

# Terms of Reference

## RSPO Greenhouse Gas Working Group

### Introduction

The RSPO Greenhouse Gas Working Group (GHGWG) was first formed in May 2009 to establish a mechanism to quantify and determine the boundaries in measuring GHG emissions. As a result, in 2012 the PalmGHG calculator Version 1 (an Excel-based calculator) was developed, which enabled identifying, monitoring and assessment of GHG emissions from upstream palm oil production.

In 2016, the PalmGHG was revamped into a desktop-based software as Version 2.1.1 and Version 3.0. After two years, the PalmGHG Version 4 (currently in use) was upscaled into a web-based software.

Note: This Terms of Reference (ToR) was developed in two parts — the first part explains the role of the first subgroup and the second part explains the role of the second subgroup (Annex 1).

### Main Purpose

To revise the methodology (i.e. calculation boundary, emission factor and calculations) for PalmGHG. The establishment of this GHGWG is to also echo the Malaysian Palm Oil Association (MPOA) request on the PalmGHG Tool.

### Scope of Work

- i. PalmGHG
  - Developing a gap study which includes identifying areas that overlap with other GHG initiatives/calculator/methodologies with the existing PalmGHG calculator as well as opportunities for improvement in emissions/sinks/removal and reporting
  - Evaluating the current PalmGHG emission boundary (plantation and mill activities)
  - Recommending GHG emission reduction targets to support the revision of the 2018 Principles and Criteria (P&C)
  - Supporting the P&C review Task Force on GHG-related matters
  - Evaluating outdated emission factors and incorporating new emission factors (including Scope 3 emission)
  - Overseeing the development of the PalmGHG calculator Version 5

### Expected Outputs

- i. A report based on the Gap Analysis on GHG emissions calculation and recommendation for emissions reduction target to support the revision of the P&C 2018
- ii. PalmGHG Version 5

### Meeting Frequency

Members of this working group are expected to meet once/twice every three months.

## **Composition**

This proposed GHG WG-2 will be supported by two subgroups. The first subgroup will look at the upstream emission scope and the second subgroup will look at the downstream emission scope.

As agreed during the 27th Standard Standing Committee (SSC) meeting, the first subgroup will be drawing members from the former Emission Reduction Working Group (ERWG) to oversee upstream emission-related scope of work (PalmGHG). The second subgroup, also as agreed in the SSC meeting, will be formed to look at the downstream emissions related scope of work. Both the subgroups will be reporting to the main working group.

The group must comprise mainly specialists in GHG measurement for upstream and downstream emissions, with familiarity of plantation or climate change matters. The composition proposed for each sector of RSPO follows:

- Indonesian, Malaysian and ROW Growers (3 substantive and 3 alternate)
- Environmental NGOs (1 substantive and 1 alternate)
- Social NGOs (1 substantive and 1 alternate)

In addition, some independent GHG experts may be invited to join/ provide inputs.

There will be two Co-Chairs, one each selected from Growers and Processors & Traders with refinery.

## **Role of the Secretariat**

The Secretariat should support the working group and facilitate interactions with the members and stakeholders. The Secretariat will also oversee the preparation of commissioned studies and other work.

## **Active Period**

The working group will be carrying out its work from April 2022 to April 2023.

Note: All members of the WG will not be involved in any consultancy work as per the RSPO Code of Conduct

# Annex 1

## Terms of Reference

### Subgroup - RSPO Greenhouse Gas Working Group

#### Introduction

There has been growing interest among RSPO members to report downstream GHG emissions. In line with this, RSPO is seeking to develop a mechanism to calculate downstream GHG emissions, with the aim of measuring operational emissions which is the largest emissions contributor for downstream activities.

RSPO is also aware of the palm oil industry's growing interest to be Net Zero. With more members embarking on this journey, the existing upstream emissions calculator (PalmGHG) and a downstream emissions methodology (to be developed) will be an instrumental tool towards this commitment. This would also guide members to espouse one of the goals of the Shared Responsibility requirements.

#### Main purpose

To conduct a comparative study based on existing initiatives in measuring downstream emissions for the palm oil sector that will be used to report operational emissions.

#### Scope of work

- A comparative study based on existing initiatives in measuring downstream operational GHG emissions for the palm oil sector
- A feasibility report evaluating methodology for RSPO to measure downstream operational GHG emissions

#### Expected Outputs

- A comparative study based on existing downstream emissions calculators and methodologies
- A feasibility study proposing a methodology for RSPO to measure downstream operational GHG emissions

#### Meeting Frequency

Members of this subgroup are part of the RSPO Greenhouse Gas Working Group (GHGWG) and are expected to meet once/twice every three months. The subgroup discussion will take place independent of that of the working group's meeting; however, the working group will be kept updated on the progress of this subgroup.

#### Composition

This proposed GHGWG-2 will be supported by two subgroups. The first subgroup will look at the upstream emissions scope of work and the second subgroup will look at downstream emissions scope of work.

As agreed during the 27th Standard Standing Committee (SSC) meeting, the first subgroup will be drawing members from the former Emission Reduction Working Group (ERWG) to oversee upstream emissions-related scope of work (PalmGHG). The second subgroup, also as agreed in the SSC

meeting, will be formed to look at the downstream emissions scope of works. Both the subgroups will be reporting to the main working group.

A subgroup will be overseeing the scope of works listed here in Annex 1. The subgroup must comprise mainly members familiar with oil palm life cycle inventory/assessment, GHG Protocol for operational emissions as well as members familiar with downstream processes in the palm oil industry.

- Palm Oil Processors and Traders with refinery (2 substantive and 2 alternate)
- Consumer Goods Manufacturers (2 substantive 2 alternative)
- Environmental NGOs (1 substantive and 1 alternate)
- Social NGOs (1 substantive and 1 alternate)

In addition, some independent experts may be invited to join/ provide inputs.

### **Role of the Secretariat**

The Secretariat should support the subgroup and facilitate interactions with the members and stakeholders. The Secretariat will also oversee the preparation of commissioned studies and other work.

### **Active Period**

The subgroup will be carrying out its work from April 2022 to April 2023.

Note: All members of the subgroup will not be involved in any consultancy work as per the RSPO Code of Conduct