

MINUTES OF MEETING

35th SSC Meeting

Time: 1500 - 1730 (MYT)

Date: Wednesday, 21st June 2023

Venue: Zoom Meeting <https://zoom.us/j/92074388856> Meeting ID: 920 7438 8856 Passcode: 35@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. William Siow	WS	MPOA/IOI	Grower (MY) – Substantive
4. Mohammed Dao	MD	OLAM Group	Grower (RoW) – Alternate
5. Jenny Walther-Thoss	JWT	WWF Singapore	ENGO – Substantive
6. Ian Orrell	IO	NBPOL	Grower (Smallholder) - Substantive
1. Leena Ghosh	LG	RSPO Secretariat	
2. Lee Jin Min	LJM	RSPO Secretariat	
3. Akmal Arif Razali	AAR	RSPO Secretariat	
4. Muhammad Shazaley bin Abdullah	SA	RSPO Secretariat	
<i>Absence with apology:</i>			
1. Nurul Hasanah	NH	FGV	Grower (MY) – Alternate
2. Anne Rosenbarger	AR	WRI	ENGO – Substantive
3. Brian Lariche	BL	Humana	SNGO – Substantive
4. Alice Lémont	AL	L'Oréal	CGM – Substantive
5. Librian Angraeni	LA	Musim Mas	P & T – Alternate
6. Sander Van den Ende	SvE	SIPEF	Grower (RoW) – 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 34th MoM on 10 th May 2023	
	2.2	Action Tracker	
	2.3	Progress Update WG/TF/SG under SSC	
1515 - 1555	3.0	For Update	BHCVWG
	3.1	Formation of Peat Task Force (PTF)	Sec
	3.2	Standards Review 2023	

1555 - 1630	4.0	For Endorsement	
	4.1	Proposed Interpretation on Mass Balance ‘Unused Volume’ in RSPO Supply Chain Standard and Announcement	SA
	4.2	Revised Shared Responsibility Working Group Uptake Targets (Y4)	LGL
1630 – 1635	5.0	Any Other Business	
1635		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 and acknowledged.	
2.0	Meeting Dashboard	
2.1	<u>Confirmation of the 34th MoM on 10th May 2023</u> The minutes of the meeting were adopted.	
2.2	<u>Action Trackers</u> Action tracker for the 34 Meeting of SSC 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. Request was made by Co-chair Olivier to send a letter to NDJSG informing them that the SSC welcomed their progress via email shared by the Co-chair of NDJSG. Two Members responded by email agreeing that if the NDJSG is not able to show progress till end of the year - the letter by SSC dated 10 May would be in force again. The Secretariat is to send an email to NDJSG to inform them of the SSC decision. The Secretariat will send an email to all SSC members to seek their confirmation of the decision made on NDJSG as mentioned above. The deadline for SSC members to respond via email is within two weeks’ time. In the email to NDJSG, the Secretariat will inform that the SSC will closely monitor the progress of NDJSG. If there is still no progress till the end of the year, the letter to disband NDJSG will be enforced again.	1. Send email to SSC members to seek approval. 2. Send email to NDJSG to resume operations

	Committee suggested updating the progress in the Progress Update WG/TF/SG under the SSC Excel file.	Action by: Secretariat
3.0	For Update	
3.1	<p><u>Formation of Peat Task Force (PTF)</u></p> <p>Note: Ms. Lee Swee Yin, one of the co-chairs of the Biodiversity High Conservation Value Working Group (BHCVWG) was present for this specific agenda to provide clarifications to the SSC on their request to form a Peat Task Force. Her role is confined to providing information and perspective on the matter but is not involved in the decision-making process.</p> <p>The BHCVWG co-chair presented the next steps for the formation of Peat Task Force (PTF) including the objectives and expected outputs of the task force as well as suggested proposal and recommendation.</p> <ul style="list-style-type: none"> • The objective of the formation of PTF is to provide the procedures in the Remediation and Compensation (RaCP version 2) in relation to remediation on peat areas in the event of non-compliance to the RSPO P&C Requirements 2018 Indicator 7.7.1. • The PTF is expected to look into the procedures related to peat remediation in addressing RSPO P&C 7.7.1 and clarify the steps/guidelines required for peat remediation for growers and smallholders. • There have been various subgroups formed to address different aspects of the RaCP. The current expertise in the Compensation Task Force 2 (CTF2) is not sufficient to address or provide relevant guidance to strengthen the RaCP version 2. • In the latest draft RaCP version 2, there is a peat remediation table developed which outlines recommendations for remedial actions on peat. There is a need to clarify and agree on the recommendations in the table as well as add suggestions on remedial actions for smallholders. • Recommendations for remedial actions will follow P&C National Interpretations and use of Drainability Assessments where applicable. • Looking at the timeline for the completion of RaCP version 2, certain subgroup discussions have been completed but peat matters have been put on hold. BHCVWG target is to have the RaCP version 2 for SSC's approval is in October and General Assembly adoption in November. • There is also a need to review the peat remediation table to see whether members in the group agree with it, it needs to be amended or removed. The table has been developed by collating feedback from the previous Peatland Working Group (PLWG) and discussed overtime in the CTF2 and BHCVWG. The table is also to make clear the timing for members or non-members in the event of land acquisition. • Due to time limitation to have the RaCP version 2 ready for public 	

consultation in August 2023, it is essential that the peat remediation procedure incorporating the 2018 P&C requirement is established immediately. Without this inclusion, it will render RSPO susceptible to criticisms on its commitment to protect peatland and remediate damaged areas.

- BHCVWG proposed that either:
 - A Compensation Task Force 2 (CTF2) peat subgroup is formed specifically addressing only the peat remediation procedure so that it can be incorporated into RaCP version 2 for public consultation; or
 - A Peat Task Force (PTF) is formed to address peat related issues that are complex in nature, need experts to come up with the guidance, and required longer timeline to complete; or
 - Subject to be deliberated at CTF2.
- The scope of discussion that is relevant to the CTF2 was also presented in a table shown below:

No.	Item	Group In Charge
1	Applicability to Members/non-members (due to acquisition) at time of clearance;	CTF2 peat subgroup
2	Determine whether peat remediation for the period of Nov 2018 onwards would be immediate or progressive;	CTF2 peat subgroup
3	Applicability of peat drainability assessment in addressing peat remediation;	CTF2 peat subgroup
4	Consider the need to include the peat remediation recommendations for smallholders;	CTF2 peat subgroup
5	Whether the peat remediation table/ actions fit within the RaCP or in a larger document/ procedure within RSPO?	PTF or SSC to provide recommendation
6	Evaluation of the implementation of peat drainability assessment in relation to (5) above	PTF or SSC to provide recommendation
7	To discuss the need to reconvene the PLWG2 and review its ToR.	PTF or SSC to provide recommendation

- The CTF2 peat subgroup will focus discussion on items 1 to 4. For items 5 to 7, these will require a wider group to provide recommendations.
- BHCVWG would like to seek the SSC’s approval on which suggested proposal to move forward.
- BHCVWG’s preferred solution is to form a CTF2 peat subgroup.

Committee raised concerns:

- Do we really need two subgroups to deliberate the entire thing? BHCVWG co-chair responded that there is a need for the procedures because there will be situations where members may acquire land with areas planted with peat. The member that acquires that land will bear the liability. Peat subgroup members are basically members from CTF2. The CTF2 members recommended that there are certain things that cannot be decided within this group alone. The intention of the subgroup is to look into the procedures. For example, in the event of peat being planted, how do they decide if it is worth remediation? If peat

was planted after 2018, does it require immediate removal and how do they go about? It is expected that the peat remediation procedure will provide more guidance for members.

- As not all the members of the PLWG are keen to be a part of the peat subgroup, the committee suggested any questions that required further clarifications to be passed on to the members in writing for their input rather than forming a subgroup. In response to this, it will be easier for CTF2 to have a subgroup so that they do not have to specifically obtain the information from all the previous TF members.
- There is a limitation on the scope of discussion but experts can be invited to provide more guidance or recommendation. However, this will require another timeline.
- Considering the timeline, BHCVWG proposed to have a peat subgroup to discuss the relevant scope and formalise it for public consultation.

Secretariat clarified that:

- CTF2 can create its own subgroup but with conditions that the members need to sign the Code of Conduct (CoC). In the current Terms of Reference (ToR), there is no specific clause on creating or disallowing subgroups. Currently all the subgroup members are members from CTF2, just that it is on a smaller scale and the subgroups invited experts that specialised in a specific targeted topic. All the discussions of the subgroup will then be brought up to the larger group of CTF2 for approval.

Committee highlighted:

- Their concern that the peat remediation procedure is being rushed. This issue is complex in nature, but we are rushing to meet a deadline. How do we achieve the timeline and maintain the quality? The RaCP process is dysfunctional, and we are adding more complexity to it. Secretariat explained that the subgroup is focused on clarifying the grey area and not to expand on the remediation requirement.
- Will there be a ToR for the formation of CTF2 peat subgroups? Secretariat stated that there will be a ToR for the subgroup, which was presented earlier by the BHCVWG co-chair, outlining the objective, output, timeline, and scope of discussion. The invited experts are only to provide recommendations but cannot make any decision.
- Secretariat clarified that there is a CTF2 subgroup ToR for peat that stated that the group will need to clarify on the peat remediation table. The table contains all the required information from all the different timelines. There are just a few clarifications needed.
- The concerns regarding the formation of PTF previously was because the previous PLWG did not go into detail to discuss the remediation. At least

<p>3.2</p>	<p>CTF2 was previously involved in the discussion.</p> <p>Decision Committee agreed to allow the CTF2 to create a peat subgroup. The Secretariat will seek approval from members via email.</p> <p>Standards Review 2023 The Secretariat presented updates regarding the Standards Review 2023.</p> <p>Next Step</p> <ul style="list-style-type: none"> • The Standards Review process is currently at the 2nd round of Public Consultation which will take place from 1 June to 30 June 2023. • A total of 6 physical workshops will be conducted: Indonesia, Africa, Malaysia, India, and Colombia. 6 webinars will also be conducted during the 30 days period. • The next Task Force (TF) meeting will be conducted in Kuala Lumpur on 31 July to 4 August 2023. • The Secretariat is also preparing to conduct pilot testing to cover at least three countries in the 3 regions (Asia, Latin America and Africa) which will be conducted in September. <p>Committee highlighted that:</p> <ul style="list-style-type: none"> • There are some concerns regarding the Draft 2. What was discussed during the 3rd TF meeting in Jakarta was supposed to be the outcome for the public consultation. However, there have been a lot of proposals coming in on the draft before the next TF meeting. Does this mean that after the meeting in Jakarta there can be a new indicator added anytime? Would like more clarity on the process. <p>Secretariat commented that:</p> <ul style="list-style-type: none"> • After the TF meeting in Jakarta, virtual meetings were conducted for the TF members as there was a sustained objection raised. During the virtual meetings, there were also some issues that were not resolved and this went through the Steering Group. That is how draft 2 came about. • The Secretariat will take note that some things need to be improved on the Standards review process moving forward and anticipate that the issues may be resolved during the final TF meeting where everyone is present to voice their concerns or feedback to finalize the draft. 	<p>Seek approval from SSC via email</p> <p>Action by: Secretariat</p>
<p>4.0</p>	<p>For Endorsement</p>	
<p>4.1</p>	<p><u>Proposed Interpretation on Mass Balance ‘Unused Volume’ in RSPO Supply Chain Standard and Announcement</u></p> <p>There were some amendments made to the decision paper by OT to provide</p>	

	<p>clarity.</p> <ul style="list-style-type: none"> • There are a lot of issues with the current discussion about the difference between the interpretation of “volume”. For the Preamble part, there was a proposition by the Processors & Traders (P&T) caucus to include “rights”. This was included in the paper to ensure there is a clear link between volume and rights. Another sentence included was that there is another interpretation where the bookkeeping has to be comparable to the physical stocks to show there are two interpretations. • In Item 3.0, “RSPO SCCS 2014” was added to “referred to as ‘unused credits’.” • “Misinterpretation” was also amended to “difference in interpretations” to reflect that it is not the problem of misinterpretation, it is the problem of different interpretation. • Item 4.0, “misinterpretation” was again changed to “difference in interpretation”. • Item 5.0, the first three paragraphs were removed to make it more simplified. “The interim measure is that the interpretation of unused volume as “unused credits” is under reprieve” was changed to “the interim measure is that the interpretation of unused volume as “unused credits” remains unchanged”. <p>Committee highlighted that:</p> <ul style="list-style-type: none"> • Based on the previous discussion, it was said that the interpretation by the Secretariat is incorrect. The interpretation by the P&T is correct while the interpretation by the Certification Bodies which were trained by the Secretariat is wrong. • The Secretariat clarified that during the 33rd SSC meeting, the conclusion made was to put these two interpretations as a reprieve. This is correct, which means the word misinterpretation should not be in the paper. This is a better way to say that the interpretations are either right or wrong, there are actually two interpretations. This does not change the end results or recommendations. • Is it under reprieve or remain unchanged? Under reprieve means that something was wrong and needs to be reprieved. Remaining unchanged means the current practice remains unchanged. The decision was that it should remain unchanged until the next review. • The Secretariat raised a question on what happens to the members that have implemented the second interpretation. Committee responded that as the impact has been minimal so far, only a few companies have been impacted. In any case, the review of the Supply Chain Standard is coming up. The announcement will bring more clarity to the matter. • Does this mean that if the document is approved, everything reverts to the previous interpretation and those who have adopted the new 	
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<p>4.2</p>	<p>interpretation go back to the old interpretation? No – if you already change your bookkeeping system you cannot go back to your previous volumes.</p> <ul style="list-style-type: none"> • Are we saying that we adopt two interpretations? – No, as they will be able to restart accumulating credits, but they will not have to tally every quarter if they want. • Committee raised a concern regarding book and claim, when performing credit sales on book and claim in the event of no buyers for certified physical sales. When book and claim sales were performed, the volume will be deducted from the stock. Let’s say two weeks later, there are physical buyers, and the standard requires them to remove the stock again. This seems like double work. • The Secretariat clarified that firstly we need to understand the parties that can sell the credits in the book and claim platform. If you are entitled to sell the Certified Sustainable Palm Oil (CSPO) credit, the certified volume needs to be allocated into credit first before putting in the book and claim marketplace. Once allocated, your certified volume will automatically be deducted based on the converted credits volume. If there is an enquiry from a buyer to buy conventional oil, physically you still have the oil, but the status is now uncertified. You can send as conventional, but it is not necessary to remove because it was already taken out during the credit’s allocation. • Committee suggested that this should be made clear to the Certification Bodies. The Secretariat takes note of this and will be reviewing the certification system to improve this. • Secretariat suggested to add the “2014 interpretation” to avoid confusion at the second last sentence of the final paragraph in Item 5.0: <i>“Therefore, the interim measure is that the current 2014 interpretation of unused volume as “unused credits” remains unchanged until the review of the SCCS is completed and endorsed.”</i> <p>The Secretariat also shared the announcement:</p> <ul style="list-style-type: none"> • There were no amendments proposed to the draft announcement. • The agreement and proposed solution following the previous meeting has not been changed. <p>Decision Both the decision paper and announcement has been endorsed. The Secretariat will seek approval from members via email.</p> <p>Revised Shared Responsibility Working Group Uptake Targets (Y4) Secretariat provided updates on the revised uptake targets (Y4) for the Shared Responsibility Working Group (SRWG).</p>	<p>Seek approval from SSC via email</p> <p>Action by: Secretariat</p>
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	<ul style="list-style-type: none"> • The paper was shared with the SSC members on 2 June and the deadline to provide feedback is on 16 June. There is no feedback received until today. • This new paper basically addresses the sustained objection received from some members of the Board of Governors (BoG) to the first decision paper on uptake targets presented. The change is that we only have CSPO targets for Year 4 (2023) and have included an action plan to address the CSPKO shortage. • The plan is detailed in the paper and focus in two main activities: <ol style="list-style-type: none"> 1) address the losses in the supply chain (i.e., engaging with those actors that have unsold volume), and 2) focus on the overall CSPO/CSPK supply increase (i.e., engaging with potential members that can increase the supply). <p>Committee highlighted that:</p> <ul style="list-style-type: none"> • As the target was meant to start at the beginning of the year, it is important to prepare the targets well in advance in anticipation of questions so that the targets can be approved at an appropriate time and be informed to the members accordingly so that they can achieve the target. <p>Decision The document has been endorsed. The Secretariat will seek approval from members via email.</p>	<p>Seek approval from SSC via email</p> <p>Action by: Secretariat</p>
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MEETING ENDED AT 1627 MYT