

MINUTES OF MEETING

42nd SSC Meeting

Time: 1500 - 1700 (MYT) **Date:** Thursday, 25th April 2024

Venue: Zoom Meeting https://zoom.us/j/97231255544 Meeting ID: 972 3125 5544 Passcode: 42@SSC

ATTENDEES

	Name	Initial	Organisation	
1.	Lim Sian Choo (Co-Chair)	LSC	Bumitama Group	Grower (INA) - Substantive
2.	Jenny Walther-Thoss	JWT	WWF Singapore	ENGO – Substantive
3.	, Lee Kian Wei	LKW	United Plantations	Grower (MY) – Alternate
4.	Librian Angraeni	LA	Musim Mas	P & T – Alternate
5.	Anne Rosenbarger	AR	WRI	ENGO – Substantive
6.	Sander Van den Ende	SvE	SIPEF	Grower (RoW) – Substantive
1.	Leena Ghosh	LG	RSPO Secretariat	, ,
2.	Yen Hun Sung	HS	RSPO Secretariat	
3.	Muhammad Shazaley	SA	RSPO Secretariat	
	Abdullah			
4.	Prabhkirat Kaur	PK	RSPO Secretariat	
5.	Ahmad Amirul Ariff	AAA	RSPO Secretariat	
6.	Faizzatul Nadia Nasir	FNN	RSPO Secretariat	
7.	Ruzita Abd Gani	RAG	RSPO Secretariat	
8.	Hanib Libon	HL	RSPO Secretariat	
9.	Amanina Zahir	AZ	RSPO Secretariat	
10.	Sarsongko Wachyutomo	SW	RSPO Secretariat	
Absen	ce with apology:			
1.	Olivier Tichit (Co-Chair)	ОТ	Musim Mas	P & T – Substantive
2.	Jerome Courtaigne	JC	L'Oreal	Consumer Goods Manufacturer – Substantive
3.	Brian Lariche	BL	Humana	SNGO – Substantive
4.	William Siow	WS	MPOA/IOI	Grower (MY) – Substantive
5.	Ian Orrell	Ю	NBPOL	Grower (Smallholder) - Substantive
6.	Silvia Irawan	SI	Kaleka	SNGO – Substantive

AGENDA

7.62.137.1				
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 41st MoM on 14th March 2024		
	2.2	Action Tracker		
	2.3	Progress Update WG/TF/SG under SSC		



1515 - 1600	3.0	For Update	
	3.1	Gap Analysis of Current SCC Standard/Systems vs PRiSMA	HL/RG
	3.2	Gap Analysis of Certification System vs PRiSMA	AA/FN
	3.3	RSPO Market Comms & Claims Audit Checklist	PK/SA
1600 - 1605	4.0	Any Other Business	
1605		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	
1.2	meeting. 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	Confirmation of the 41st MoM on 14th March 2024	
	The minutes of the meeting were adopted.	
2.2	Action Trackers	
	Action tracker of the previous meeting was presented. No comments were	
	received.	
2.3	Progress Update WG/TF/SG under SSC	
	The progress update for the WG/TF/SG Committee was presented. No	
	comments were received.	
3.0	For Update	
3.1	Gap Analysis of Current SCC Standard/Systems vs PRiSMA	
	The Secretariat provided updates on the RSPO Certification Documents	
	Requirements in the PRiSMA Developments for Supply Chain Certification (SCC) Standard/System.	
	The objective of the presentation is to provide updates to the SSC	
	members on the development in PRISMA. The Secretariat would like to	
	highlight the information or functions in PRiSMA and the RSPO	
	Certification System requirements covering:	
	 Existing requirements (standard/system/PalmTrace) 	
	 Enhanced requirements 	
	New requirements	



- Secretariat would also like to ensure that the information and functions available in PRiSMA will be beneficial to RSPO members, Certification Body (CB)s and Accreditation Body (AB) in terms of data analysis for RSPO's impact.
- The PRiSMA development kicked off in September 2023 and is intended to go live by November 2024.
- The RSPO Certification System for Principles and Criteria (P&C) and Independent Smallholder (ISH) review is underway and expecting endorsement in September 2024.
- The RSPO Certification System for SCC review has not started and is expected to begin in July 2024.
- The development of PRiSMA was made through several approach:
 - Digitising the existing requirements and business process that is already available in RSPO Certification System and Standard (both P&C and ISH, and SCC)
 - Enhancement of the existing requirements and business process that is already available in RSPO Certification System and Standard (both P&C and ISH, and SCC)
 - Introduction of new requirements and business process to improve the credibility of the assurance system based on the feedback and lessons learned from RSPO Secretariat, CBs, AB and RSPO Members meeting.

Committee raised a question whether PRiSMA is developed by RSPO or from an existing system and modified.

- The Secretariat explained that PRiSMA is a custom system developed by third-party consultants, Agridence and NGIS. It is based on a foundation that the lead developer, Agridence developed for natural rubber traceability. Agridence is a Singapore-based tech company that developed a traceability solution for natural rubber, that is also in consideration of EUDR. PRiSMA is an adaptation of the platform that they have created, and the functions will be expanded to all the other processes that the RSPO has such as RaCP, NPP, peatland inventory, trademark and etc. Phase 1 is expected to launch in Q4 this year, but the full development will take several years as there are multiple phases. We are targeting the EUDR critical components for launch and will fold in other components in future phases.
- Is the system Agridence developed for natural rubber already running?
 Secretariat explained that it is already running and there are trades and traceability elements in the system. As there are no standards for rubber, only the trade and traceability portion are available for now.
 The certification platform that the consultants are currently building is new. Parts of PRiSMA leverages on an existing system, and other parts



such as the certification, audits and all the activities surrounding it are new.

The Secretariat presented a list of SCC requirements with the development in PRiSMA. There are about 14 issues that were identified involved in the development of the new PRiSMA. 7 topics are related to the requirements that exist in the current RSPO Certification Standard. 7 topics are related to the requirements that exist in the current RSPO Certification System. 1 topic that is being developed in the PRiSMA is a new requirement that is currently not available in the current RSPO Certification System and/or Standard.

<u>List of Outsourced Contractors</u>

The Certificate Holder (CH) is required to record the list of outsourced contractors. For the development in PRiSMA, the CH will list out the outsourced contractor's information in their entity management module and the list will be auto populated based on the risk assessment for audit sampling.

Audit Sampling Matrix

The current system already provides a calculation for multi-site and group certification audit sampling, however the information of the sites to be audited is not available in the audit report. This function will be included in PRiSMA to minimise the risk of sites not being audited due to human error and provide a system as guidance on site sampling.

• Auditor Qualification Information

Currently all the data of the auditor is kept by AB and CB where RSPO have no visibility of the data. With PRISMA, CB will fill in all the information of their auditors in the system.

Audit Process

The current application and contract, audit planning, onsite audit, certificate awarded process are not visible to RSPO Secretariat. Each CB has their own process and timeline which causes delay in submission of the license request. This whole process will be facilitated in the PRISMA for transparency to the stakeholders as well as efficiency in submitting license requests.

• Certificate & Audit Report Template

The current system laid out the guidelines of a certificate and the audit report. However, due to differences in terms of the layout of the information by CB, data analysis required extra effort to standardise



and analyse the data. In PRiSMA, the audit report template and certificate template will be auto generated by the system.

• Transfer of Certification Body (CB)

The current process in the IT system requires suspension in order to transfer the license from the previous CB to a new CB. This poses a huge impact to the members. In PRiSMA, when transferring CB, CH will submit a request for CB transfer in the system which will be reviewed by RSPO. Once approved, the license will be transferred to the new CB. The active license will not be suspended.

• Supply Chain Certification (SCC) Actors Traceability

The current standards mentioned that only 4 actors (Mill, Crusher, Refinery, Trader) are required to register their transaction in the IT platform for traceability purposes, and trace function is only available for the first buyer after the refinery if the products are sold as certified. The buyers after that will only receive the trace document that may not include relevant information. In PRISMA, the trace function will be available for all SCC actors beyond refinery to ensure traceability from the sourcing to accommodate for EUDR compliance for traceability purposes. This function is optional to members.

• Type of Product Category

The standard mentioned that all the types of product category for crusher, refinery and oleochemical in the current IT platform are only listed until refinery without product list listed for Product Manufacturer. In PRISMA, the CH shall register the type of product and the CB will verify the registered product type during the audit. This product list will be reflected on the RSPO website.

Material Balance Bookkeeping

The current standard only requires CH to capture the record of stock movement through their own bookkeeping system. The data which is tabulated by RSPO may be incorrect due to differences in data reporting period by each CH. In PRiSMA, the system will capture any transactions of certified and non-certified volume where the volume will be updated in their stock management. This helps to capture the record of stock movement for precise data reporting and traceability.

• Suspension Period Transparency

The current IT system only provides the status of certification CH in case of any suspension where the suspension period is not available. In PRiSMA, the history and the duration of suspension will be available on



the RSPO website. The suspension period visibility is important to ensure no misclaim of certified product status and transparency to relevant stakeholders.

• Trader and Distributor License

The current information related to Trader and Distributor is only limited to member name, membership number, name of trader/distributor holder and expiry date. In order to update the information, the RSPO Secretariat needs to suspend the member, and the member has to reapply. In PRiSMA, more comprehensive information will be reflected in the RSPO website, and an "update" function is included where no suspension is required.

Group License Submission

The current process requires a license submission for each site of traders and distributors as well as for members with multiple traders/distributors. In PRiSMA, members with multiple distributors or traders will be required to choose their applicable site with single license submission. This allows a simplified review process of license by RSPO, and the license holder has the same license start date and expiry date.

• Book and Claim Audit Process

The current Book & Claim audit checklist is submitted and verified manually. The Supply Chain Traceability (SCT) Working Group has approved this project which should be provided in the current IT Platform but due to the changes to the IT platform, this will be continued in PRiSMA. In PRiSMA, automation of the Book & Claim audit checklist will be in the system to ensure member's compliance to the Book & Claim audit requirement and for RSPO's monitoring purposes.

Rules on Market Communications and Claims (MC&C) Audit Checklist
 SCC Standard requires any claims regarding the use of or support of
 RSPO certified oil palm products to comply with RSPO Rules on MC&C.
 In PRiSMA, CB will verify the compliance of CH by filling in the digitized
 MC&C audit checklist.

3.2 Gap Analysis of Certification System for P&C and ISH vs PRiSMA

The Secretariat presented a list of RSPO Certification System requirements for P&C and ISH with the development in PRiSMA. There are about 17 issues that were identified as being involved in the development of the new PRiSMA. 14 topics are related to the requirements that exist in the current RSPO



Certification System for P&C and ISH 2020. 17 topics are related to the new requirements in the RSPO Certification System for P&C and ISH 2024.

• Pre-Audit Requirements

This is a new requirement included in the revised RSPO Certification System 2024. The pre-audit covering the desk review process which involved the review of the Unit of Certification (UoC)'s documentation and submissions via PRISMA prior to the onsite audit. This is to monitor back and forth submission by the UoC to the CB and to avoid instances where the CB did not receive the preliminary audit data and metric template in a timely manner.

Audit Approach

This is also a new requirement included in the revised RSPO Certification System 2024. Different audit approaches may be taken depending on the audit to be conducted. Only one of the following is allowed:

- Announced Audit
- Semi-announced Audit (this is less priority in PRiSMA development as it will have an impact to the member)
- Unannounced Audit.

This requirement is to provide a mechanism for the CB to decide on the audit approach during audit planning in PRISMA.

• Public Announcement

The public announcement for the audit is currently submitted manually via email and published on the RSPO website. The input and feedback from external stakeholders are only available and accessible to the CB. The public announcement process will be introduced in PRiSMA which will involve Member, CB and RSPO functionalities to provide a mechanism for the CB to conduct the public announcement process. This ensures information and data consistency as all data driven from members will be verified by the CB and RSPO before the public announcement is published.

• Transfer of Certification Between CBs

Currently there is no proper mechanism for the transfer process and for members to request for a second transfer of CB in one certificate cycle. PRiSMA provides a mechanism for the CB to conduct transfer audit in and for members to request for a second transfer of CB under exceptional circumstances. RSPO will be able to review the request and appeal of transfer of certification through PRiSMA.



• Audit Personnel Roles and Qualifications

Currently all the data of the auditor is kept by AB and CB where RSPO have no visibility of the data. In PRiSMA, CB will fill in all the information of their auditors in the system. The audit personnel will also have access in PRiSMA for the audit process. This is to have comprehensive data of the auditor's competency and be able to monitor auditor performances and in case of any breach of conflict-of-interest requirement.

• Audit Duration Guide

The audit duration guide will be introduced in PRiSMA to guide the CB for the minimum audit manday. The system will automatically capture the minimum recommended audit days for RSPO ISH certification audit. This provides guidance for the CB in allocating the minimum recommended audit days.

• Unit of Certification (Multi-mill certification)

In the current system, where more than one mill shares the same supply base, deviations shall be requested from the RSPO Secretariat to include more than one mill on a single certificate. This process is conducted manually now where the member of CB will send a request through email for RSPO approval. Through PRISMA, the CB shall evaluate the fulfilment of multi-mill requirement and obtain approval from RSPO for multi-mill certification. This allows a smooth and continuous approval process to monitor that the multi-mill requirement is met and have better data management.

Minimum Requirements for Multiple Management Units (Time-Bound Plan TBP)

In the current system, all estates and mills shall be certified within five years after obtaining RSPO membership. Any new acquisitions shall be certified within a three-year time frame. Any deviations from these maximum periods require approval by the RSPO Secretariat. This process is conducted manually via email. In PRiSMA, the organisation will be required to establish the certification TBP including the current list management units and/or subsidiary companies, and its plan year for certification, for approval by RSPO. This allows monitoring of TBP records to fulfil the certification milestones stated within the organisation's TBP.

• Audit Process

- Application Review and Contract
- Audit Planning
- Onsite audit



- Audit Checklist
- Non conformities (NC) Management
- Technical Review Process
- Peer Review Process
- o Certification Decision Making

The whole process will be facilitated in PRiSMA for transparency to the stakeholders as well as efficiency for the audit process. This allows a smooth and continuous audit process by the CB and RSPO members. The data derived from the audit module in PRiSMA will be used for further data analysis.

• <u>Certificate and Audit Report Template</u>

The current system laid out the guidelines of a certificate and the audit report, however due to the differences in terms of the layout of the information by CB, data analysis requires extra effort to standardise and analyse the data. In PRISMA, the audit report and certificate template will be auto generated by the system.

Conclusion

• The Secretariat would like to provide enhancement of the requirements in terms of digitisation and standardisation to ensure all the stakeholders are aligned. The digitization of the documents and process are important for data analysis to measure RSPO's impact.

Committee commented that:

As the system is meant for new audit, how will existing audit that has been done be included into the platform? Secretariat clarified that the idea is to have a transition period after the platform launches, for the members to update information related to the existing certification scope and the auditor will be able to get the information. Once Phase 1 of PRiSMA is ready and set to launch which contains the critical modules for Certification, Trade and Traceability with the optional EUDR modules, there will be a one-week blackout period where PalmTrace will be stopped, and data load into PRiSMA will be conducted. The historical audit report of the last five years will also be digitised and loaded into PRiSMA. After the blackout period, PRiSMA will have a database that contains existing certification details, historical details and plans. Members will be able to look at the data that has been transferred into the entity management modules and make any corrections. Data load and data cleansing has also been planned for the transition from PalmTrace into PRiSMA. During audits, there will be additional verification and correction mechanisms as well.



- Committee highlighted that there are other developments by other independent groups to upload information for EUDR purposes, have the Secretariat checked with this or synchronised with them to avoid duplication? The Secretariat is aware that MSPO and other third parties are also working towards this, but the focus of the Secretariat is developing PRiSMA without getting sidetracked. Even though there are other groups that are looking at not just palm traceability for EUDR, but also other commodities, everything is still unclear as the EU has not released a technical guidance. If the EU regulations are interpreted as strictly as possible for PRiSMA development, it allows the Secretariat room to maneuver when the technical guidance comes.
- The Secretariat is also trying to arrange for meetings with the National Competent Authorities (NCA) associated to EUDR, whereby in palm import case is the Netherlands NCA. The Secretariat had a good conversation with them about PRiSMA in last December and will be having a follow up next month regarding the expectations, specifically for audit requirements on whether a full list of evidence is expected. Secretariat would like to take a more pragmatic and conservative approach on how to develop the system to account for all these unknowns and possibilities.
- Committee raised a question on how confident are the Secretariat on finishing the PRiSMA development on time? Secretariat updated that currently for the User Acceptance Testing (UAT)1 on the development of key modules, 90% has been completed. UAT2 will be completed by June. The Secretariat will continue to keep track of the progress and inform the Board of Governors (BoG) and the subgroup immediately if there are any speed bumps.
- Committee asked whether it would be possible to use the system for every announcement on the replacement of PalmTrace, where all the information on tonnes of Fresh Fruit Bunch (FFB) for all cultivated areas that went into that shipment or sale are available. How will PRiSMA collaborate with EUDR on what they consider as cultivated areas, and what we consider as management units? Secretariat stated the basis of the information will be available in the system. The concession maps available are digitised, and this is considered a plot of land. The deforestation can be assessed through several layers and definitions in PRiSMA to ascertain for EUDR compliance. To a certain extent, RSPO requirement goes above the EUDR requirement as EUDR only requires the plot of land that was harvested on that day, not the whole legal land boundaries.
- Committee also raised an issue that it is illegal in Indonesia and Malaysia to share concession data. The EU regulations are in a way forcing these countries to break local law in order to be able to import

or export to them. The EUDR modules that are being developed currently should also only include cultivated areas, not management units. Secretariat explained that it depends on the availability and the makeup of the maps as the maps given by members are in different formats. The upload of the maps for Indonesia and Malaysia is a known issue. In PRiSMA, the uploads of the maps for the EUDR module will be voluntary, so it skirts the issue of legality and members can choose whether to upload the maps. This issue has already been informed to the EU, and the High-level Ministerial delegation of EU will discuss it with Indonesia and Malaysia. The Secretariat cannot solve this issue for now, but an option can be provided within PRiSMA that it is not a mandatory process but a voluntary process. In terms of cultivated areas, the maps can be used if they are broken down into management production areas. The Secretariat is planning to do geospatial risk assessments for the maps. If there is a risk detected, instead of just passing the maps into the traceability chain, Secretariat can revert to the members to mitigate the risk. Secretariat will carry out mitigation efforts to contextualise what is going on within the maps. The Secretariat will clean the concession boundary data with the members as well. This will give some leeway in putting safety measures along the chain based on the prescriptions that EUDR has made.

- Committee highly encouraged RSPO to continue finding avenues to engage with the EUDR and see if there is a way in ironing out the differences. There will be potential problems looking at the inconsistencies for expansion areas and forest definition. Even though the global forest cover map by EU is not exact, the State Regulators are going to use that as the first port of call and overlay with the shape files provided. How can the HCV-HCS assessment be utilized in this matter? There are some ongoing discussions on how to handle the maps, but it does say that they will rely on the country's map. For example, in Indonesia, the Indonesian government will provide the maps because individual companies are not able to upload. The Secretariat has been meeting with the EC representatives of the DG Environment on a monthly basis and will follow up with them to see if there is any development on this.
- Committee highlighted that putting algorithms in Google Earth engine and relying on medium resolution satellite imagery for forest classification is not workable in the palm oil context. Secretariat is developing a GIS module in PRiSMA that uses the EUDR spatial parameters and builds our own approximation in Google Earth. Once the module is ready, the Secretariat can do a comparison against the EU and point out the inconsistencies. Committee recommended that some members that have done recent HCV-HCS assessments are willing to

- share the data with the Secretariat to do comparison to the EU on the accuracy of the EU maps. The Secretariat will take note of this for possible collaboration.
- Committee commented that the EU might decide in September to delay the implementation for at least a year. However, it does not mean that all the preparation work should not be ongoing but just to take a little bit of stress out of it. Secretariat explained that this could possibly add more stress as it adds more uncertainty. It is better to not assume that there will be a delay and continue developing according to the timeline. Committee agreed to not delay anything, just to be aware that there will be a little bit more time.
- The journey of the digitization and enhancement of the RSPO system
 has been long overdue. PRiSMA was designed with multiple objectives
 with EUDR being the most critical but also to ease and optimize
 processes and address the frustrations towards the current process.

3.3 **RSPO Market Communications & Claims Audit Checklist**

Secretariat provided an update on the RSPO Market Communications & Claims Audit Checklist.

- Following the endorsement of the RSPO Rules on Market Communications and Claims 2022, the RSPO Secretariat has taken the initiative to develop this audit checklist.
- The objective of this document is to ensure that the assessments carried out by the RSPO accredited CBs are consistent and objectively driven. This document will act as a guidance or supplementary document that provides a list of questions to be checked by the auditors for RSPO members that are making any RSPO Claims and/or using the RSPO Trademark/ RSPO Label(s).
- In October 2022, the endorsement of the document was approved, and members were given a transition period of one year until October 2023 to proceed and comply with the revised requirements.
- Secretariat has also gathered inputs from various CBs on the revised RSPO Rules on Market Comms & Claims document through CB forms, mainly in the Asia and Europe region. The Secretariat then collated and reviewed the input and developed the checklist.
- The audit checklist has been finalised and is presented to relevant parties. The Secretariat aimed to have it published by the end of May.
- A screenshot of the audit checklist was shown to the Committee. The
 Secretariat has identified the clauses that form a part of the audit
 requirement and have a set of questions for the auditor to answer.
 There is also a prequestionnaire for the CBs before they can use the
 checklist. The CBs are required to check with their members during the
 audit whether they are making any RSPO Claims or using the Trademark



- or Label in any of their communication. If the answer is yes, they can proceed with the checklist. Another element is to show the auditor the trademark license as every claim or communication that the members make or when they use the logo, a valid trademark license will have to be available. The auditor needs to be aware of the validity of the trademark license and ensure that the members comply.
- There are various indicators in the audit checklist which have been broken down into several parts. The most critical part of the audit checklist is the Product Specific Communications, mostly related to the Trademark Remote Audit, but this is applicable to non-certified members. The off pack and on pack claims are also included here. Overall, there are about 58 clauses in the document and 38 audit requirements have been identified, with notes and questions included to assist the auditor.
- The audit checklist will be part of the PRiSMA development. Even though the RSPO Rules on Market Communications and Claims document has been endorsed for quite some time and has become effective since October 2023, it is important to provide the checklist now rather than waiting for the official launching of PRiSMA. This provides the CB and members a guidance to refer to during the audit.

MEETING ENDED AT 1624 MYT