

13th ERWG

Aloft, Kuala Lumpur

4th & 5th September 2017

| Name | Organisation | Member Status |
|---|------------------------|-------------------|
| Faizal Parish (Chair) | GEC | Substantive |
| Gan Lian Tiong (Co-chair) | PT Musim Mas | Substantive |
| Foo Siew Theng | Wilmar | Substantive |
| Joseph Hutabarat | Rainforest Alliance | Substantive |
| Shylaja Devi | Sime Darby | Substantive |
| Azmariah Muhamed | Felda | Substantive |
| Laila Wilfred (Representing Audrey Lee) | Olam | Substantive |
| Jason Foong | KLK | Alternate |
| Henry Cai | PT Musim Mas | Alternate |
| Fahmi Othman | Felda | Alternate |
| Javin Tan | RSPO Secretariat | Secretariat |
| Devaladevi Sivaceyon | RSPO Secretariat | Secretariat |
| Aizat Affendi | RSPO Secretariat | Secretariat |
| Fiona Jane Francis | RSPO Secretariat | Secretariat |
| Absent | | |
| Henry King | Unilever | Substantive |
| Jose Roberto Montenegro | AgroCaribe | Substantive |
| Lim Sian Choo | Bumitama Gunajaya Agro | Substantive |
| Olivier Tichit | SIPEF | Substantive |
| Arina Schrier | Wetlands International | Alternate |
| Julia Lo | GEC | Alternate |
| Lee Kuan Yee | KLK | Alternate |
| Mukesh Sharma | Asian Agri | Alternate |
| Phubalan Karunakaran | WWF Malaysia | Alternate |
| Cecille Bessou | CIRAD | Technical Advisor |

| No. | Main Discussion Point | Description | Action Items | Progress Update |
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| Monday, 4th September 2017 | | | | |
| 1. | Welcoming remarks and review of previous meeting minutes with progress updates | <p>Secretariat started the meeting with short brief on the location and other logistics. Secretariat went through the previous meeting minutes along with progress updates.</p> <p>Secretariat informed working group (WG) that Dr.Murkesh won't be able to involve with any WG meeting. Therefore, Indonesian grower seat will be vacant. Secretariat informed the WG that WWF representatives have not attend the WG more than three times.</p> <p>Co-chair informed that Musim Mas is going to register as 'Processor and traders' and will give up the 'Grower' seat (in November). This has been informed to the Board of Governor (BoG) during EuRT (London) in last June 2017.</p> <p>Secretariat announced to WG that the FAQ for PalmGHG has been uploaded on RSPO Website. Secretariat also informed that the information whether the data reporting for PalmGHG Calculator is based on financial year or calendar year has been updated on RSPO website.</p> <p>Secretariat give an update on the non-requirement for submission of PalmGHG report for 2015 given the</p> | | |

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| | | <p>lapse from Indonesian National Interpretation (NI) and adoption of P&C 2013. Secretariat further explained that NI was given 1-year adoption period and 1 year of implementation time.</p> <p>Secretariat informed that a sub-group was formed for analysis on C7.8 submission to look at the impact thus far. Arina has shared the document with the sub-group members.</p> <p>Chair informed that there is the problem with the file format being circulated within the WG, whereby there were 4 pages missing.</p> <p>On the Group Certification scheme, Chair pointed out that that a major mistake resulted from poor coordination with relevant parties during the development stage of the document itself.</p> <p>On the Simplified GHG Assessment Procedures, the Secretariat has shared documents with the Smallholders Working Group (SHWG) including the proponents for Resolution 6f. One of the feedback received was that there is confusion on the requirement of Criteria 5.6 and 7.8. On using the PalmGHG calculator on voluntary basis, the SHWG were yet to come up with a decision and will most probably come back within a month on their decision.</p> | <p>Format of meeting minutes to be checked prior to circulation.</p> <p>Secretariat to seek update on SHWG decision and way forward on PalmGHG for SH.</p> <p>Secretariat to clarify the requirement for Criteria 7.8 in the group certification document</p> | <p>SHWG decided that PalmGHG will not be applicable even on voluntary. Announcement to be made on this matter.</p> <p>A decision paper (BoG paper) will be submitted to the BoG on the proposed changes on C7.8 of Group Certification Document for endorsement.</p> |
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| | | <p>Chair wanted clarification on who was responsible to finalize the group certification documents, what were the processes involved and did the Board of Governance (BoG) approve the document. Secretariat replied that based on internal checking, group certifications should be the responsibilities of the SHWG. Chair asked if WG would collectively bring up this matter to the BoG's attention and that there is misleading text as discussed from the Group Certification and recommend for it to be amended.</p> <p>On RSPO NEXT, Chair mentioned that having 2005 as a baseline year to track reduction in emission will then lead to only a few companies with respective 2005 baseline to be able to certify themselves. Secretariat suggested the WG to make recommendation to the BoG regards to the 2005 baseline. Secretariat also mentioned that they have yet to hear from Henry King for further guidance on the supply chain emission reporting.</p> <p>On the HCS Convergence Process, Secretariat gave a brief update and suggested to make an announcement on the one converged method – HCSA method which was agreed by the WG.</p> | <p>Secretariat to draft out an announcement.</p> | |
| 2. | RT-15 (Topic) | <p>Secretariat showed the designated website for RT-15. The logistics was informed to the WG members and theme for RT 15 will be "Inclusivity and Accountability". Secretariat then explained the idea</p> | <p>Secretariat to do relevant preparation and arrangement.</p> | |

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| | | <p>of having a prep cluster on NDPE to show how much and as well as how the existing procedure is inclusive of the idea of NO to peat, deforestation and exploitation. Based on discussion, the final title for the prep cluster will then be “RSPO Delivering No Deforestation, No Peat, No Exploitation (NDPE)”</p> <p>The tentative agenda with speakers and moderators were collectively discussed and agreed.</p> | | |
| 3. | <p>Progress update with PalmGHG development - Online and Offline</p> | <p>Secretariat gave a brief update on the proposals received and the proponent that was finalized will be Lava Labs. There other proponents were not able to deliver the full work scope as TOR.</p> <p>WG asked if the users could use their own custom values as default value and Secretariat clarified that they can. Secretariat further clarified that data can also be keyed in offline which will sync once there is an internet connection.</p> <p>The upcoming version of PalmGHG will work in a way that the RSPO will be providing a username and password for users to key in and submit the data. The data will be sent for CB’s verification at the same time to the Secretariat (as the 1st Submission). CB, with restricted access to only comment and not modify the data, will comment (if there are any) else will proceed to finalize the submission. This will then send out a</p> | <p>Secretariat to update Lava on inclusion of third-party auditor checking as well as the ability for users to save drafts.</p> <p>Secretariat to proceed with engaging Lava, the Consultant, for the development of a web-based PalmGHG Calculator.</p> | <p>Done</p> <p>Service Agreement with Lava has just recently finalised and is in progress for signing-</p> |

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| | | <p>notification to the grower and secretariat as final submission.</p> <p>Chair suggested that whoever is doing the data entering must be able to save drafts and there will be one sole person checking and sending out the final submission to CB to avoid sending the wrong version or even double submission. Chair also suggested that there should be a change tracker to know who was the last to log in and made any changes to the data.</p> <p>Chair asked how about the data from previous years and Secretariat clarified that using this new version, 'accdb' file from previous years can be uploaded to consolidate previous year data.</p> <p>Chair highlighted the point about the clients' responsibilities with regards to the job openings in the Lava Labs proposal papers, to define the term "businesses" if this refers to all RSPO members.</p> <p>The question on the security of cloud storage was raised by Chair. Secretariat explain that storage and domain to host the software will be under RSPO IT's supervision. Secretariat mentioned that they have checked the current Salesforce system (RSPO's internal system) is able to store all the PalmGHG data.</p> <p>WG suggested to extend the duration for User Acceptance Testing (UAT). Secretariat requested</p> | <p>ERWG members to continue support for the UAT testing,</p> | <p>off. Work commences early December.</p> <p>A copy of revised proposal from Lava, stating specific work scope circulated along with this minute.</p> |
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| | | <p>assistance from the C 5.6 subgroup to continue their support with the UAT and trial run of the software in the first quarter of 2018. The subgroup has agreed their support on this.</p> | <p>targeted to be early or mid of next year (2018).</p> | |
| 4. | <p>Update on submissions for C5.6 & C7.8/NPP</p> | <p>For C 5.6, as of 18th of August, for year 2015 there are 3 pending submissions and for the year 2016 there are 8 pending submissions.</p> <p>Working group had concern over the figure updated for submissions received as of 2017. Working group also suggested to check individual audit summary report rather than a monthly sampling checking.</p> <p>On C 7.8 submissions, Chair mentioned that from all the NPP submissions since 2015, there were no planting on peat shown and this shows that RSPO has achieved 0% planting on peat. Chair said that the WG should deduce the main issues in the 3-year trend review of submissions and identify root causes of the issues.</p> <p>Secretariat brought up the issue that most NPP submissions recently tend to include HCV areas of the wider scope of their development in the GHG emissions assessment, this potential leading to over-estimating the sink within the NPP scope.</p> <p>Chair suggested that there should be database on peat and HCV areas and a constant tracking</p> | <p>Secretariat need to recheck number mills submitted against certified unit.</p> | <p>To be updated in next meeting.</p> |

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| | | <p>mechanism to make sure that the HCV areas are really protected. For this, the Chair highlighted that there is still a gap in the 5.6 in which the WG should consider the methodology for the management plan of emission reduction, in which the figures should be derived from the management plan under 7.8 for new plantings.</p> <p>WG agreed that C 7.8 subgroup to continue and step up on relevant analysis on NPP GHG report submissions, to determine the implementation challenges, gaps and impacts the GHG assessment is bringing. This should include summarising proposed management and mitigation plan based on submissions. A brief ToR and brief action plan attached as Annex 2.</p> <p>The findings would then be presented in RT15 Session 4: RSPO Delivering No Deforestation, No Peat and No Exploitation. Powerpoint presentation to be prepared and finalised via email.</p> | <p>Relevant members to act upon the action plan on C7.8 submissions analysis.</p> <p>Secretariat to work closely with Dr. Gan and Henry Cai on preparing RT PPT on the impact of GHG assessment and reporting of NPP.</p> | <p>PPT shared on Nov 1 and some comments received. PPT to be finalised by Nov 20 for second circulation.</p> |
| 5. | <p>Progress update on 'Emissions Reduction BMPs' work with Winrock International by representative from Winrock International</p> | <p>Michael Naleid from Winrock International dialed in to brief the WG on the progress update. He mentioned not being able to get detailed information about RSPO's members for which Chair said that some of the information required about members are in fact already on the RSPO website. Co-chair said that the PalmGHG data is also available in the website from annual audit report beginning 2017 and all the</p> | <p>Secretariat to follow-up with Winrock to see what information is required in the preparation of the "Emissions Reduction BMPs" work.</p> | <p>Winrock has approached a number of members (independently) on case study. Updates will be provided in the coming meeting.</p> |

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| | | <p>RSPO members would have to do it in order to comply to the RSPO P&C.</p> <p>WG requested Winrock to identify the BMP which will work for small and medium-sized growers. Winrock has agreed to give another follow up update during the last meeting.</p> <p>Chair suggested that the BMP work document should not only focus on technologies on how to remediate POME but also on technologies for POME avoidance or reduction in the POME management. Michael clarified that Winrock has considered all these things.</p> <p>Michael said that Winrock will be coming up with a strategy by end of November and that he will liaise more closely with the Secretariat for relevant information.</p> <p>Secretariat has shared contact details of working group members with Winrock to assist with gathering grower's experience on the BMP work along with PT Musim Mas's publication titled 'Calculating GHG Emission in Oil Palm Using PalmGHG'.</p> | | |
| 6. | Updates on Sensor Report | Secretariat clarified that while the disclaimer in the current report stating that it is funded by RSPO cannot be removed as it has been published online, it was agreed upon that any future SEnSOR reports | | |

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| | | <p>should not have any mention of RSPO funding unless approved by the WG.</p> <p>Secretariat also explained that based on checking with SEnSOR, the “low confidence” remark for using IPCC reference values were given as these are general value for a wider scope rather than a specific research to confirm a single value.</p> <p>Chair said that the disclaimer to say that “RSPO has been funding the project” can in fact be edited since it is shown in a soft copy form on the SEnSOR website. Secretariat highlighted that the some of the default values used in the PalmGHG Calculator cannot be traced to its original sources. Cecille has not been responding when the Secretariat seek for clarifications on this issue.</p> <p>Chair suggested that representatives from C5.6 subgroup to contribute in verifying and listing missing reference source of RSPO default value used within PalmGHG Calculator.</p> | | |
| 7. | HCV-HCSA integrated assessment | <p>Secretariat provided clarification that recent consultation on HCV-HCSA integrated assessment calling by HCVRN is the result of collaboration between HCSA and HCVRN. Existing guideline and requirement of RSPO NPP process remains the same.</p> <p>It is also noted that HCVRN has yet to come back with responds to feedback received.</p> | Secretariat to liaise with the HCSA with for further updates. | <p>Update on HCSA will be provided in next meeting.</p> <p>A copy of the respond from HCVRN on comments received over the public consultation on HCV-HCS integrated assessment</p> |

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| | | <p>Chair mentioned that there are still a lot of questions as to whether RSPO should make it mandatory to link between HCV and HCSA. Chair argued that if the link was to happen, it would open to more 3rd party involvement, especially in the case of NPP.</p> <p>Secretariat clarified that the consensus now is leaning towards the decision that there will not be a full adoption of the HCSA since there are still a lot of gaps within it.</p> | | <p>manual is attached separate along-side with this minutes.</p> |
| 8. | Outreach & training for GHG | <p>Secretariat decided to put it on hold and to only do a full-fledged training once the new PalmGHG software will be in place. Plus, there is a huge decrease in terms of growers asking for guidance to use PalmGHG indicating that users are becoming more familiar with and have the capacity to use it.</p> <p>However, the WG feels that there is a need to provide training for GHG Assessment Procedure for New Development.</p> | <p>Secretariat to consider training on GHG Assessment Procedure for New Development</p> | <p>A training on GHG Assessment Procedure for New Development would be provided in Dec CB training in Medan, Indonesia.</p> |
| No. | Main Discussion Point | | | Progress Update |
| Tuesday, 5th September 2017 | | | | |
| 9. | <p>RSPO Next</p> <ul style="list-style-type: none"> •Guidance for Supply Chain footprint accounting •Guidance for GHG reporting | <p>Chair stated that 2005 cannot be the baseline year, because most of the companies may not have reporting or even established during that year. Chair suggested that 2016 would be the better baseline. But this will still cause the same problem in the future. Second issue that has been raised was that</p> | <p>Secretariat needs to check who responsible for preparing and updating the RSPO NEXT clarification (eligibility document)</p> <p>Secretariat to extract information on GHG/ footprint accounting</p> | <p>The clarification on eligible document under the purview of Certification Unit of Technical Division.</p> |

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| | | <p>PalmGHG can't be used to calculate carbon footprint for whole operation.</p> <p>Chair would like Henry King and other WG members to suggest minimum requirement for credible system for downstream emission reporting system. WG raised concerned about the "unit" for GHG protocol and suggested that flexibility should be given to the companies in developing the estimation for GHG emission. (e.g. unit/product, unit/revenue or unit/ employee). Therefore, Chair suggested flexibility should be given to the company for the baseline in CO2 emission.</p> <p>WG collectively drafted the recommendation paper as way forward, providing options as interim guidance, as well as providing justification for a need to revise RSPO Next Clarifications on the Eligibility and Application Framework Document, as Annex 3.</p> | <p>methodology applied by supply chain member through ACOP submissions</p> <p>Secretariat to table the recommendation paper to relevant division.</p> | |
| 10. | RSPO P&C (2013) review | <p>Secretariat provided a short update on the P&C Review Process with Cochair provided some proposed amendments on GHG and peat related criteria on the 1st draft prepared and circulated for public comments.</p> <p>Some additional comments made (in Orange) Text by the WG to Draft 1 of P&C review, as Annex 4.</p> | Secretariat to bring comments made to RSPO P&C Review Consultant. | Done |

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| 11. | ERWG Way forward | <p>Secretariat and ERWG members agreed to set up a final meeting before the RT15 at Bali. Main agenda which should comprised of the updates of Winrock study and possible check-list for the RSPO-Next.</p> <p>Secretariat and ERWG members agreed that the meeting should be fall on either 25th (Saturday) or 26th (Sunday) of November.</p> | Secretariat to make necessary preparation | Next meeting is scheduled on 25 th Nov (Saturday) |
| 12. | AOB – RSPO RED | <p>Secretariat give updates on RSPO-RED. Secretariat informed to the ERWG members that RSPO-RED task force has been formed, led by the RSPO Europe office to look at the revised RSPO-RED standard for re-endorsement from the EU. The Board aims to have RSPO-RED re-endorsed by RT15.</p> <p>Due to the time and resource constrained the task force decided to propose to adopt/recognized any tools and GHG methodologies endorsed by the EU as applicable under RSPO-RED.</p> <p>1st submission early of the year was rejected in June, inter alia, with some minor gaps, the needs to further specified the GHG methodology. It is highly recommended for RSPO to develop own methodology.</p> <p>RSPO-RED TF will be continue working on the application with consultant.</p> | (As info) | |

Annex 1. Agenda and Attendee Signing Sheet

13th ERWG meeting

Date: 4th & 5th September 2017 (Monday and Tuesday)

Venue: Aloft Hotel, Sentral Kuala Lumpur

Meeting Agenda

4th September 2017 (Monday)

| Time | Agenda |
|-------------------|--|
| 9.00am – 9.45am | 1. Review of previous meeting's minutes and progress on actions |
| 9.45am – 10.30am | 2. Updates: <ul style="list-style-type: none">• RT-15 (Topic) |
| 10.30am – 11.00am | Tea Break |
| 11.00am – 12.30pm | 3. Progress with PalmGHG development - Online and Offline 4. Update on submissions for C5.6 & C7.8/NPP |
| 12.30pm – 1.30pm | Lunch |
| 1.30pm – 2.30pm | 5. Progress update on 'Emissions Reduction BMPs' work with Winrock International <i>by representative from Winrock International</i> |
| 2.30pm – 3.30pm | 6. Updates on Sensor Report |
| 3.30pm – 4.00pm | Break |
| 3.30pm – 4.00pm | 7. HCV-HCSA integrated assessment |
| 4.00pm – 5.00pm | 8. Outreach & training for GHG |

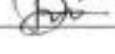
5th September 2017 (Tuesday)

| Time | Agenda |
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| 9.00am – 11.00am | 9. RSPO Next <ul style="list-style-type: none">a. Guidance for Supply Chain footprint accountingb. Guidance for GHG reportingc. P&C Review |
| 11.00am – 11.30am | Tea Break |
| 11.30am – 12.00pm | 10. ERWG Way forward 11. AOB |
| 12.00pm – 1.00pm | Lunch |

Attendee signing sheet (4th and 5th September 2017)

13th ERWG Meeting
 4th – 5th September 2017
 Tactic 3, Level 2, Aloft, Kuala Lumpur

1st Day – 4th September 2017

| No. | Name | Signature |
|-----|--------------------------------------|--|
| 1. | FAD SIEW THANG, MILMAR |  |
| 2. | Fiona Jane Francis, RSPD Secretariat |  |
| 3. | Joseph Hutabarat, RA |  |
| 4. | Fahri Bin Othman, FELDA |  |
| 5. | Arunaratne |  |
| 6. | SUYLADA DEVI, SIMA DAREY |  |
| 7. | Chan Lian Ting, Muslim Ma. |  |
| 8. | FARAH PARISH, GEC |  |
| 9. | Aizat Affendi, RSPD secretariat |  |
| 10. | Laila Wilfred, OLAM |  |
| 11. | JACOB THOMAS MUTHU GUAN KIK |  |
| 12. | Henny, MUSAHA MA |  |
| 13. | Jarin Tan |  |
| 14. | Devaladevi |  |
| 15. | | |
| 16. | | |
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2nd Day – 5th September 2017

| No. | Name | Signature |
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| 1. | Fai Sifon TUGAN, WILMAR | F. |
| 2. | Joseph Hutaband, RA | J. Hutaband |
| 3. | Fazal Parich | F. Parich |
| 4. | Gen Liam Ting. | L. Ting |
| 5. | SAYUADA DEVI | S. Dev |
| 6. | Fahri عثمان, FELDD | F. Osman |
| 7. | JASON FONG HUEY YEAN KKK | J. Fong |
| 8. | Huang | H. |
| 9. | Karla Wilfred (Olam) | K. Wilfred |
| 10. | Fiona Joe Fong | F. Joe |
| 11. | Ariad Appandi | A. Appandi |
| 12. | Dinesh | D. |
| 13. | Javin Tan | J. Tan |
| 14. | | |
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Annex 2. TOR and Action Plan for C 7.8 subgroup

C7.8 sub-group ToR & Action Plan - analysis on C 7.8 submissions

Purpose of the exercise is to analyse:

- 1) Is implementation of GHG Assessment Procedure smooth
- 2) What is the impact of implementation; what difference is made by having this process.

Members: Olivier, Henry Cai, Joseph, Siew Teng, Arina, Jason Foong, Faizal Parish

Procedure:

- 1) Javin shares 7.8 submissions Jan-April 2017 (17 submissions?)
- 2) Group- members analyse specific topics, each at their own 'expertise' or interest as in Table below (corresponding with Questions below (1-7).
- 3) RSPO secretariat to summarize the findings

35 submissions

| Name | Task 1 | Task 2 |
|-----------|--------|--------|
| Olivier | Q 3 | Q 7 |
| Henry Cai | Q 1 | Q 2 |
| Joseph | Q 5 | Q 6 |
| Siew Teng | Q 1 | Q 2 |
| Arina | Q 4 | Q 7 |
| Jason | | |
| Faizal | | |

Questions to be answered in analysis.

- 1) Was the procedure properly used and where submissions according the GHG Ass. Proc. (Javin)

| | Sufficient y/n |
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| Stratification of area proposed new development | |
| Verification of maps | |
| Identification presence of peat | |
| Estimation of C-stocks for each stratum | |
| Integration of HCV/SEIA | |
| Summary of HCV/HCS/SEIA findings | |

- 2) Are improvements needed in the procedure/methodology, what feedback did we get.

- 3) Was scenario testing being done and was this used to avoid high carbon stock areas and/or peat areas.
- 4) How much peatland was avoided for development
- 5) How much forest and high Cstock area proposed for development was avoided (non-HCV)
- 6) How much land was set-aside for sequestration in total (incl. peat, forest, buffer). (the amount of emission reduction claimed versus total emission)
- 7) What plans were made to minimize GHG emissions.
- 8) Checklist for CB (data entry for New Development GHG Calculator, use of default, including typical emission range -can refer to remarks column of the excel tracking sheet)

Javin to share relevant NPP notification documents

Members to check:

- HCV, set-aside (between GHG report and NPP notification document) – Javin (15 Sept)
- Check blank cells in the table – Javin (15 Sept)
- Net emissions (estate and mill and net LUC) (Crop sequestration and conservation sequestration)
- GHG management and mitigation plan & pulling out relevant emissions or sequestration figures (net estate and mill emissions/ LUC – conservation and crop sequestration) (Joseph (2016) and Arina (2015 & 2017) –LUC and conservation set-aside; Siew Theng (2015 & 2017) and Jason (2016) – on plantation and mill)
- Faizal/Dr. Gan (Henry Cai) to provide review and preparation of PPT for RT15

Arina – peat related

(map plotting NPP (GHG GtG) submission – Siew Theng and Joseph)

Henry Cai – checking on the potential issues relating to high crop sequestration rate (checking the potential 'out-of-range' of net emissions (range of +2 to -2) (5 submissions)

Timeline

Sept 15 – the table is sent out by Secretariat

Oct 7 – all results sent to Secretariat and by Oct 10 Secretariat tabulated the table based on all results

Analysis – last two weeks of Oct/ preparation of PPT (Oct 15)

Timeline – end of Oct (1st draft of PPT)

Nov 7 – finalized PPT

Nov 27 - RT15

Annex 3. ERWG recommendation paper on GHG emissions aspect of RSPO NEXT Clarifications on the Eligibility and Application Framework Document.

NEXT Eligibility Clarification Document

Measuring the GHG emissions will be required on a total company basis for activities which are under direct control of the company.

- The reduction of GHG emissions will be measured as an absolute reduction against the baseline year of 2005 or later if appropriate.

- 2005 shall be used as the baseline year if the company was in operation at the time.

- A later date is only acceptable if it is the first year of operations of the company.

NEXT Eligibility Framework

AND a program of Measuring, Reduction and Reporting on GHG

- Requesting Henry King to come with minimum requirement for credible program of Measuring, Reduction and Reporting on GHG (GHG Protocol) – concerns raised of the different in the aim of the tool – GHG protocol versus PalmGHG (P&G – reporting on product based carbon footprint reporting)
- RSPO Secretariat to check on ACOP submissions (Supply chain company – system reporting of GHG/carbon accounting)

Option 1:

A programme of MRR on GHG emissions directly related to palm oil in the supply chain, which would include emissions related to transportation, refining, processing, packaging and marketing of products derived from PO. (PalmGHG equivalent in the supply chain). This option will need to cover all the stages between the PO mill to the refinery to manufacturing plant to distribution and to retail and be able to accept the necessary data and have default values for all the stages.

Advantages:

- a) Possible to combine with PalmGHG to create a Life Cycle GHG emission for PO related products.
- b) Limit the scope of measuring to the parts of supply chain company's business that relates to PO.

Disadvantages:

- a) No existing system specifically for PO which can be used but, can draw on the LCA model and approaches.
- b) Challenges to split between the PO related emission and product related emission (can use allocation (mass, energy or value) according to the proportion of PO in the product).

Option 2:

A programme of MRR on GHG emissions related to the whole GHG footprint of the entire company (total company basis) for activities which are under direct control of the company (Scope 1&2 emission).

(add footnote to explain Scope 1 and 2 emission)

Advantages:

- a) Can use existing tool. Example GHG Protocol, ISO 14 064
- b) Supply chain companies may already be using tool and publicly reporting on the results – (cross check ACOP)
- c) Easy to check and verify if the company is using the tool via public reporting, sustainability reporting or CDP

Disadvantages

- a) Not possible to combine with PalmGHG to create a Life Cycle GHG emission for PO related products.
- b) Additional effort and cost to establish the internal reporting system and feed in data to tool.

Recommendation from ERWG:

To be compatible with the upstream approach of GHG and commensurate effort made by growers, the best option will be Option 1 since it will enable a whole LC approach to PO and it could also facilitate further improvement in the emission reduction for supply chain.

However, based on ERWG's experience with PalmGHG it will not be possible to immediately create a tool to track emission from the supply chain.

A short-term solution will be to use Option 2 to meet the GHG eligibility requirement for RSPO NEXT. However, the ERWG recommend RSPO to proceed with the development of Option 1 within 18 months. ERWG also recommends that in to develop such a system a working group or task force consisting of supply chain representatives and LCA experts to be in place.

A check-list for CBs to screen eligibility for supply chain participant for RSPO NEXT. This check list will include minimum standard for the tool for total company basis GHG MRR.

Note: Some tools such as GHG protocol may meet the requirement for monitoring and reporting but not emission reduction. One possible solution would be to require the supply chain company to develop an emission reduction time bound plan/target. For the purpose of such reduction target, companies should determine appropriate baseline year.

Note: ERWG believes that it is not feasible to set 2005 as baseline year unless the company already had in place a proper GHG tracking system. However, even if the companies are tracking their GHG emission in 2005 it may not necessarily be as a baseline year given the operation is different to the current operation. Companies without such system will not be able to do a retrospective estimation of the baseline. Flexibility should be given to the company to express the emission in terms per unit of product or revenue or employee etc.

Next Steps

1. Requesting Henry King to come with minimum requirement for credible program of Measuring, Reduction and Reporting on GHG (GHG Protocol) – concerns raised of the different in the aim of the tool – GHG protocol versus PalmGHG (P&G – reporting on product based carbon footprint reporting).

2. RSPO Secretariat to check on ACOP submissions (Supply chain company – system reporting of GHG/carbon accounting).
3. Based on above eligibility checklist for companies/CB should be drafted by the Secretariat with input from the ERWG and T&T task force.

Annex 4. Comments for P&C review

| 2013 Criteria, Indicators and Guidance Proposed changes shown in red | Proposed revised Criteria, Indicators and Guidance (without changes highlighted) | Task Force Notes |
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| <p>5.6 Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p> <p>Indicators: 5.6.1 (M) An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4). 5.6.12 (M) Significant pollutants and greenhouse gas (GHG) emissions shall be assessed identified, and plans to reduce or minimise them implemented, monitored through the Palm GHG tool and publicly reported. 5.6.2 Other significant pollutants shall be assessed, and plans to reduce or minimize them implemented, monitored and reported. 5.6.3 A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools. Specific Guidance: For 5.6.1: In developing the emission reduction plan companies should take into consideration options for significant GHG emission reduction or sequestration related to the managed area. For 5.6.2: Plans will include objectives, targets and timelines. These should be responsive to context and any changes should be justified. Guidance For 5.6.2 and 5.6.3: The treatment methodology for POME will be recorded. For 5.6.3 (GHG): For the implementation period until December 31st 2016, an RSPO endorsed modified version</p> | <p>Indicators: 5.6.1(M) Significant greenhouse gas (GHG) emissions shall be assessed and plans to reduce or minimise them implemented, monitored through the Palm GHG tool and publicly reported. 5.6.2 Other significant pollutants shall be assessed, and plans to reduce or minimize them implemented, monitored and reported.</p> <p>Specific Guidance: For 5.6.1: In developing the emission reduction plan companies should take into consideration options for significant GHG emission reduction or sequestration related to the managed area.</p> <p>Guidance: Plans will include objectives, targets and timelines. These should be responsive to context and any changes should be justified. The treatment methodology for POME will be recorded.</p> | <p>Notes: Specific guidance on 5.6.2 will be developed ERWG is currently preparing BMPs for emission reduction, which will include information on target setting. These will be ready before the revised P&C are adopted.</p> <p>ERWG will only be able to produced BMPs for emissions reduction by end of this year.</p> <p>This does not include developing guidance for 5.6.2 (significant pollutants) nor target setting.</p> |

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| | <p>of PalmGHG which only includes emissions from operations (including land use practices) can be used as a monitoring tool.</p> <p>For 5.6.3: In addition, during the implementation period, growers will start to assess, monitor and report emissions arising from changes in carbon stocks within their operations, using the land use in November 2005 as the baseline. The implementation period for Indicator 5.6.3 is the same implementation period for Criterion 7.8. During the implementation period, reporting on GHG will be to a relevant RSPO working group (composed of all membership categories) which will use the information reported to review and fine tune the tools, emission factors and methodologies, and provide additional guidance for the process. Public reporting is desirable, but remains voluntary until the end of the implementation period. During the implementation period the RSPO working group will seek to continually improve PalmGHG, recognising the challenges associated with measuring GHG and carbon stock.</p> <p>The latest version of PalmGHG or RSPO-endorsed equivalent will be used to assess, monitor and report GHG emissions. Parties seeking to use an alternative to PalmGHG will have to demonstrate its equivalence to the RSPO for endorsement.</p> <p>Guidance: Where practically feasible, Operations should follow best management practices to measure and reduce emissions. Advice on this is available from the RSPO.</p> | <p>The latest version of PalmGHG will be used to assess, monitor and report GHG emissions.</p> <p>Operations should follow best management practices to measure and reduce emissions. <i>Advice on this is available from the RSPO.</i> <i>Make specific reference to Winrock's BMPs</i></p> | |
| 7.8 Preamble | <p><i>It is noted that oil palm and all other agricultural crops emit and sequester greenhouse gases (GHG). There has already been significant progress by the oil palm sector,</i></p> | | |

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| | <p><i>especially in relation to reducing GHG emissions relating to operations.</i></p> <p><i>Acknowledging both the importance of GHGs, and the current difficulties of determining emissions, the following new Criterion is introduced to demonstrate RSPO's commitment to establishing a credible basis for the Principles and Criteria on GHGs</i></p> <p><i>Growers and millers commit to reporting on projected GHG emissions associated with new developments. However, it is recognised that these emissions cannot be projected with accuracy with current knowledge and methodology. Growers and millers commit to plan development in such a way to minimise net GHG emissions towards a goal of low carbon development (noting the recommendations agreed by consensus of the RSPO GHG WG2).</i></p> <p><i>Growers and millers commit to an implementation period for promoting best practices in reporting to the RSPO, and after December 31st 2016 to public reporting. Growers and millers make these commitments with the support of all other stakeholder groups of the RSPO.</i></p> | | |
| <p>7.8 New plantation developments are designed to minimise net greenhouse gas emissions.</p> | <p>Indicators:</p> <p>7.8.1 (M) The carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development shall be identified and estimated.</p> <p>7.8.2 There shall be a plan to minimise net GHG emissions which takes into account avoidance of land areas with high carbon stocks and/or sequestration options.</p> <p>Specific Guidance:</p> <p>For 7.8.1: GHG identification and estimates can be integrated into existing processes such as HCV and soil assessments.</p> <p>The RSPO GHG Assessment Procedure for New Development is available to guide the assessment of</p> | <p>Indicators:</p> <p>7.8.1 (M) The carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development shall be identified and estimated.</p> <p>7.8.2 There shall be a plan to minimise net GHG emissions which takes into account avoidance of land areas with high carbon stocks and/or sequestration options.</p> <p>Specific Guidance:</p> | |

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| | <p>potential GHG assessment as well as preparation of monitoring and management plan.</p> <p>The RSPO New Development GHG Calculator for should be used to estimate future GHG emissions from new developments.</p> <p>The RSPO carbon assessment tool for new plantings will be available to identify and estimate the carbon stocks. It is acknowledged that there are other tools and methodologies currently in use; the RSPO working group will not exclude these, and will include these in the review process.</p> <p>The RSPO PalmGHG tool or an RSPO-endorsed equivalent will be used to estimate future GHG emissions from new developments using, amongst others, the data from the RSPO carbon assessment tool for new plantings.</p> <p>Parties seeking to use an alternative tool for new plantings will have to demonstrate its equivalence to the RSPO for endorsement.</p> <p>For 7.8.2: Growers are strongly encouraged to establish new plantings on mineral soils, in low carbon stock areas, and cultivated areas, which the current users are willing to develop into oil palm. Millers are encouraged to adopt low-emission management practices (e.g. better management of palm oil mill effluent (POME), efficient boilers etc.) in new developments.</p> <p>Growers and millers should plan to implement RSPO best management practices for the minimisation of emissions during the development of new plantations.</p> <p>Guidance:</p> <p>This Criterion covers plantations, mill operations, roads and other infrastructure. It is recognised that there may be significant changes between the planned and final</p> | <p>For 7.8.1: GHG identification and estimates can be integrated into existing processes such as HCV and soil assessments.</p> <p>The RSPO GHG Assessment Procedure for New Development is available to guide the assessment of potential GHG assessment as well as preparation of monitoring and management plan.</p> <p>The RSPO New Development GHG Calculator for should be used to estimate future GHG emissions from new developments.</p> <p>For 7.8.2: Growers are strongly encouraged to establish new plantings on mineral soils, in low carbon stock areas, and cultivated areas, which the current users are willing to develop into oil palm. Millers are encouraged to adopt low-emission management practices (e.g. better management of palm oil mill effluent (POME), efficient boilers etc.) in new developments.</p> <p>Growers and millers should plan to implement RSPO best management practices for the minimisation of emissions during the development of new plantations.</p> <p>Guidance:</p> <p>This Criterion covers plantations, mill operations, roads and other</p> | |
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| | <p>development area, hence the assessment may need to be updated before the time of implementation.</p> <p>Public reporting is desirable, but remains voluntary until the end of the implementation period.</p> <p>During the implementation period until December 31st 2016 (as specified in Criterion 5.6), reporting on GHG will be to a relevant RSPO working group (composed of all membership categories) which will use the information reported to review and fine tune the tools, emission factors and methodologies, and provide additional guidance on the process. During the implementation period the RSPO working group will seek to further develop and continually improve the RSPO carbon assessment tool for new plantings, recognising the challenges associated with estimating carbon stocks and projecting GHG emissions from new developments. Thereafter growers and millers will ensure that new plantation developments are designed to minimise net GHG emissions and commit to reporting publicly on this.</p> <p>Once established, new developments should report on-going operational, land use and land use change emissions under Criterion 5.6.</p> <p>For National Interpretation: National Interpretation will provide guidance within the national context for national requirements (e.g. high and low carbon stock lands or emission reduction requirements).</p> | <p>infrastructure. It is recognised that there may be significant changes between the planned and final development area, hence the assessment may need to be updated before the time of implementation.</p> <p>Once established, new developments should report on-going operational, land use and land use change emissions under Criterion 5.6.</p> <p>For National Interpretation: National Interpretation will provide guidance within the national context for national requirements (e.g. high and low carbon stock lands or emission reduction requirements).</p> | |
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