

Assurance Standing Committee

1st Physical Meeting

Minutes of Meeting

Venue: Thai Boromphimarn 4 Marriott Marquis Bangkok Queen's Park

Date and time: 4 November 2019 at 7.00 pm - 9.15 pm

Members Attendance:

Growers		
Name	Organisation	Group Representation
Agus Purnomo (AP) (Co-Chair)	Golden Agri Resources (GAR)	Indonesian Growers
Lee Kuan Yee (LKY)	Kuala Lumpur Kepong (KLK) Berhad	Malaysian Growers
Laszlo Mathé (<i>Absent with apology</i>)	New Britain Palm Oil Limited (NBPOL)	Growers RoW
Rukaiyah Rafiq (<i>Absent with apology</i>)	FORTASBI / Yayasan Setara Jambi	Smallholders Group
NGOs		
Elizabeth Clarke (EC) (Co-Chair)	WWF Singapore	E-NGO
Paula den Hartog (PDH)	Rainforest Alliance	E-NGO
Paul Wolvekamp (PW)	Both ENDS	S-NGO
Marcus Colchester (MC)	Forest Peoples Programme	S-NGO
Supply Chain Sector / Downstream / Others		
Emily Kunen (EK)	Nestlé	CGM

Hugo Byrnes (HB) - Online	Royal Ahold Delhaize N.V	Retailers
Dr Gan Lian Tiong (GLT)	Musim Mas Holdings	P&T
Vacant	TBA	Financial Institution

RSPO Secretariat Attendance:

Name	Position
Bakhtiar Talhah (BT)	COO
Aminah Ang (AA)	Head of Assurance
Lilian Garcia Lledo (LG)	Assurance Manager (Europe)
Inke Van Der Sluijs (IS)	Head of European Operations
Kertijah Abdul Kadir (KAK)	Smallholder Programme Manager
Salahudin Yaacob (SY)	Assurance Director - via Webcall
Wan Muqtadir Wan Abdul Fatah (WM)	Assurance Manager - via Webcall
Tiur Rumondang (TR)	Director Indonesia

Item	Description	Action Points
1.0	Introduction AP opened the meeting by welcoming the members to the 1st ASC meeting.	
1.1	RSPO Antitrust Law AP reminded the members of the RSPO Antitrust Law which was attached in the meeting pack.	
1.2	RSPO consensus-based decision making AP reiterated on the RSPO consensus-based decision-making	ASC members &

	<p>process.</p> <ul style="list-style-type: none"> • All outcomes and decisions are made on a consensus basis, members shall ensure the accuracy of the information and that the interpretation of all outcomes and decisions of the ASC are consistent with the consensus reached within the ASC. • All outcomes and decisions are made on a consensus basis, members shall ensure the accuracy of the information and that the interpretation of all outcomes and decisions of the ASC are consistent with the consensus reached within the ASC. • If consensus is not possible for any specific issue, at least 75% of the Committee members are required to vote in favour for the adoption of a decision and shall include at least one supporting vote from each membership category. • If a decision still cannot be reached through the mechanism above, the Chair (or Co-Chairs) of the ASC may declare a deadlock and refer to the BoG for the final decision. <p>AP also highlighted that if there are decisions to be made in between ASC meetings, those decisions should be made by the ASC members instead of only the Co-Chairs</p>	<p>Secretariat to take note of the decision-making process</p>
<p>1.3</p>	<p>Declaration of Conflict of Interest</p> <p>AP highlighted that each ASC member must declare any conflict of interest on any matters on the agenda and/or matters arising at the beginning or during the course of the meeting. Should a conflict of interest exists, the ASC member concerned must recuse him/herself from the decision-making process and/or pertaining discussions.</p>	
<p>1.4</p>	<p>Confirmation of the ASC composition:</p> <p>AP introduced all members currently in the ASC which comprised of 4 growers, 4 NGOs, 3 supply chain and 1 vacant position under the financial institution.</p> <p>BT highlighted that NBPOL which is a subsidiary of Sime Darby is representing Growers from the rest of the world (RoW). The ASC members agreed that the membership of NBPOL in ASC is pending confirmation from the BoG</p>	<p>Secretariat to confirm with BoG representative from RoW</p>



	<p>representatives from Growers (RoW).</p> <p>On the vacant seat for the financial institution, the nomination of Lestari Capital was submitted. BT highlighted that Lestari Capital is an affiliate member and that it may have commercial interests in the area of compensation.</p> <p>The committee agreed that since there is no specific requirement that only Ordinary Members can be in the SC, the membership issue is not a problem.</p> <p>EC highlighted that if there is a conflict of interest on a particular matter, the member can be asked to recuse itself from the meeting.</p> <p>MC requested the Secretariat to verify with the BoG representatives of Financial Institutions on the Lestari Capital nomination.</p> <p>BT highlighted the appointment of the two Co-Chairs and asked for any comments regarding the appointment. No comments were received from the meeting. EC also informed the ASC members of the nomination of Rainforest Alliance for the e-NGO seat, although it is formally registered as an s-NGO the e-NGO membership mailing list was consulted and made no objection. There was no objection from ASC members on this nomination.</p>	<p>To obtain confirmation of Lestari Capital as FI representative in ASC</p>
<p>2.0</p>	<p>Management of ASC</p>	
<p>2.1</p>	<p>ASC Governance Structure</p> <p>BT explained the SC governance structure which was the outcome from a one-day workshop in Jakarta on Sept 6 in which PW, AP and EC (for the concluding session) participated.</p> <p>Several members highlighted potential overlapping activities with Working Groups and functions, with the Standard SC (SSC) in particular identified. It was agreed that the structure needed to be revisited.</p> <p>The ASC members proposed to further discuss the structure with the SSC. LKY volunteered to assist in streamlining the</p>	<p>PW, LKY and BT to discuss on the</p>

	<p>structure since she is also the Co-Chair of the SSC. The ASC members agreed for PW and LKY to carry out the task and BT to facilitate the process. BT proposed to finalise this by end November 2019</p>	<p>ASC WGs by end of Nov 2019</p>
<p>2.2</p>	<p>Acceptance of ASC Terms of Reference (ToR)</p> <p>BT explained that the original ToR was endorsed by the BoG but if there are further comments the ToR still can be revised and forwarded to the BoG for endorsement.</p> <p>EK highlighted that she provided comments on the ToR but were not taken into consideration.</p> <p>GLT highlighted on the first three bullets in the 'Mandate' section are meant for the SSC and not for ASC. The Secretariat was requested to look into these matters.</p> <p>BT proposed to share a live document for editing by the ASC members.</p>	<p>Secretariat to prepare ToR live document for edit</p>
<p>2.3</p>	<p>Participation of Complaints Panel member in ASC</p> <p>The ASC was informed that the Complaints Panel (CP) proposed Matthias Diemer, a Complaints Panel member, to be an ASC member. The members decided that the CP must be independent of the ASC, and will be invited, as and when necessary, to discuss specific issues relevant to both entities.</p> <p>BT suggested a formal session between CP and ASC be held on a twice-yearly basis. The proposal to have a representative of CP as a member of ASC was not agreed. BT proposed to bring this matter to the CP at the next CP meeting at the end of November.</p> <p>MC suggested that the ASC refer to the Compliance Advisory Ombudsman which had a triple function and was firewalled from the IFC Executive arm</p>	<p>BT to highlight this in the next CP meeting</p> <p>Secretariat to review IFC related document</p>
<p>2.4</p>	<p>Invitation of non-members and experts to ASC meetings</p> <p>It was well noted that the former ATF involved a large number</p>	



	<p>of participants and organisations with interests in RSPO assurance and who made valued contributions. Under the new ASC structure it is important to ensure this is not lost. EC proposed an ‘AssuranceForum’, during which external stakeholders such as HCVRN, ASI etc. are engaged and updated on the ASC workstreams and can provide formal feedback to the ASC on key issues. The ASC requested the Secretariat to propose a mechanism for this ‘Assurance Forum’. The ASC also agreed to involve these stakeholders as experts and invite them for specific discussions and/or Working Groups, as outlined in the ASC ToR</p> <p>The committee agreed to have a formal session with these stakeholders twice a year i.e. before or after ASC meeting. This session is to be named ‘Assurance Forum’. EC highlighted that under the ASC ToR, key partner and delivery organisations e.g. ASI, HCVRN and HCSA would also be invited as an expert to the ASC meeting on request and need basis. BT highlighted that they can also be included as full members in the ASC WGs. PDH raised a concern of how we identify who are the stakeholders. BT suggested to start with the ex-ATF members. The members of ASC can propose to include other stakeholders.</p> <p>EC also suggested to change the current RT prep cluster format to ‘Forum’ where it will be the platform to update activities of ASC.</p> <p>EC highlighted the suggestion – including in the ‘Watchmen 2’ report – that independent, outsourced support is sought to ensure the ASC delivers. This could include an independent minute taker to ensure that the issues discussed in the meetings are accurately recorded and keep things on track. BT explained that since a lot of the work will be carried out by the Secretariat, he agreed to take the lead in ASC and will appoint dedicated resources to help monitor the implementation of the activities proposed by ASC. The ASC agreed that the issue should be revisited, and that this could be informed by the review as proposed under Resolution GA16-6b.</p> <p>ATF members should be informed quickly of next steps. It has been well noted and reported by ATF members that a year has passed since an update has been provided on the ATF, and this must be addressed as a priority.</p>	<p>Secretariat to take note of the Assurance Forum and invite stakeholders. Among the stakeholders are the ex-ATF members, ASI, HCVRN and HCSA. ASC members can put up a proposal to include other stakeholders</p>
--	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

<p>3.0</p>	<p>Issues Around Assurance</p>	
<p>3.1</p>	<p>Resolution GA16-6b</p> <p>MC explained why the resolution was put up in GA16, which was essentially an independent review involving a quick and thorough look at the work done by the Assurance Task Force. BT suggested that regardless of the outcome of the resolution in GA16, a ToR for the independent reviewer will still be done. BT requested the committee to agree on the need for RSPO Secretariat to proceed with developing the ToR.</p> <p>The committee agreed to undertake the evaluation of the ATF as per the proposed Resolution regardless of the outcome at the GA16; however, should the GA16 reject the Resolution, the ASC will not make the evaluation report public.</p> <p>It was proposed that MC should withdraw the Resolution from voting in the General Assembly and then the review would go ahead as proposed in the Resolution. MC noted the proposal and said he would discuss it with the S-NGO constituency and revert to BT prior to the GA16. (Note: This was subsequently confirmed to BT, and the Resolution was accordingly withdrawn at the GA16).</p>	<p>Secretariat to develop, circulate for comment, and distribute a ToR for Independent Reviewer</p>
<p>3.2</p>	<p>Increase in the number of labour-related complaints</p> <p>BT explained that a paper prepared by the CP regarding the increase in the number of labour-related complaints from Indonesia. The paper has previously been shared with EC who attended a discussion at a CP meeting about this, and is now shared with the ASC for information purposes and can be discussed further in subsequent meetings.</p> <p>PW highlighted a study made by Profundo which was commissioned by the Secretariat and requested that the Secretariat gives the committee access to the document.</p> <p>It was reiterated that good linkages with the CP will be important and BT's proposal to review the alignment of the timing for (some) meetings with CP should be considered for other groups/SCs where overlapping interests warrant shared discussion.</p>	<p>Secretariat to circulate the Profundo report to ASC members & ASC members shall keep the information confidential.</p>

<p>3.3</p>	<p>Delinking Auditors from the operations they audit</p> <p>BT informed the committee that the resolution on delinking was rejected in the last GA.</p> <p>PW explained that in the ATF, it was proposed that delinking/decoupling to remain on the agenda. Reports were outsourced and delivered that touch on this topic and included recommendations.</p> <p>AP requested the Secretariat to review and provide suggestions on the way forward. It was noted that there are a number of historical reports commissioned for ATF and workplan items delivered. The ASC request the Secretariat to ensure these are made easily accessible to ASC members and, where appropriate, available on the assurance section of the public RSPO website</p>	<p>Secretariat to provide an update on what has been done, and analyse the recommendations made in the reports</p> <p>Secretariat to organise past, current and future Assurance documents (reports, minutes etc) and make these accessible (as appropriate)</p>
<p>4.0</p>	<p>Any Other Business</p>	
<p>4.1</p>	<p>ASI's reports</p> <p>AA explained on the ASI reports which were presented to CP. BT highlighted that the reports are not strategic. Recommendations are mainly operational, and the Secretariat will be meeting ASI to discuss the recommendation. The committee sought clarification on the possibility of engaging other Accreditation Body(ies) (AB). BT confirmed that the Secretariat has a list of potential ABs initially considered for the RSPO. The committee agreed that the ASC ToR includes reviewing the performance of external service providers.</p> <p>MC suggested that the ASC revisit ASI reports and the CP paper on complaints and allocate time in the next meeting to discuss the systemic issues highlighted.</p>	<p>Secretariat to retrieve the list of potential ABs and the ASC ToR to be revised to include the review of the performance of ASI, HCVRN and HCSA</p> <p>ASC members to study the reports by ASI and CP</p>
<p>4.2</p>	<p>Other matters</p>	

	<p>The committee agreed to have at least 4 meetings per year with at least one physical meeting and to have it during the daytime. The physical meeting can be scheduled in June (sidelines of SPOD) and/or November (sidelines of RT), together with the Assurance Forum.</p> <p>The following activities to be carried out by the Secretariat</p> <ul style="list-style-type: none"> ● to have regular calls with Co-Chairs to report on progress; ● to create document folders relating to ASC and to make it accessible to ASC members; ● to establish Work Plan Calendar for the year 2020; ● to review the previous Work Plan before the next meeting and see which activities are still pending; ● Secretariat to work with MC on the ToR for an independent evaluator ● to contact ex-ATF members regarding the Assurance Forum <p>EK suggested the standing committee set plan targets for the ASC to achieve. BT proposed for the Secretariat to study the work plan first and by January 2020 will discuss with the Co-Chairs. AP suggested discussion to be carried out at the physical meeting instead of call. BT agreed to call for a meeting in January 2020 prior to the Chinese New Year holiday.</p>	<p>Secretariat to produce a timetable of events</p> <p>To be included in the Secretariat work plan</p> <p>Secretariat to prepare work plan for ASC and to call for a meeting with co-chairs prior to CNY holiday</p>
<p>5.0</p>	<p>Closing meeting</p> <p>EC thanked all the ASC members who attended the meeting including those in the web call.</p> <p>The meeting adjourned at 9.15 pm.</p>	