

MINUTES OF MEETING

SUPPLY CHAIN CERTIFICATION STANDARD REVIEW TASK FORCE MEETING #1 (PHYSICAL)

Date: 22 May 2025 (Thursday) 9:00 am to 5:00 pm (Paris)

Venue: Paris Marriott Charles de Gaulle Hotel, France

| <u>Physical Attendance:</u> | |
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| <u>Members and Observers</u> | |
| 1. Diana Foong Poh Hwei | Kuala Lumpur Kepong Berhad |
| 2. Laura Schlebes | AAK AB |
| 3. Mohd Al-Faez bin Mohd Yusof | Wilmar International Limited |
| 4. Rina Rahayu Md Latar | IOI Global Services Sdn Bhd |
| 5. Ahmad Furqon | WWF International |
| 6. Michelle Desilets | Orangutan Land Trust |
| 7. Tim Roelandts | Certain BV |
| 8. Lawrence Law | ASEAN Oleochemical Manufacturers Group |
| 9. Marta Margarido | SGS |
| 10. Adriana Cala | SCS Global Services |
| 11. Yopi Kusuma | Assurance Services International |
| 12. Josh Taylor | ISEAL |
| <u>Online Attendance:</u> | |
| <u>Members and Observers</u> | |
| 1. Cheryl Chuen | AAK AB |
| 2. Foo Siew Theng* | Wilmar International Limited |
| 3. Julian Walker-Palin | RPOG |
| 4. Ahmad Amirul Arif | Fraser & Neave Holdings Berhad |
| 5. Sagar Mital | Glaxosmithkline |
| 6. Mba Armstrong Acha | Zoological Society of London |
| 7. Leticia Millward | Bonsucro |

*Chair of SCC Standard Review TF

Agenda

| Time (GMT +2) | Agenda |
|----------------------|---|
| 0900 - 0930 | Opening and Welcome |
| 0930 - 0945 | Rules of Engagement/ Key Logistics |
| 0945 - 1030 | Presentation of the 2020 RSPO SCC Standard |
| 1030 - 1115 | Initial Public Consultation on 2020 RSPO SCCS |
| 1115 - 1130 | Coffee Break |
| | Topics proposed for potential inclusion in the SCC Standard |
| 1130 - 1200 | Social Requirements |
| 1200 - 1230 | Legal Compliance |
| 1230 - 1300 | Environmental Requirements |

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| 1300 - 1400 | Lunch |
| 1400 - 1430 | Certified Palm-Based Feedstock –Waste / by-Products |
| 1430 - 1500 | Certified FFB Traders |
| 1500 - 1515 | Coffee Break |
| 1515 - 1545 | Supply Chain Traceability beyond Refinery |
| 1545 - 1615 | Additional Chain of Custody Model |
| 1615 - 1645 | Strengthening the MB Model |
| 1645 - 1715 | Closing remarks |
| 1715 - 1815 | Drinks |

Minutes of Meeting:

| Time | Description |
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| 0900 - 0930 | <p>Opening and Welcome</p> <p>The meeting started at 9 am Paris time. Inke van der Sluijs, Director of Market Transformation at RSPO and one of the leads of the previous revision of the Supply Chain Certification Standard, welcomed the Task Force members and delivered the opening remarks. All participants and the RSPO Secretariat introduced themselves and shared their expectations of the first Task Force meeting.</p> |
| 0930 - 0945 | <p>RSPO Antitrust Guidelines and Rules of Engagement</p> <p>There was no question regarding the guidelines and the rules. And no conflict was declared.</p> <p>Composition of TF members and observers and selection of chair and co-chair</p> <p>Foo Siew Theng was nominated to chair the TF meeting onwards. Julian Walker-Palin was nominated to co-chair the TF meeting onwards. Julian Walker-Palin did not agree to hold the position as he is also the co-chair in the Shared Responsibility Working Group meeting. The TF members present agreed with the appointment of Foo Siew Theng as the chair in the TF group, and Foo Siew Theng accepted the position.</p> <p>Action point: The RSPO Secretariat will reach out to other TF members to select the co-chair of the TF meeting</p> |
| 0945 - 1030 | <p>Presentation of the 2020 RSPO SCC Standard</p> <p>RSPO Secretariat presented an overview of the structure and content of the current SCC Standard as requested from the participant from the previous Kick-Off meeting. No comments were received from the slides presented.</p> |
| 1030 - 1115 | <p>High level results of initial public consultation on 2020 RSPO SCC Standard</p> <p>RSPO Secretariat presented the initial public consultation survey result.</p> |

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| 1115 - 1130 | Coffee Break |
| 1130 - 1200 | <p>Topics proposed for potential inclusion in the RSPO SCC Standard</p> <p>Social requirements</p> <p>RSPO Secretariat presented the slides on social requirements for potential inclusion in the SCC Standard.</p> <ul style="list-style-type: none"> - Assess the potential inclusion of social requirements in the SCC Standard for application to the operations of certified companies. - Independent mills are certified under the Supply Chain Certification (SCC) Standard, which does not include social requirements. In contrast, the other mills are certified under the Principles & Criteria (P&C), which do include both social and environmental requirements. <p>TF Members Remarks:</p> <ul style="list-style-type: none"> ● Implementation challenges on social requirements would be expected among the downstream actors as the change might affect the operation side. The challenges can be observed from committing the Shared Responsibility requirements. General policy intending to address social requirements would be easier to adapt than a set of requirements enforced by the RSPO standard on the certificate holder. There are other certification schemes with social requirements that the certificate holder may be complying to demonstrate their commitment to social issues. ● Not all SCC Standard certificate holders should be considered to implement social requirements. Social requirements should be made applicable to certain cases or scenarios only. ● Certificate holders may choose to comply with social requirements on a voluntary basis. Potential inclusion as mandatory requirement in the standard will lead to high implementation cost for the certificate holders. ● Chain of Custody requirements should remain the primary focus. Further time and research are needed before considering the inclusion of social requirements. ● As social requirements are a new topic, there may be concerns about auditors' capability to assess them. If the SCC Standard incorporates social requirements during the review, auditors must be properly trained and equipped to effectively audit these criteria. ● Further consideration can be given to potentially adding social requirements using a modular approach in the standard. However, this may lead buyers to prefer certificate holders who comply with the social requirements. The SCC Standard should focus on traceability requirements, while social requirements |

1200 - 1300

from other guidance or certification schemes can be referenced within the SCC Standard.

- It may also be worth considering which actors within the supply chain have the greatest ability to create impact, based on a risk-based approach. A gradual, phased approach could be adopted, allowing alignment with evolving regulations. The value of any add-on social requirements should primarily be guided by each company's priorities and relevance to their own social targets.

Observers Remarks:

- Recommend that social requirements be offered as an optional add-on in the SCC Standard, giving certificate holders the flexibility to adopt them voluntarily.
- Social requirements can be considered for independent palm oil mill (IPOM).
- The FSC Standard includes social requirements alongside Chain of Custody requirements in the supply chain standard. These social requirements can be used as a reference.

TF members agreed to further examine the potential inclusion of social requirements in the SCC Standard on an optional basis, while acknowledging the challenges this may present. A solution for Independent Palm Oil Mills (IPOMs) can be further explored.

Action points:

TF members agree to form a Technical Committee to explore the potential, strengths, weakness, opportunities, and threats of inclusion of social standards on an optional basis in the SCC Standard and how to handle IPOMs.

Environmental and legal requirements

RSPO Secretariat presented the slides on environmental and legal requirements for potential inclusion in the SCC Standard.

- Assess the potential inclusion of environmental requirements in the SCC Standard for application to the operations of certified companies.
- Independent mills are certified under the Supply Chain Certification (SCC) Standard, which does not include environmental requirements. In contrast, the other mills are certified under the Principles & Criteria (P&C), which do include both social and environmental requirements.

There was a question regarding the possibility of incorporating the LCA study analysis conducted a couple of years back to show GHG emission percentage reduction by using CSPO compared to non CSPO. This will allow companies to weigh benefits of CSPO and push towards its further use.

RSPO Secretariat response:

GHG emission calculation should be referred to the GHG Task Force unless the SCC Standard Review TF agrees to include GHG emission topic into the discussion. The revised draft GHG Calculator for New Development is now looking into how this data can be transmitted and perhaps include downstream and midstream emissions down a chain of custody.

TF Members Remarks:

- There was interest in understanding the structure of environmental requirements for potential integration into the SCC Standard. These requirements could be implemented through policy development, monitoring, and assessment.
- Questions were raised about whether implementing environmental requirements might impact CSPO uptake. Given the complexity and breadth of environmental issues, prioritizing carbon emissions may offer a more practical and realistic starting point for implementation.
- It was noted that Shared Responsibility should not be heavily relied upon, as it is currently under review and not subject to auditing.
- There was a preference to focus attention on the Mass Balance model issue, as it is also linked to a General Assembly (GA) resolution.
- It was suggested that each certificate holder be allowed to decide whether to demonstrate compliance with environmental requirements, rather than applying a blanket approach to all certificate holders.
- It was noted that not all Mass Balance (MB) products are sold to the European market; therefore, meeting European market requirements may not be necessary for all certificate holders. The focus of the Standard Review should be on clarifying the requirements rather than making them more stringent.
- It was suggested for the RSPO SCC Standard to focus on Scope 3 GHG emission as GHG assessment requirement is currently on the rise and it would be good for the SCC Standard certificate holders to stay ahead in the market.
- An interest was expressed in incorporating a certain level of environmental and legal compliance for downstream supply chain actors.

Observers Remarks

- The legality aspect was highlighted, noting that it would be difficult to demonstrate commitment to ensuring product legality without embedding the requirements in the SCC Standard.

TF members agreed to re-discuss this topic in following meetings.

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| 1300 - 1400 | <p>Lunch break</p> |
| 1400 - 1430 | <p>The TF members agreed that the topics of Certification of FFB Trader, Additional Chain of Custody Model and Strengthening MB model will be presented by the RSPO Secretariat in that order before a discussion will take place for the TF members to decide on taking any of the topics forward for potential inclusion in the SCC Standard.</p> <p>Certification of FFB Trader</p> <p>RSPO Secretariat presented the slides on certification of FFB Traders and the initial phase of work that has taken place regarding this topic for potential inclusion in the SCC Standard.</p> <p>TF Member Remarks:</p> <ul style="list-style-type: none"> ● Clarification was sought on how Fresh Fruit Bunch (FFB) traders contribute to the uptake of the Mass Balance (MB) system. Based on the flowchart presented by the RSPO Secretariat, there was a need to understand whether traders can claim the volume of certified FFB received from intermediaries—particularly when the FFB originates from RSPO-certified smallholders or growers. ● FFB Trader does not fit in the SCC Standard if we are considering introducing environmental and social requirements in addition to the chain of custody requirements for the FFB Trader. P&C would be more applicable to enforce the requirements on the FFB Trader as FFB Trader is an upstream supply chain actor and the P&C standard has already covered the requirements for both environmental protection and labour and human rights. ● The potential inclusion of FFB Trader into the RSPO system might create an overlapping role with the outsourcing activities from a mill in transportation and warehouse keeping of FFB. ● It was noted that the inclusion of requirements for FFB traders is considered important. Reference was made to other certification schemes, such as MSPO, which already include such provisions. It was suggested that it is timely for RSPO to adopt similar requirements to enhance consistency and traceability across the supply chain <p>Observers Remarks:</p> <ul style="list-style-type: none"> ● Traders and distributors within the current scope are licensed but not fully verified in their operations. It was asked whether certifying FFB Traders could also help address verification gaps for traders and distributors further down the supply chain. |

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| <p>1430 - 1500</p> | <p>Additional chain of custody models</p> <p>Josh Taylor – Traceability Manager at ISEAL presented ISEAL’s Chain of Custody (CoC) Models and Definitions Guidance that is being revised which incorporates new CoC models such as Controlled Mass Balance. A discussion followed to further explore the potential incorporation of an additional supply chain model in the revised SCC Standard.</p> <p>TF member questions:</p> <ul style="list-style-type: none"> • Clarification needed on whether the inclusion of the ‘Controlled Mass Balance’ model would be an additional or replacement to the existing supply chain models. • There was a question about whether the Controlled Mass Balance (CMB) model can operate under both the fixed inventory accounting system and the continuous accounting system, or if it is restricted to one. • A request for confirmation was made on whether the Controlled Mass Balance model allows the mixing of physical and non-physical certified material. <p>It was clarified that the design of the model relies on the system and level of confidence that the scheme wants. It can exist as an additional supply chain model, however it is also required for the model to be tested for market acceptance first. Both accounting systems can work for the model with additional safeguard put in place.</p> <p>It was explained that if SCC Standard certificate holder sources Mass Balance at site level, RSPO could design the model for the site to source only compliant material that qualifies for the system, or a segregation mechanism shall be in place for the non-compliant material within the system.</p> <p>TF Member Remarks:</p> <ul style="list-style-type: none"> • There was a concern that the potential introduction of the ‘Controlled Mass Balance’ model would affect the sales of the oil uptake for the existing models. <p>There was no action point decided on this topic.</p> |
| <p>1500 - 1530</p> | <p>Strengthening MB model</p> <p>RSPO Secretariat presented the slides on strengthening the Mass Balance (MB) model topic for potential inclusion in the SCC Standard. Strengthening the Mass Balance (MB) model was formally adopted as a resolution at the RSPO General Assembly in December 2021. The resolution aims to improve the MB model’s robustness and support greater uptake of certified sustainable palm oil. The limitations of the Mass Balance (MB) model at both the mill and supply chain levels were presented, along with areas for</p> |

improvement to enhance the model's robustness and support greater uptake of certified sustainable palm oil.

TF Member Remarks:

- A point was raised regarding the 1:1 conversion rule, highlighting the difficulty during audits in identifying which portion of a given volume comes from an uncertified source.
- An option was proposed for the group to consider either completely or partially removing the 1:1 conversion rule.
- A question was raised regarding which products are covered by the 1:1 conversion rule.
- The challenge of obtaining information such as geolocation and land legality of the FFB origin for traceability purposes was acknowledged. Allowing FFB Traders to be certified within the RSPO system could help address this issue by improving access to required information on FFB origins. However, further discussion is needed to assess the practicality of including FFB Traders in RSPO certification.
- It was expressed that strengthening the Mass Balance (MB) model is desirable, but replacing the current MB model was not supported. It was noted that, for Consumer Goods Manufacturers (CGMs), sidelining the MB model would be nearly impossible as it is an essential part of their business operations.
- It was proposed to further discuss how to address the leaking certified FFB volumes from being transported through an intermediary. It was also suggested that any activities involving handling FFB from independent third parties should be audited by the parties engaging them.
- It was suggested that the following questions should be considered when discussing ways to strengthen the Mass Balance model: whether setting limitations on non-certified FFB, on the 1:1 conversion ratio, and on the default yield and resulting volume would contribute to its improvement.
- A question was raised about whether the requirements for the FFB Trader could be incorporated under the supply chain requirements for the mill within the Principles & Criteria (P&C).

Observers Remarks

- It was noted that the 1:1 conversion rule has been used in ways that take advantage of the lack of clear interpretation in the SCC Standard for products along the downstream supply chain.
- Clarification was requested on whether strengthening the Mass Balance model by certifying the FFB Trader would also lead to an increase in CPO uptake under the Mass Balance model. It was also noted that an RSPO-certified FFB Trader should only handle the Identity Preserved (IP) or Segregated (SG) models.

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| | <p>Action point: A Technical Committee should be formed to find the solution in strengthening the Mass Balance model with regards to the certification of FFB Trader, improving conversion rules, 1:1 rule and yield scheme.</p> |
| <p>1530 - 1545</p> | <p>Coffee Break</p> |
| <p>1545 - 1615</p> | <p>Supply chain traceability beyond refinery</p> <p>The RSPO Secretariat presented slides on supply chain traceability beyond the refinery as a potential addition to the SCC Standard.</p> <p>The RSPO Secretariat shared some background information regarding the post-refinery announcement that was currently being discussed at the Standard Standing Committee (SSC) level and is being developed and tested as an optional solution in Prisma Platform to cater for EUDR requirements. The TF members now have the opportunity to revise the requirements in terms of flexibility and process of post-refinery announcement during the SCC Standard Review.</p> <p>TF Member Remarks:</p> <ul style="list-style-type: none"> ● It was mentioned that the announcements are performed by the four supply chain actors and are based on the current yield scheme. One question raised was whether the Mass Balance yield scheme could be expanded beyond what is currently included in Prisma. It was recommended to broaden the palm product list found in Annex 6 of the SCC Standard. ● It was suggested that in the post-refinery announcement, the membership category information should be stated. This is because there are situations where the CSPO transaction occurs between an RSPO member and a non-member. ● It was proposed that a Technical Committee is needed to discuss this further prior to the TF meeting. ● There's a recommendation to engage with the Prisma/SDT team on this topic. ● It was requested that the RSPO Secretariat share any available information or analysis, such as a risk assessment, to support further discussion on this topic. It was also asked that the Secretariat provide relevant documentation, the product list, and any decisions from the SSC meeting at the next TF meeting. <p>Observer Remarks:</p> <ul style="list-style-type: none"> ● It was requested that further clarification be provided on the current process for post-refinery announcements on PRISMA. ● It was suggested that post-refinery announcements be made mandatory for one specific regulation (e.g., EUDR), while remaining optional for others. <p>RSPO Secretariat responded to the suggestion by the observer that it would not be feasible to create two choices for post-refinery announcement in the standard. Therefore, the choice here would be mandatory or optional.</p> |

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| <p>1615 - 1645</p> | <p>Actions: The Secretariat will share more information on this topic , the decision on the SSC and product list used in the post-refinery documentation. A discussion with the PRISMA team will also be arranged. TF to discuss further on making it mandatory or optional in the next TF meeting/ monthly update and then decide if a Technical Committee should be formed.</p> <p>Palm-based feedstock waste/ by-products</p> <p>RSPO Secretariat presented the slides on palm-based feedstock waste/ by-products for potential inclusion in the SCC Standard.</p> <ul style="list-style-type: none"> • A question was raised regarding whether the previous RSPO scheme, known as RSPO Red—which covered all products recognized by the EU—is still under consideration for certifying by-products. The topic of certifying waste materials has faced setbacks in recent months, so the discussion should be approached carefully regarding terminology. It was proposed that the term for this material be changed to ‘biomass. <p>- RSPO Secretariat elaborated that the RSPO RED and RSPO Next that were aligned with the production level have been discontinued. SSC is trying to create a pathway for trade and traceability of by-products.</p> <ul style="list-style-type: none"> • A concern was raised about the risk management of claims related to certifying waste from sustainable palm oil production. There is potential reputational risk that could pose a threat if biomass is accepted as certified material moving forward. • An opportunity was identified to offer certification options for by-products. Currently, the scope of certification for plantations and mills covers only Fresh Fruit Bunches (FFB) and Certified Sustainable Palm Oil (CSPO). There may be a market opportunity for by-products at the production level. Integrating by-products into the certification process could enhance security in renewable energy and support a circular economy. However, the framework for incorporating biomass and by-product certification into the RSPO system remains unclear. Proposals have been made to consider a modular approach for the validation mechanism of by-products. • A question was raised about whether by-products generated by a P&C/ISH certified unit would be classified as certified by-products, given that they originate from the same source of sustainable practices. Clarification was also sought on whether these by-products would, by default, be exempt from separate audits, since their source is already RSPO certified. • It was highlighted that the potential classification of certified by-products within the supply chain models—Mass Balance (MB), Segregated (SG), or Identity Preserved (IP)—remains unclear. |
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- It was suggested that further discussion is needed on the applicability of the standard to by-products, as well as on the validation mechanism for their certification.
- A comment was made that, in order for by-products to be sold and marketed, the market landscape and relevant regulations should be further studied to ensure their feasibility and long-term sustainability
- Some reservations were expressed regarding the potential inclusion of this topic. There was agreement on both the risks associated with certifying by-products and the market potential they may hold. It was also noted that any decision on the potential inclusion of by-product certification should be based on realistic expectations and the practical feasibility of implementation.

Observers Remarks

- It was noted that the auditability of by-product certification could present a challenge, as auditors may lack the necessary expertise or knowledge if this topic is endorsed for inclusion in the SCC Standard. proposal was tabled to allow for further deliberation on this inclusion without involving the Technical Committee at this stage.

Action points: TF members agreed that RSPO Secretariat provides the potential market availability and type of feedstock and by-products. Not establishing TC at the moment.

Day 1 of the TF meeting adjourned.

Date: 23 May 2025 (Friday) 09:00 am to 16:00 pm (Paris)

Venue: Paris Marriott Charles de Gaulle Hotel, France

Physical Attendance:

Members and Observers

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| 1. Diana Foong Poh Hwei | Kuala Lumpur Kepong Berhad |
| 2. Laura Schlebess | AAK AB |
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| 12. Josh Taylor | ISEAL |

Online Attendance:

Members and Observers

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| 1. Cheryl Chuen | AAK AB |
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| 7. Leticia Millward | Bonsucro |

| Time (GMT +2) | Agenda |
|----------------------|---|
| 09.00 - 09.30 | Recap of Day 1 |
| 09.30 - 10.15 | Improving Conversion Rules |
| 10.15 - 10.45 | Structure of the SCC Standard |
| 10.45 - 11.00 | Coffee Break |
| 11.00 - 12.00 | Insight from the current SCC Standard |
| 12.00- 13.00 | Open Discussion: Requirements in the current SCC Standard |
| 13.00 - 14.00 | Lunch |
| 14.00 - 14.45 | Next Steps |
| 14.45- 15.00 | Closing Remarks |

| Time | Description |
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| 0900 - 0930 | <p>Recap of Day 1</p> <p>The RSPO Secretariat went through the agenda and provided a recap of the previous day's discussion points.</p> <p>Two TC will be established for :</p> <ol style="list-style-type: none"> I. Strengthening MB/ FFB Traders II. Social requirements <p>The discussion on the environmental requirements continued, as it had not been completed the previous day.</p> <p>TF Member Remarks:</p> <ul style="list-style-type: none"> ● It was noted that each company has its own goals and priorities regarding environmental management, and therefore, it can be addressed according to each company's individual agenda. ● It was noted that the aim of this specific Task Force meeting was to facilitate discussion rather than make decisions, and therefore, it should not prevent further exploration of the topic. ● It was mentioned that independent mills are currently not audited against social, environmental, and legal requirements, and this remains a topic that still needs further discussion. ● It was discussed to pursue two parallel actions: one, developing a structured proposal for including independent mills in the Principles & Criteria (P&C); and two, if that is not feasible, exploring how to address the issue within the current Supply Chain Standard. ● The conversation around how the current P&C Standard could be applied to independent mills may need to be considered by either the Supply Chain Technical Committee or the P&C Technical Committee. This remains an open discussion. ● Downstream facilities are already certified under various schemes such as ISO and SSC, which can complement or already address some of the social, legal, and environmental requirements that RSPO is now considering. Instead of duplicating efforts, it was suggested to recognize and build upon these existing certifications, rather than introducing additional burdens within the Supply Chain Standard. |

0930 - 1015

Independent Palm Oil Mills (IPOMs) are considered part of the chain of custody, as they operate beyond the production stage and are not involved in cultivation. Therefore, it should be discussed with the Standards Standing Committee whether they can be brought under the scope of the P&C, considering that many of the existing P&C requirements may not be applicable to IPOMs. It may be necessary to map out which requirements are relevant and can realistically be applied to these mills.

Action points: This discussion was deferred to the next Task Force meeting.

Improving Conversion Rules

The RSPO Secretariat provided an overview of the RSPO Supply Chain Certification Standard (2020), highlighting three main types of conversion schemes:

- Palm Oil and Palm Kernel Oil Yield Scheme (Annex 1)
- RSPO Rules for Oleochemicals and Their Derivatives (Annex 6)
- 1:1 Conversion Rule (IP/SG to MB) (Section C.5.3 and Annex 6)

It was noted that two of these conversion yield schemes require further clarification, as raised by Accreditation Bodies (AB), Certification Bodies (CB), and RSPO Members:

- RSPO Rules for Oleochemicals and Their Derivatives (Annex 6)
- 1:1 Conversion Rule (IP/SG to MB) (Section C.5.3 and Annex 6)

For the specific points highlighted, please refer to the presentation.

TF Member Remarks:

- Currently there is no specific RSPO conversion or yield scheme that accounts for the chemical refining process. Chemical refining of low-FFA palm oil is used to clean and purify the oil.
- One participant commented on the product trees in relation to conversion factors, noting that a challenge faced by some peers is the assumption that the refining process always begins with crude palm oil (CPO) or crude palm kernel oil (CPKO). However, they pointed out that in practice, refining may occur later in the supply chain, which can impact how conversion factors are applied and interpreted.
- There is a need to align and clarify definitions related to conversion factors and yield schemes, as they often refer to the same concepts.
- There is a need to establish a Technical Committee (TC) to review the conversion factors, yield schemes, and the oleochemical annex. This is not only to ensure greater technical clarity and reduce complexity, but also to support auditors who may have limited technical expertise regarding oleochemicals.

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| <p>1015 – 1045</p> | <ul style="list-style-type: none"> ● An example was shared to demonstrate the complexity involved. Fatty acids are complex mixtures containing various chain lengths, such as the C12–C14 range, and only part of this mixture may be used to produce specific downstream products like C12–C14 fatty alcohols. If a buyer wants only the C12–C14 fraction, but the original fatty acid contains other chain lengths as well, the conversion factor used to calculate yield may not fully account for the unused portions. As a result, a disproportionate amount of feedstock—potentially 5 tons—may be required to produce 1 ton of the desired fraction, which raises both costs and traceability challenges. ● It was proposed that the ASEAN Oleochemical Manufacturers Group be included as part of the Technical Committee (TC). <p>The RSPO Secretariat comments:</p> <ul style="list-style-type: none"> - Some of the technical solutions tend to be very technocratic and may overlook important market implications. That’s why it’s crucial to involve a diverse group of people—including those with practical, operational experience. Without this balance, we risk ending up with overly technical approaches that don’t fully consider real-world business impacts. - Another point is that the SCC standard focuses on earlier chemical derivatives, which don’t necessarily cover the full spectrum—especially considering what many South Korean and Japanese manufacturers are using. So, there are going to be a lot of technical elements involved. <p>Action points: A TC will be established to work on improving Annex 6 - RSPO Rules for Oleochemicals and Its Derivatives. The TC that will work on strengthening MB will also focus on how to improve Conversion Rules - 1:1 rule and yield scheme.</p> <p>Structure of the SCC Standard</p> <p>The RSPO Secretariat presented the current structure of the SCC standard and initiated a discussion on whether the existing universal approach—intended to apply across upstream, midstream, and downstream actors—is fit for purpose. Given the broad scope of the SCC and the varying roles and responsibilities across the supply chain, it was questioned whether a more tailored approach might be considered. It was proposed to further discuss what should be included in the standard and if improvements need to be made to the structure to better reflect the differences among the actors within its scope.</p> <p>TF Member Remarks:</p> |
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| | <ul style="list-style-type: none"> ● It was requested that examples be provided from other voluntary schemes on how they structure their supply chain standards. ● It is recommended that the structure of the Supply Chain (SC) standard be organized with the management system requirements presented first, followed by the traceability requirements. It was also proposed that these topics should not be repeated throughout the standard but instead be clearly separated by section or theme. ● It was proposed to improve the requirements by making them more specific, which would reduce the room for interpretation. ● It was highlighted that the terminology used within the RSPO IT platform—such as “processing activity” or “business type”—should be aligned with what is required from each type of entity. Clarifying these expectations would make it easier for Certification Bodies (CBs) to assess compliance. ● It was commented that the current structure of the RSPO SCC Standard is generally good. A comparison was made with other schemes, and it was noted that, in some cases, the RSPO SCC Standard even serves as an example of good practice. <p>It was noted by the RSPO Secretariat that improvements have been made by unifying the audit reports and creating a universal audit report. This development enables Certification Bodies (CBs) to use a consistent reporting format. Previously, each CB had its own template, which made it difficult to follow up on and track information consistently. This standardization was also viewed as beneficial for improved management and analysis at the system level.</p> <p>Action Point: The Secretariat is requested to prioritize the development of structural options for the Supply Chain standard and present these options to the Task Force at the next meeting. The Task Force can agree on the most appropriate structure, which will provide a clear foundation for the remaining work. Once a structure is selected, it will guide the Technical Committee in determining where specific technical elements should be placed within the standard.</p> |
| 1045 - 1100 | Coffee Break |
| 1100 – 1200 1200 - 1300 | <p>Insight from the current SCC Standard</p> <p>Open Discussion: Requirements in the current SCC Standard</p> <p>The RSPO Secretariat provided insights from the current SCC Standard, highlighting several requirements that may require improvement or additional clarity. These areas include:</p> <ul style="list-style-type: none"> ● Checking the validity of suppliers via the RSPO website ● Trader and distributor licensing ● Register of transactions |

- Outsourcing activities
- Multi-site and group certification
- Complaints
- Reporting of certified material volumes
- Claims
- Annex 6 – Oleochemicals
- Annex 7 – Food service companies

For the specific points highlighted, please refer to the presentation.

- It was noted that the key issue is the need to clarify the rules so that all stakeholders interpret them consistently. An example was given involving a one-to-one conversion, which was later moved to a credit system—raising questions about what happens to the physical volume in such cases. It was pointed out that the current standard does not clearly explain this transition or its implications. Therefore, it was suggested that these aspects need to be clarified and properly linked.
- The topic under discussion was noted to be directly linked to the resolution on strengthening mass balance. It was suggested that this work should be coordinated with the RSPO Board of Governors, and that the paper developed in response to the resolution should be considered as part of the process to ensure alignment and consistency across all related efforts.

TF Member Remarks:

- There was a suggestion to look into the draft of ISO 13659 Chain of Custody - Book and claim - Requirements guidelines.
- It was proposed that the question of how physical volume is handled when selling credits, and whether every product sold must now be directly linked to a physical volume should be brought to the Technical Committee, along with the broader concern regarding the treatment of non-certified material within the mass balance model.

Action point: RSPO Secretariat to purchase the draft of ISO 13659 Chain of Custody - Book and claim - Requirements guidelines and share with the TF members.

Checking the validity of suppliers via the RSPO website

- It was stated that, up to the final level where transactions are recorded in the RSPO system, safeguards are already in place and do not require additional checking regarding licenses. The issue arises beyond the refinery level, where transactions are no longer systematically recorded. At that stage, product manufacturers or oleochemicals are required to demonstrate to the auditor

that the appropriate procedures have been followed. It was suggested that the frequency of checks does not need to be explicitly stated in the standard and perhaps can be removed. Instead, it is the responsibility of the auditee to demonstrate to the Certification Body (CB) that the supplier was active at the time of the transaction. How this is done can be determined by the auditee, as long as it provides sufficient evidence to satisfy the CB's requirements.

- It was suggested that clarity and a clear understanding of the intention may be more important than being too prescriptive.
- The RSPO Secretariat mentioned that questions have been raised regarding when the license should be active—for example, whether this should occur when the material leaves the supplier's compound or when it arrives at the buyer's compound.
- It was noted that, to strengthen the assurance of the systems document, an initial draft of the standard is required.

This topic will be addressed by the TF in following meetings.

Trader and distributor licensing

Observer Remarks:

- It was mentioned that micro users are audited against many requirements, whereas traders and distributors who may handle large volumes are not audited or verified.
- It was stated that they had witnessed numerous discrepancies and abuses of the distributor's license and cases where instead of obtaining a trader's license, some opt for a distributor's license. It was proposed that any trader with physical possession of the goods should be certified.

TF Member Remarks:

- Concerns were raised about the cost in the case that traders and distributors would need to be certified.

Action Point: The RSPO Secretariat will compile a list of existing traders and licenses, as well as a list of data points currently collected, in order to better understand the criteria for qualifying for a trader's license versus a distributor's license. All Task Force members are encouraged to do some homework and explore potential solutions from different perspectives. This topic will be addressed by the Task Force and added to the agenda for the next meeting.

Register of transactions

Action Point: Develop a more complete post-refinery product list, aligned with the existing reference product list in the standard, to support proper post-refinery announcements (which will remain optional for now). This topic will be addressed by the TF and added to the agenda for following meetings.

Outsourcing activities

TF Member / Observer Remarks:

- The issue of outsourcing arises when a certified product is handled by a third party that is not RSPO certified. The key concern is ensuring that the integrity of the RSPO-certified product is maintained throughout this process.
- It was supported that this approach could also inform risk assessment—particularly when examining areas of concern. A risk-based analysis would help determine where the scope should be extended or where it may not be necessary.
- A case was presented in which an independent mill carries out outsourced activities, particularly in situations where MB (Mass Balance) material is stored at a ramp before being delivered. The material originates from independent smallholders. The discussion focused on assessing the risk involved in such arrangements.
- It was noted that there needs to be a clear framework combining risk analysis with real, practical control measures. The key question remains: how far should these controls go?"
- It was emphasized that the fundamental issue here is a question of definition.

Action Point: Task Force members and the Secretariat will develop and propose a definition to be discussed at the next meeting.

Multi-site and group certification

TF Member / Observer Remarks

- The main issue is the need for clarity. A suggestion was made to consolidate all content related to group certification or group management into one dedicated section, rather than scattering it across the supply chain standard and systems document. Structuring all group-related requirements in one clearly defined section would make it significantly easier for group managers to navigate the document.
- It should be made clear in the Standard—for example, if the group manager is responsible for conducting internal audits, then individual group members are

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| | <p>not required to do so. Clear delineation of responsibilities within the standard will help avoid confusion and ensure consistent implementation.</p> <ul style="list-style-type: none"> • The fundamental issue remains the structure of the document. Currently, not everything is organized in a way that ensures clarity. There is noticeable repetition, and multiple actors (e.g., group managers, members, supply chain actors) are referenced in different sections. <p>Action point: The Secretariat will draft a proposed structure and present options for decision-making. The content related to group management within that new structure will be developed and refined by the Task Force.</p> <p>Complaints</p> <p>TF Member / Observer Remarks</p> <ul style="list-style-type: none"> • The section on complaints currently consists of just one sentence and does not clearly explain how complaints can be made. More detail is needed on the available channels for submitting complaints and additional information on the process. • It is important to clearly define the boundaries and scope of complaints. Without clear guidelines, complaints could cover anything. <p>Action point: It is recommended to defer this issue for consideration later in the process, once more information is available and the scope and nature of upcoming additions are determined.</p> |
| 1300 - 1400 | Lunch break |
| 1400 - 1530 | <p>Continued - Open Discussion: Requirements in the current SCC Standard Reporting of certified material volumes</p> <p>-This requirement is necessary for auditing purposes. However, part of it can be covered through PRISMA up to the refinery level, as transactions are recorded there. That said, the platform does not extend coverage to product manufacturers, so additional measures may be needed beyond that point.</p> <ul style="list-style-type: none"> • There is concern that some users do not know how to properly fill this out, which raises questions about the accuracy of the information being submitted. As a result, the data received may be unreliable. • Another concern raised was regarding the reporting period. The table requires data for a full 12-month period; however, audits often take place before the end of the license period. This creates a mismatch in timelines and may affect the completeness and accuracy of reported data. Currently, auditors include a justification when the reporting period is less than 12 months. |

- It was suggested to consider changing the reporting period to a fixed calendar year—January to December—instead of linking it to the audit period. This could help standardize reporting
- It was proposed that the purpose of the form should be clearly explained, as the current process is particularly burdensome for multi-site users. For example, one user noted the difficulty of collecting and entering data from 14 different sites.
- The RSPO Secretariat commented that the limitation of addressing this through PRISMA is that transactions beyond the refinery level are not recorded in the system, and it does not capture non-certified volumes.

Action Point: The RSPO Secretariat clarifies the purpose of the required data, specifies exactly what data is needed, and identifies where users can obtain it.

Claims

- A question was posed to the Task Force on how to improve Requirement 5.11.1, inviting suggestions for clarification and effectiveness.
- Requirement 5.11.1 defines a claim as any RSPO statement or MB label used on a sales document, which counts as making an RSPO claim. Therefore, it is considered that compliance with Requirement 5.6.1 is considered a claim. This triggers the need to complete the RSPO Market Communications Checklist and verifying trademark licenses. However, it remains unclear if Requirement 5.6.1 is also considered a claim, causing audit uncertainty.
- It was proposed to review and update the documents to better address activities at the end of the supply chain, including retailer surveys.

Action Point: It was suggested that careful consideration be given to how the RSPO Rules on Market Communications and Claims and the Supply Chain Certification Standard interrelate. This should be reflected in the revision process to ensure consistency and alignment. Furthermore, it was proposed to revisit and clarify the definition of “claims” in both documents once the upcoming changes to the standard are finalized. Additionally, it was recommended to assess whether the scope of the requirement applies to all relevant actors, including manufacturers, to ensure comprehensive coverage across all relevant regions.

5.4.5 For refineries/traders involved in primary procurement (i.e. purchasing directly from a mill), the site shall maintain a list of all supplying mills (certified and non-certified). The list shall include mill name, GPS coordinates, parent company, country, and the identity of the mill in the Universal Mill List (UML ID1) (if applicable). The UML ID can also be found in the ‘declaration of the conventional sources’ list in the RSPO IT Platform. The list shall be updated on a six-monthly basis and shall be made publicly available.

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| <p>1530 - 1545</p> | <p>This requirement was formalized through RSPO General Assembly Resolution GA15-6B, adopted during the 15th Annual General Assembly in 2018. The resolution mandates that all RSPO member organizations involved in primary procurement make public their entire third-party supplying mills list, including supplies from their own mills.</p> <ul style="list-style-type: none"> ● It was proposed by a TF member to revisit this requirement to clarify its intent, assess whether the 6-month timeframe is necessary, and review how certified companies currently meet this requirement, including how it is addressed in PRISMA. <p>Annex 7 – Food service companies</p> <p>This requirement was included in the 2020 revision as part of the Foodservice Annex. It was noted that some stakeholders are interested in setting up Food Service companies, but the current framework lacks clarity, making it difficult to proceed with confidence. The question posed to the Task Force was how to strengthen this annex.</p> <ul style="list-style-type: none"> ● It was proposed to first review the structure and identify what falls under foodservice companies ● It was proposed to involve Judith Murdoch in the discussion, as she has strong knowledge of the foodservice industry. It was also suggested that she could help convene relevant conversations and possibly invite representatives from foodservice organizations to contribute their perspectives. ● It was mentioned that this is a question of scale, and that the majority of auditors and certification bodies currently do not audit foodservice companies. ● It was mentioned that foodservice companies share some similarities with group certification models. - The RSPO Secretariat stated that there has been interest from several foodservice companies and highlighted that engaging these companies could help enhance RSPO’s visibility. <p>Action Point: Create a focus group to work on this topic and investigate how many foodservice companies are RSPO certified.</p> <p>Next Steps</p> <ul style="list-style-type: none"> - A key responsibility of Task Force members is to consult with various stakeholders within their respective constituency groups. - Essentially, the question posed was whether the different constituency groups require assistance from the RSPO Secretariat to facilitate consultations, or if they already have structures in place to manage this. |
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- It was decided that this task would be handled by the Task Force members without assistance from the RSPO Secretariat, with members reporting back to the Task Force as appropriate.
- An overview of the timeline was provided, mentioning that there are approximately six months to initially finalize all the discussed topics. However, it was also noted that there are additional items within the standard, not yet discussed, that require wording and prioritization.
- The timeline depends on the progress of the review process. There needs to be fluidity and flexibility built into the timeline, but for now, planning can be done up until November this year.

Action Point: The RSPO Secretariat presents members for the Technical Committee (TC) and develops different options for the structure of the Supply Chain Standard.

Action Point: The RSPO Secretariat will provide email updates to members not part of the Task Force but who have expressed interest in the review process; these updates may be sent monthly or less frequently depending on the progress made.

Action Point: Set up a Doodle poll to schedule the next physical meeting in November, ideally to take place after the RT event.

Three TCs will be established for:

- I. Strengthening MB/ FFB Traders
- II. Social requirements
- III. Oleochemicals and Their Derivatives (Annex 6)

Day 2 of the TF meeting adjourned.