

**Assurance Standing Committee
11th Meeting (via Zoom)
Minutes of Meeting**

Venue: Zoom Meeting (<https://zoom.us/j/97847389575>)
Date and time: 19 May 2022 at 4.00 pm – 6.30 pm KL time

Members Attendance:

Growers		
Name	Organisation	Group Representation
Agus Purnomo (Co-chair) (AP)	Golden Agri Resources (GAR)	Indonesian Growers (IGC)
William Siow (WS)	IOI Group	Malaysian Growers (MPOA)
Mariama Diallo (MD)	SIAT Nigeria	Growers RoW
Lawrence Quarshie (LQ)	Golden Star Oil Palm Farmers Association (GSOPFA)	Smallholders Group
Wan Kasim (WK) <i>(alternate member)</i>	FGV	Malaysian Growers (MPOA)
NGOs		
Name	Organisation	Group Representation
Kamal Prakash Seth (Co-Chair) (KS)	WWF International	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		
Name	Organisation	Group Representation
Hugo Byrnes (HB)	Royal Ahold Delhaize N.V	Retailers
Olivier Tichit (OT)	Musim Mas Holdings	P&T
Michal Zrust (MZ)	Lestari Capital	Financial
Lee Kuan-Chun (LKC) <i>(alternate member)</i>	P&G	CGM

RSPO Secretariat Attendance:

Name	Position
Aryo Gustomo (AG)	Deputy Director, Compliance
Wan Muqtadir Wan Abdul Fatah (WM)	Head, Integrity
Zaidee Mohd Tahir (ZT)	Manager, Integrity
Freda Manan	Sr. Executive, Integrity
Shazaley Abdullah (SA)	Head, Certification
Ruzita Abd Gani	Manager, Supply Chain
Amirul Ariff	Manager, Certification
Shafiqul Syaznil	Data Analyst, Certification
Irene Fischbach	Director, Stakeholder Engagement
Julia Majail (JM)	Director, Standard Development
Ayu Melese	Manager, Decent Living Wage
Citra Hartati	Head, Risk
Indrawan Suryadi	Manager, Geographic Information System (GIS)
Farkhani Noor Bt Basir	Executive, Geographic Information System (GIS)
Nur 'Adilatul Fitry Binti Jamaluddin	Analyst, Geographic Information System (GIS)
Maria Roswita Kartika	Analyst, Geographic Information System (GIS)

Facilitation Team Attendance:

Name	Organisation	Role
Bilge Daldeniz (BD)	Proforest	Proforest Associate Director / Lead Facilitator
Shinta Puspitasari	Proforest	Proforest Senior Project Manager / Facilitation team member
Claire Reboah	Proforest	Proforest Project Manager / Facilitation team member

Item	Description	Action Points
<p>1.0</p> <p>1.1</p> <p>1.2</p> <p>1.3</p> <p>1.4</p>	<p>Introduction BD briefly shared the agenda for today's meeting.</p> <p>RSPO Antitrust Law, Recap ASC ToR (Objectives, Consensus-Based Decision Making, Declaration of Conflict of Interest, Col) BD reminded the members of the RSPO Antitrust Guidelines and the objectives of the ASC. BD stated that the ASC follows the RSPO consensus-based decision-making process, in accordance with the ASC Terms of Reference. BD highlighted the ASC Col obligations. No Col was declared at this meeting.</p> <p>Acceptance of MoM from 9 February 2022 Meeting BD asked the members for comments or feedback on the final minutes from the previous ASC meeting on 9 February 2022. The members accepted the minutes.</p> <p>RSPO's New Chief Executive Officer Effective 15 March 2022, Joseph D' Cruz (JD) assumes the role of the RSPO's Chief Executive Officer. BD mentioned that JD was unable to join the meeting and give his introduction speech.</p> <p>ASC Members Retirements and New Appointments ZT introduced new members of the ASC. William Siow (WS) from IOI Group replaced Lee Kuan Yee to represent the MPOA, while Wan Kasim (WK) from FGV is his alternate. Kamal Seth (KS) from WWF International replaced Joko Sarjito and will be the Co-Chair alongside AP. Lawrence Quarshie (LQ) from Golden Star Oil Palm Plantation replaced Rosine Nsegbe to represent the Smallholder constituent. ZT pointed out that the CGM seat is currently vacant and the Secretariat has reached out to its network to find a suitable candidate but no response has been received. WM added that the vacancy is due to Emily Kunen's resignation and KC will remain as an alternate member. WM also welcomed the members to nominate a suitable candidate for the constituency.</p>	
<p>2.0</p> <p>2.1</p>	<p>For Decision</p> <p>Contingency RSPO Audit Procedure for Supply Chain Standard (Version 2) SA shared that the Contingency RSPO Audit Procedure announced on 25 August 2020 includes audit procedures for P&C, ISH and the Supply Chain Standard. However, the Secretariat received feedback that more information is needed for the Supply Chain Standard. Therefore, the Secretariat proposed the Contingency RSPO Audit Procedure for Supply Chain Standard Version 2 to provide comprehensive guidelines for CBs to carry out successful SCC audits. The procedure provided two options to conduct SCC audits; via on-site or remote audits, and presented a flowchart for CBs to decide the option. SA explained the mechanism in which CBs are to carry out situational risk evaluation, check resource requirements and conduct on-site audits based on the RSPO SCC System 2020 requirements. SA added that the remote audit process</p>	

	<p>involves planning, documentation sharing, execution of audits, decision making for certification and reporting.</p> <p>Discussion points</p> <p>A member referred to the flowchart which indicated that audit is to be postponed and license will expire if remote audit is not feasible, and asked if there are other options such as temporarily extending the license. SA responded that the audit will be postponed until license expires. He added the current system allows for three months license extension and further extension can be considered if a valid justification is provided.</p> <p>A member asked if the procedure can be applied to regions with security issues and who would decide if the reason given is acceptable. SA responded that this procedure is applicable to force majeure situations. CB may conduct risk evaluation and discuss with certificate holders (CH) on enhanced safety protocols and if high risk is found, both CB and CH need to reach an agreement before proceeding with the remote audit. Another member suggested the term "travel restrictions" to be broadened and for the options to be listed. Another member suggested using travel warnings from embassies as an objective source of information on risk. Another member commented that the situations under which remote audit is utilised need to be well defined in the procedure.</p> <p>A member asked if the Secretariat will develop an innovative approach to ensure confidentiality and enable local stakeholders to share their concerns in a safe environment when field visit is not feasible. SA responded that the procedure is for supply chain certification, which has less issues concerning stakeholders compared with P&C certification. The member commented that a follow-up action is required with regard to ensuring local stakeholders' confidentiality in remote audits for P&C certification.</p> <p>Another member commented that when remote auditing is done for actual production zones, there is a risk that the auditees may be pre-selected and be less representative of the community's views. The member suggested a more detailed social auditing for a thorough checking once field visit is possible again.</p> <p>BD asked for final approval from the ASC members on the Contingency RSPO Audit Procedure - for Supply Chain Standard (Version 2), which was accepted by all, subject to the inclusion of clarification on high-risk situations.</p>	<p>The Secretariat to incorporate the ASC's comments into the Contingency RSPO Audit Procedure - for Supply Chain Standard (Version 2).</p> <p>The Secretariat to channel the ASC's suggestions on ensuring stakeholders' confidentiality & safety in remote audits to the Standards Review Task Force.</p>
<p>3.0</p> <p>3.1</p>	<p>For Discussion</p> <p>RSPO Assurance Progress Report</p> <p>ZT gave a recap of the RSPO Assurance Gap Analysis report and work plan that was endorsed in July 2011. The work plan was divided into three thematic areas; cross-cutting assurance, labour & human rights, and deforestation & land conflict. Under cross-cutting assurance, 14 activities were completed, 29 are ongoing, 8 to begin as planned and 2 activities have not started. Under labour & human rights, there are 6 ongoing</p>	

	<p>activities, 2 activities to commence as planned and 2 activities have not started. Under deforestation & land conflict, ZT reported that 5 activities were completed, 11 activities are ongoing and 4 activities will begin as planned.</p> <p>ZT added that challenges such as travel restrictions due to the pandemic and formation of subgroups caused some setbacks. He also highlighted several activities such as the development of Labour Auditing Guidance and the completion of Social Auditing Training and CB Interpretation Forum. Some of the activities are expected to continue in FY2023.</p> <p>Discussion points</p> <p>A member asked how the Human Rights Defender (HRD) protocol can be expedited. The member also raised a concern about the postponement of rethinking audits independence to FY2023 since there is a lack of real participation from the ground, which is compounded by auditors' financial dependency on companies. This further increases the need to look into delinking auditors and innovative mechanisms to fund audits, sharing the costs and benefits up and down the supply and investment chains (Shared Responsibility). Another member suggested exploring more innovative ways for stakeholder consultation to avoid companies from orchestrating feedback since this has been highlighted by various external reports and may undermine the RSPO's credibility. WM responded that currently there is no specific division assigned to handle HRD but the matter has been raised to the new CEO and the Secretariat is awaiting further instructions on that. WM explained that FY2023 refers to the Secretariat's financial year which will begin in July 2022.</p> <p>AG added that the Assurance Division has discussed the issue of delinking and is planning to start with a pilot study. Another member shared about a pilot study conducted by the Rainforest Alliance (RA) in the cocoa sector where CBs were assigned to high-risk potential or existing certificate holders. The member then asked for clarification on the digitisation of RSPO audits and automation of Book & Claim. WM responded that the priority is to ensure all relevant data is available on the website and is easy to extract before moving into digitisation of audits. SA responded that the Supply Chain Standard stated that members who claim more than 500 credits a year will be subjected to audits. This Book & Claim process is currently done manually and the Secretariat depends on RA to provide the reports. The automation will allow members to be automatically prompted to conduct audits and then submit the reports online.</p>	<p>The Secretariat to upload the Assurance Progress report on the ASC webpage</p>
<p>3.2</p>	<p>CBs Qualification for Certifying Smallholders</p> <p>WM shared that clause 4.8.6(f) of the RSPO Certification Systems for Principles and Criteria and RSPO Independent Smallholder Standard (RISS) 2020 stated that auditors auditing the ISH standard shall be trained either by an endorsed trainer or the RSPO. However, no specific training on the ISH standard has been organised by the Secretariat and/or no training materials developed by endorsed trainers are endorsed by the Secretariat. Therefore, requirements under 4.8.6(f) became unauditable</p>	

	<p>and cannot be verified by the Accreditation Body (AB). The objective of the RSPO ISH Training for Auditors was to ensure requirements 4.8.6(f) are auditable.</p> <p>WM continued that the ISH training was conducted in hybrid mode (physical and virtual) during the RSPO CB Interpretation Forum in March 2022, with the Smallholder Unit developing the materials and delivering the training. It was then followed by a test to ensure participation and evaluate the level of understanding. A statement of attendance was then issued by the Certification Unit to the participants. WM also shared the topics discussed in the training as well as the lessons learned. Finally, WM reported that 92% of the participants passed the test.</p> <p>Discussion points</p> <p>A member asked about capacity building for CBs in countries with a high number of independent smallholders such as India and Thailand. SA responded that an outreach programme is being planned to increase the number of peer reviewers and CBs in certain regions. The first pilot will be done in Thailand in July 2022 since the country only has one CB certifying ISH group managers. If the model is found to be suitable, the programme will be extended to other regions such as Africa.</p> <p>Another member asked if there can be a feedback system for when there are changes in interpretation. SA informed that there are several methods of providing updates on the interpretations to the CBs and certificate holders; via the RSPO Interpretation Forum (RIF), CB Interpretation Forum and the RSPO Certificate Holders Calibration Workshop (starting July 2022). The member reminded the Secretariat to channel feedback from the RSPO ISH training for Auditors to the Smallholder Unit.</p>	<p>The Secretariat to channel feedback from the RSPO ISH Training for Auditors to the Smallholder Unit.</p>
<p>3.3</p>	<p>Highlights from Public Domain Q1 2022</p> <p>WM shared that Indonesia, Malaysia, Peru, Brazil, Guatemala, Cameroon, Nigeria, Côte d'Ivoire and Sierra Leone were the countries involved in issues reported in the public domain during this period. The issues were water pollution, labour, human rights, deforestation, forest fire and FPIC. Out of this, 57% are certified units, 21% are uncertified units and 21% are not specifically mentioned.</p> <p>WM explained that from a risk perspective, these can be treated as an alert for the Secretariat to mitigate some of the issues, bring improvements in reporting by auditors, and support them in conducting risk assessments prior to audits. WM pointed out a few pain points such as the implementation and understanding of standards and outrage from local communities. For discussion, WM proposed that intervention can be done by contacting CBs for cases involving certified units, putting into the Risk Register for evaluation, and having environmental issues verified by the GIS team. WM also asked if more intervention such as training for growers and participation in government-led and multi stakeholder processes are required.</p> <p>Discussion points</p>	

	<p>A member pointed out that two-thirds of the issues raised are related to social elements. The member suggested to consider a system to follow up on the issues picked up from the public domain. Another member commented that there is a disconnect between the understanding at the group level and the on-site implementers. The member suggested a platform for shared learning among the growers community, to explain ways of addressing social issues, such as by providing toolboxes and exchange visits. Another member suggested a revision of the corporate incentive structure to ensure on-site implementers' KPIs include ensuring effective implementation of the P&C and not just achieving planting and production targets.</p> <p>Another member suggested looking at the issues on a regional basis and liaising with governmental institutions to understand the structure and real issues on the ground to determine the right approach to resolve the challenges.</p>	<p>The Secretariat to channel the ASC's suggestions on shared learning among growers to the Training Unit under the Technical Division.</p>
<p>3.4</p>	<p>Deforestation Monitoring: Are We There Yet?</p> <p>WM shared that since 2018, the Secretariat has been using several methods (ie. post-NPP retrospective & active monitoring and land clearing monitoring) to identify undisclosed land clearings within RSPO concession areas and that more active roles are now being realised under the Integrity Unit. Common satellite imagery analysis found the clearance areas are located in degraded forest, secondary forest, shrub and rubber monoculture.</p> <p>WM continued to explain the Secretariat's process of deforestation monitoring and the technology involved:</p> <ol style="list-style-type: none"> 1. Receive Global Land Analysis and Discovery (GLAD) alerts on potential land clearings 2. Notify members upon validation of alerts 3. Show cause by members and analysis by the GIS team 4. Next steps: for certified units - contact CBs, for uncertified units - propose sanction/suspension <p>WM also shared examples of the findings which include land clearings by local communities, land clearings on areas previously planted with rubber monoculture and changes on members' concession boundaries which the Secretariat were not informed of.</p> <p>Discussion points</p> <p>A member asked what happens when members cannot give a reasonable explanation for the clearings and when does it become a complaint. WM responded that the GIS team (part of the Integrity Unit) is able to conduct thorough checking on certified units but an improvement is needed for checking on uncertified units. The member added that there needs to be an agreed mechanism to take action on land clearings for both certified and uncertified units in order to uphold the RSPO standards.</p>	<p>The GIS team to develop a proposal to improve the sanction mechanism for land clearings on uncertified units.</p>

	<p>Regarding lack of means to check on land clearings in uncertified units, a member asked if stronger deforestation requirements are needed at the membership level. WM responded that in the past, critical cases are brought to the CEO and if proven, the CEO will lodge a complaint. The member added that a clearer process is needed to follow up on cases related to uncertified units. Another member inquired if the use of technology will encourage members to certify the uncertified units and in turn help RSPO achieve 25% share of global CSPO market. WM responded that stakeholders are leveraging the GeoRSPO platform for consistency and accuracy and believes such technology will help RSPO increase its market share.</p> <p>A member commented that the technology is crucial to address challenges in Mass Balance mills. The member added that the improvement in technology to monitor deforestation should be combined with effort that is being put for resolution GA18-2c. Another member commented that the requirements of NPP that have been agreed since January 2010 in which no land clearance is allowed on members' concessions prior to approval of NPP provides a good ground for the Secretariat to take action. WM responded that there were a few cases in 2017 where NPPs were not submitted but HCV assessments had been conducted, so those cases went through the RaCP process.</p> <p>A member commented that the Secretariat should be confident in saying that "<i>We are there</i>" in terms of deforestation monitoring to date, and this can be justified by all the initiatives taken with the use of technology, which are very useful to ensure compliance by grower members.</p>	<p>The GIS team to work with Certification Unit on resolution GA18-2c for deforestation monitoring to enhance the robustness of the Mass Balance model.</p>
<p>4.0</p> <p>4.1</p> <p>4.1.1</p> <p>4.1.2</p> <p>4.1.3</p> <p>4.1.4</p>	<p>For Updates</p> <p>BD reminded everyone that this section will not be discussed in detail since the information has been provided in the pre-read sent prior to the meeting. BD asked for questions or comments on the following topics.</p> <p>From the Action Tracker</p> <p>Labour Auditing Guidance No comments received on this topic.</p> <p>Risk Unit: Sime Darby & Socfin Cases No comments received on this topic.</p> <p>Decent Living Wage No comments received on this topic.</p> <p>ASC Subgroups Formation A member asked which subgroup will discuss more innovative processes to ensure free & representative feedback from stakeholders, employees and communities during audits, including remote ones. WM responded that this will be discussed in the Standards Quality subgroup because ASI and HCVRN will also be in the subgroup. BD asked if the member would</p>	

<p>4.1.5</p> <p>RaCP Implementation Review A member reminded the Secretariat to urgently carry out the actions agreed by the BHCVWG in 2020 to revise the system for identifying and remedying social liabilities.</p> <p>4.1.6</p> <p>Standards Review 2023 BD informed that the Secretariat is still looking for more members to join the technical committees (TCs) for the RSPO Standards Review 2023 and asked the ASC members to consider joining and reaching out to their respective networks to help identify potential members for the TCs and the ASC subgroups.</p>	<p>volunteer for the subgroup, to which the member agreed.</p>	<p>The Secretariat to urgently carry out the actions agreed by the BHCVWG in 2020 to revise the system for identifying and remedying social liabilities.</p>
<p>5.0</p> <p>5.1</p> <p>5.2</p> <p>5.3</p> <p>5.4</p>	<p>Any Other Business</p> <p>Tiur Rumondang’s Extended Medical Leave AG informed that Tiur Rumondang, the Director of Assurance, has taken an extended medical leave from 1 April 2022 to 30 September 2022. In the interim, AG will manage the Assurance Division which now consists of the Risk, Certification and Integrity units. The division is also supported by Assurance Managers for Africa and Europe.</p> <p>Assurance Forum June 2022 AG shared the proposed dates for the next Assurance Forum are 21, 22, or 23 June 2022, 4pm - 6pm (GMT+8) and “<i>Post-pandemic expectations on assurance system</i>” is the proposed theme. AG added that feedback from the last Assurance Forum will be considered to improve the session in June. BD recalled a particular feedback in that the forum is meant to facilitate exchange, particularly with non-RSPO members.</p> <p>Survey on the RSPO Secretariat’s Performance for ASC ZT shared that the Secretariat will be sending a survey via Survey Monkey on 20 May 2022 for the ASC to evaluate the Secretariat’s performance. The survey is divided into six areas; Timeliness, Progress, Quality, Engagement, Capability and Trust.</p> <p>ASC-CP Meeting June 2022 WM informed that 15 or 16 June 2022, 4pm - 6pm (GMT+8) are the proposed timing for the next joint ASC-CP meeting. WM stated the purpose of the meeting is to see where collaboration is needed to improve the assurance system. WM shared a topic proposed by CP; that is, less than satisfactory quality of audits/audit reports by CBs (particularly on social indicators) and ways to improve such audit processes, and asked for the ASC’s topic suggestion.</p> <p>Discussion A member commented that Resolution GA18 2-b on updating members’ Code of Conduct (CoC) might lead to more complaints, in the next 6 to 12 months, from reporting members in the downstream sector who are not</p>	<p>The Secretariat to send the survey to the ASC by 20 May 2022.</p> <p>The Secretariat to consolidate the agenda for the June 2022 ASC-CP meeting.</p>



	<p>adhering to the revised CoC that requires them to have standards that are not lower than the P&C. Another member asked where the dissatisfaction on the quality of audit reports is coming from. WM responded that this is based on evaluations and analysis conducted by the CP when evaluating complaints cases. When reviewing the public summary posted on the website, a lot of social elements were not captured. The Secretariat conducted a training in December 2021 for this, but this has been a prevailing issue since the last few years. There were topic suggestions from two other members; the first on how to speed up the complaint process and the second is on managing expectations for audits.</p>	
	<p>End of meeting</p> <p>BD thanked all participants and handed to KS for closure of the meeting.</p> <p>KS thanked everyone for their active participation and commended the Secretariat on the preparation of meeting slides that led to a good discussion. KS also hoped that the next meeting could be conducted in person.</p> <p>The meeting adjourned at 6.10 pm.</p>	