured in writing so that there is clear understanding in case there is any dispute. Secretariat explained that this was not discussed in a formal meeting, hence there were no minutes. ● In the conversation with HCSA in terms of securing the amendments of the ToR, the delay concern has been recorded via email. HCSA has responded as below: <i>“Understanding that there can be delays in decision making, this would at least still allow the NDJSG to move forward and crucially allow it to make decisions as opposed to not being able to move at all. We really do hope that we can move forward with the final phase to develop the adaptive procedure.”</i> ● The Committee commented that it has to be sure that the agenda is indeed shared 2 weeks before the meeting and assume that before the meeting, HCSA will have already gotten the mandate from its members. This should be able to speed up the decision-making process as there are only 3 caucuses (TSO, NGO and Commodity Users) remaining with 	<p>Seek approval from</p>
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<p>3.2</p>	<p>the absence of smallholders and palm oil producers.</p> <p>Decision SSC approved the amendment proposal to the ToR. The Secretariat will seek approval from the members who are not present via email.</p> <p>Code of Conduct for RSPO Auditors The Secretariat presented the draft Code of Conduct (CoC) for RSPO Auditors.</p> <ul style="list-style-type: none"> ● In September 2022, the Assurance Standing Committee (ASC) requested the Secretariat to create an Auditors Code of Conduct to enhance social auditing and ensure absolute impartiality. It was also agreed that the Code will be incorporated into the future revision of the RSPO Certification Systems. ● The CoC was designed for auditors who conduct audits based on RSPO’s Principles and Criteria (P&C), Supply Chain Certification Standard (SCCS), and Independent Smallholder (ISH) Standard. The Code encompasses a comprehensive set of guidelines covering all aspects of an auditor's professional life. It includes guidelines for ethical conduct toward the public, clients, and peers, as well as penalties for not abiding by the Code. ● In March 2023, the first draft was presented and approved by the ASC. The way forward that was agreed upon was to pass the Code to Assurance Services International (ASI) for implementation. ● The critical components in the draft include general code, code of ethics, conduct towards the public, penalty or sanction should there be any deviation from the code, and conduct towards the clients and peers. ● Several consultations were conducted with relevant parties during the RSPO Certification Body (CB) Interpretation Forums in Malaysia, Indonesia, and Ghana, which involved more than 30 auditors including ASI. Questions were asked on whether they agree with the CoC and more than 70% strongly agree and 28% agree. The draft was also sent for consultation with the ASC’s Standards Quality Subgroup. ● ASI was also consulted and came up with a proposed framework for implementation as below and this was presented to ASC in August 2023: <ul style="list-style-type: none"> ○ Auditors must sign the Code and the records must be kept updated by CBs. ○ ASI runs the RSPO auditor registry. <ul style="list-style-type: none"> - Auditor registry will be used as the central tool to administer the Code’s implementation. - CBs to set auditor registration status to "Invalid" for all auditors that have not signed the Code as required or are non-compliant with the Code. 	<p>SSC members who are not present via email.</p> <p>Action by: Secretariat</p>
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	<ul style="list-style-type: none"> ○ CB's role is to: <ul style="list-style-type: none"> - Implement the Code with their auditors, ensure auditor impartiality and competence. - Identify, address and keep record of any breaches of the Code. ○ ASI's role is to: <ul style="list-style-type: none"> - Evaluate CB's conformance with enforcing the Code as per RSPO requirements. - Run and continuously review the auditor registry. - CB failure to enforce the Code shall lead to NCs, respectively to Sanctions against CBs. <ul style="list-style-type: none"> ● In August 2023, the Secretariat recalled the ASC's previous decision that the Code shall be incorporated into future revision of the RSPO Certification Systems. ● ASI recommended the same to prevent contradictions with the existing RSPO Certification Systems. ● However, the ASC calls for immediate implementation of the Code as a standalone document. ASC believes that it can be a step towards other ongoing elements such as the de-linking study and the upcoming review of the Certification Systems. ● The Secretariat is now seeking the SSC's advice on the way forward. ● Recommendations from the Secretariat are as follows: <ul style="list-style-type: none"> ○ Option A: <ul style="list-style-type: none"> - If the SSC disagrees with immediate implementation, Secretariat will conduct an Internal Analysis on the Implementability. - The CoC will then be incorporated as an Annex in the revised RSPO Certification Systems document. ○ Option B: <ul style="list-style-type: none"> - If the SSC agrees to immediate implementation of the CoC with an interim period, Non-Compliance (NC) shall not be raised, only Observation for Improvement (OFI) can be raised. The duration of the interim period is from January to March 2024. - Secretariat will conduct an Internal Analysis on the Implementability where feedback forms will be circulated to CBs and ASI during the interim period. - The CoC will then be incorporated as an Annex in the new RSPO Certification Systems document. ● Internal Analysis on Implementability includes: <ul style="list-style-type: none"> ○ Jan-March 2024: The Secretariat will circulate the latest draft CoC along with a Feedback Form to all accredited CBs and ASI 	
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	<p>to evaluate its implementability</p> <ul style="list-style-type: none"> ○ Apr 2024: The Secretariat will analyse feedback gathered and review the results with the SSC and ASC ○ May 2024: The Code of Conduct will be revised based on the results of the Internal Analysis <ul style="list-style-type: none"> ● The CoC will be incorporated as an Annex before the endorsement of the new Certification Systems document which is targeted to be done by June 2024. <p>Committee commented that:</p> <ul style="list-style-type: none"> ● There is a concern regarding the process of the signing of the CoC. Will the auditors be signing the CoC? Some of them are employed by CBs and some are independent. The independent auditors will be signing individually with the RSPO, and sign with CBs they worked for? ● Secretariat explained that after discussing with ASI, ASI will enforce the CoC and request all the CBs to have this signed by the auditors. If any individual auditor works for more than one CBs, they should also sign for every CB. ASI will collect the forms and include them in the auditor registry. The auditor registry should have records of auditors registered by the CB. ● The Committee recommended discussing this with ASI and CBs to see if we can incorporate this in the upcoming CTTS digital platform to avoid duplication. ● The Committee also suggested numbering the various items in the feedback form so that it is easier to refer to when there is an issue of clarification required by the CBs. ● The Secretariat expressed concerns regarding the legality issues in terms of how it is the CoC going to be implemented. Auditors are not linked to RSPO as they are supposed to be independent third party. There will be a need to have a legal review in terms of agreement with ASI and how will the CoC be incorporated into the agreement between ASI and RSPO. As we are also reviewing the RSPO Certification System document, it is better to wait for the Certification System document to ensure that ASI as the Accreditation Body (AB) has the mandate to request this from their auditors. ● The Committee highlighted that although this will be reviewed by ASI and the auditors, it is also important to include the users of the certification system i.e. growers as they can provide feedback or comments on important issues. More information should be gathered. ● The Committee also wondered why it is needed to have a CoC from RSPO when normally that is the main element of all accreditation systems? An auditor will normally sign a CoC with the CB. Why is there a need to have a RSPO specific CoC? It might be better to have something 	
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	<p>between RSPO and CB instead so that we do not have a multiplicity of records.</p> <ul style="list-style-type: none"> ● The Secretariat understands that CB has their own CoC, but in the current system it is not required for such CoC to be in place for the CB documentation or records. The CBs have their own CoC, but it is not uniform therefore it cannot be used across the multiple CBs. In order to ensure uniformity, the ASC and Secretariat agreed to have a specific CoC to ensure it is aligned among the CB and AB. AB can then monitor the implementation as per the system. ● The Committee raised a question on whether ISEAL has any requirements or guidance regarding this? The Secretariat clarified that the current system does not have the CoC but in ISO 70021 and 70065, there is a requirement in general principles that the CBs should have that mechanism. ● The Committee commented that important key nuances in the sustainability policy will appear on contracts with contractors and consultants. This contract includes ethical conduct. Isn't this similar? The Secretariat responded that the issue is on what is the local standard in terms of RSPO issuing this document to its CBs and it is better to be put into the certification system as it may pose credibility problems for RSPO. ● The Committee agrees that the legality issue regarding the CoC and who should be enforcing it should be properly looked at. ● If there is a contract between ASI and RSPO, there should be a requirement in the contract that auditors who are employed under CBs should have to sign the CoC. The Committee suggested that it may be more efficient if the CBs are included in the discussion as they will have the means to ensure auditors understand what is required of them and it is their responsibility to enforce this. ● The Secretariat explained that the contract should be between ASI and the CBs. If RSPO is the one doing it, then it means that RSPO now has leverage over the CBs which could lead to potential implications. ● The Committee clarified that it is not RSPO's responsibility to enforce this, but ASI is supposed to do it. The AB is independent from RSPO and controls the other documents of the CB. ● The Committee suggests choosing option A with a caveat that the SSC has reservations about the format of the proposed CoC and recommends the Secretariat to revisit this. A legal review is needed. <p>Decision The SSC chose option A with a caveat that SSC has reservations to the proposed CoC and recommends the Secretariat to revisit the document and review.</p>	<p>Relook at the proposal and proceed with Option A Action by: Secretariat</p>
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4.0	Any Other Business	
4.1	<p><u>Interim measure on Indicator 2.3.2 – Issues relating to legality of indirect FFB supplies</u></p> <p>There was a request from the SSC members to discuss this issue at the next SSC meeting. The Secretariat will arrange a joint group discussion with the ASC and Smallholder Standing Committee (SHSC) next year.</p>	<p>Schedule joint group discussion with ASC and SHSC</p> <p>Action by: Secretariat</p>
4.2	<p><u>Human Rights Due Diligence Subgroup</u></p> <p>The Secretariat will submit the decision paper regarding the establishment of Human Rights Due Diligence (HRDD) Subgroup for the next SSC meeting, with the purpose to develop a guidance on HRDD.</p>	
4.3	<p><u>2024 SSC Meeting Schedule</u></p> <p>The 2024 SSC Meeting Schedule was sent out to the SSC members on 2 November via doodle poll. Only 2 responses were received.</p> <p>The Secretariat will send out the calendar invite to all members.</p>	<p>Send out calendar invite for 2024 SSC Meeting</p> <p>Action by: Secretariat</p>
4.4	<p><u>Complaints and Appeals Procedures (CAP) & Grievance System Review Report</u></p> <p>The Complaints and Appeals Procedures (CAP) & Grievance System Review Report was shared with the SSC on 17 November for feedback or comments.</p> <p>The Committee highlighted that they were not able to provide comments in the Excel file.</p> <p>The Secretariat will resend the documents to all SSC members and check with the Grievance Unit regarding access to the document.</p>	<p>1. Resend the documents to all SSC</p> <p>2. Check with Grievance Unit on the access to the document</p> <p>Action by: Secretariat</p>

MEETING ENDED AT 1610 MYT