

Minutes for RSPO BOARD OF GOVERNORS Meeting 07-20

Date: 12 Nov 2020 Start Time: 3.05pm-7.25pm (GMT +8) Venue: Conference Call

BOG MEMBERS AND ALTERNATES IN ATTENDANCE

SUBSTANTIVE MEMBERS

Dato' Carl Bek-Nielsen (CBN), **MPOA** – Co Chair

Anne Rosenbarger (AR), **WRI** — Co Chair

Tim Stephenson (TS), **AAK** – Vice-Chair

José Roberto Montenegro (JRM), **AGROCARIBE**

Paul Wolvekamp (PW), **BOTHENDS**

Marcus Colchester (MC), **FPP**

Agus Purnomo (AP), **GOLDEN AGRI RESOURCES**

Lee Kuan-Chun (LKC), **P&G**

Geraldine Lim (GL), **RABOBANK**

Julian Walker-Palin (JWP), **RPOG**

Samantha Bramley (SB), **STD CHARTERED**

Petronella Meekers (PM), **UNILEVER**

Daphne Hameeteman (DH), **WILMAR**

Michael Guindon (MG), **WWF S'PORE**

ALTERNATE MEMBERS

Caroline Westerik-Sikking (CWS), **AAK**

Yumie Kawashima (YK), **AEON**

Hugo Byrnes (HB), **AHOLD DELHAIZE**

Harjinder Kler (HK), **HUTAN**

Lee Kuan Yee (LKY), **MPOA**

Olivier Tichit (OT), **MUSIMMAS**

Audrey Lee (AL), **OLAM**

Madeleine Brassier (MB), **OXFAM**

Sander Van den Ende (SVE), **SIPEF**

Martin Huxtable (MH), **UNILEVER**

John Clendon (JC), **UNIVANICH**

Eleanor Spencer (ES), **ZSL**

ADVISORS

MR Chandran (MRC)

Prof. Bungaran Saragih (BS)

SECRETARIAT STAFF

Beverley Postma (BP) Tiur Rumondang (TR)

Bakhtiar Talhah (BT) Cheri Woo (CW)

Patrick Chia (PC) Hafiz Adnan (HA)

Inke Van Der Sluijs

GUESTS

COMPLAINTS PANELLISTS:

Dato' Henry Barlow (DHB)

Lim Sian Choo (LSC)

Anita Neville, **Golden Agri** (AN)

Neil Judd, **Proforest** (NJ)

ABSENT WITH APOLOGIES:

SUBSTANTIVE MEMBERS

Dato' Amir Hamdan (AH), **FELDA**

ALTERNATE MEMBERS

Dr. Mohamad Fadhil Hasan (FH), **ASIAN AGRI**

Razuwan Che Rose (RCR), **FELDA**

Olivier Charrier (OC), **FERRERO**

Martin Van Vaals (MVV), **RABOBANK**

Roger Charles (RC), **STD CHARTERED**

Item	Description	Focal Point
1.0	<p>Introductions and Opening Remarks</p> <p>RSPO Antitrust Caution CBN opened the meeting by reminding members of the anti-trust rules.</p> <p>Approval of Agenda - BOG 07-20 The agenda was duly approved with no amendment.</p>	
2.0	<p>Approval of Minutes of previous meeting - BOG 05-20 Minutes on 3 September, 2020 The approval of the Minutes was proposed by MC and seconded by CBN The BoG 05-20 minutes were approved with no amendment.</p> <p>Approval of Minutes of previous meeting - BOG 06-20 Minutes, 28 September, 2020 The approval of the Minutes was proposed by CBN and seconded by LKC The BoG 06-20 minutes were approved with no amendment.</p> <p>CBN thanked MC for his commitment to the consensus-building process of the RSPO and for facilitating the smooth approval of these minutes despite the complexity of the situation.</p>	
3.0	<p>CEO-Designate Report</p> <p>BP highlighted a few areas in her written report and answered questions of clarification.</p> <p>3.1 COVID-19 BP informed the BOG that all RSPO offices remain closed due to the ongoing movement restrictions in Indonesia and Malaysia and that all staff were currently working from home. She reported that while some projects have been delayed, business continuity has largely been well managed and productivity remains high. BP thanked the Secretariat and members for their ongoing resilience and paused to send a note of support to members in LatAm who had been impacted by Hurricane Eta.</p> <p>3.2 RT2020 and GA17 The BoG was briefed on the series of listening sessions that had been hosted by the Secretariat in place of this year's RT. BP updated members of the arrangements for this year's virtual GA.</p> <p>Action: All Board members were invited to urge their constituents to register for the GA online, before 19 Nov 2020.</p> <p>3.3 RT podcast Sessions</p>	

<p>3.4</p>	<p>The Secretariat intends to broadcast a series of podcasts in pace of this year's RT.</p> <p>Action: BP will provide a written update to the Board with a progress report on the content and format of these podcasts and an indication of timings. She will also respond to a question raised by OT on the ongoing need for sponsorship.</p> <p>Operational Strategies BP provided an update on the ongoing operational planning and her proposed direction of travel as she translates the theory of change into a targeted business plan for the Secretariat.</p> <p>Feedback from the BoG:</p> <ul style="list-style-type: none"> ➤ The plan was met with broad support from Members, who raised a number of questions and recommendations for BP to consider in coming months: ➤ Further clarity was sought on the future role of the Secretariat and how it will continue to be accountable to all members and respect the governance processes. There must be no attempt by the Secretariat to sideline the contributions of members or the independence of Committees. ➤ The Secretariat must carefully manage the interdependencies and weighting of the strategies in the operational plan and be more attuned to shifting trends. ➤ Important to include KPIs' to demonstrate delivery of environmental and social impacts, not just on volume and membership outputs. ➤ How will RSPO reference Japan within future strategic plans? ➤ Vital to accelerate a pivot to digital technology/commerce to support business continuity through the current crisis and beyond. ➤ Clarity is required on the supply and demand targets and to confirm that only RSPO CSPO is included in these targets. ➤ On the question of pace, it was agreed that more time would be given to the Secretariat to complete the operational planning and to allow the Board to be more closely involved in the process of reviewing the Secretariat KPIs and targets. To that end, the deadline for endorsement by the Board will be moved to its meeting on 25 February. <p>Action: BP to continue to liaise with Co-Chairs to gather further comments and to clarify queries pertaining to the operational plan. Board Members will submit any further questions or comments to BP by 20 Dec.</p>	<p>BP</p>
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<p>4.0</p> <p>4.1</p> <p>4.2</p> <p>4.3</p>	<p>Standing Committee Updates</p> <p>Finance Committee Report The RSPO is well ahead of budget for the current year that was designed with caution in view of the fluid COVID-19 situation. In terms of income, the RSPO is also ahead of last year, which is encouraging as there were concerns that the Covid-19 might have an impact on income. Before making and recommendations to the BoG, The Finance Committee will wait for the new budget and operational plan that the Secretariat will present in 2021.</p> <p>TS reminded the BoG of the Treasurer’s Report that was prepared for the General Assembly and the resolution to appoint new auditors, Ernst & Young.</p> <p>TS thanked the Finance team at the Secretariat and commented that some organisations have been badly impacted by the economic downturn. The income model of the RSPO is proving to be more robust, primarily because RSPO does not rely on public donations. This bodes well for the future.</p> <p>Standards Standing Committee <i>RSPO Certification Systems [P&C and RISS] 2020 (for endorsement)</i> <i>National Interpretation - Colombia (for endorsement)</i></p> <p>On behalf of the Standard Standing Committee (SSC) , LKY stated that due process had been followed and the Certification Systems documents and the Columbia NI can be submitted to the BoG for endorsement.</p> <p>MC acknowledged the leadership of the Secretariat in Colombia, who overcame some initial difficulty and ensured that due diligence was followed. He raised concerns about the formatting of the English version of the document and sought confirmation that the agreement reached in July was captured in the NI.</p> <p>OT confirmed that the July 2020 agreement was indeed in the text and that the English version of the document will be improved before being published.</p> <p>Decision: On this basis, the BoG endorsed the RSPO Certification Systems [P&C and RISS] 2020 and the National Interpretation for Colombia.</p> <p>Marketing Development Standing Committee</p> <p>RSPO Credits AN noted that the MDSC had updated its recommendation on credits since the submission of the original Board Paper. The short-term recommendation of the MDSC is to maintain the current status quo while additional work is carried out by the Committee.</p> <p>JC requested that the revised papers were circulated to the Board and stressed the concerns of small and medium growers who felt they were being shut out of global markets. The Board agreed for the committee to take more time to study the value and impacts of RSPO Credits</p>	
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<p>4.4</p> <p>4.5</p>	<p>No Palm Oil Claims AN, on behalf of MDSC, provided an update on No Palm Oil Claims. The MDSC had discussed this issue at length and felt that no change was required to the wording of article 1.4 of the Code of Conduct. Members were encouraged to communicate the importance of this code to all marketing staff within their organisations.</p> <p>The MDSC will continue to revise the Marketing & Claims document, which may require more clarity on the obligations of downstream members.</p> <p>Action: The Secretariat will circulate the updated MDSC documents.</p> <p>Shared Responsibility BP reiterated her commitment to Shared Responsibility and provided an update to the BoG on the reactivated Working Group, which reports to the Standard Standing Committee. She also introduced IS as the new lead from the Secretariat and confirmed that a new Shared Responsibility Unit was being rapidly built within the Secretariat to enable a reduction in the reliance on Consultants who had facilitated this work to date.</p> <p>CBN stressed that Shared Responsibility must be included in the agenda for all BoG meetings and looks forward to receiving a progress report in these meetings.</p>	<p>BP</p>
<p>5.0</p> <p>5.1</p> <p>5.2</p> <p>5.3</p> <p>5.4</p> <p>5.5</p>	<p>Future Proofing the RSPO Assurance System</p> <p>NJ introduced the joint session between the ASC and Grievance Unit and outlined a Secretariat-led process to conduct a full evaluation of the strengths and weaknesses of the RSPO Assurance System under the oversight of the Assurance Standing Committee (ASC)</p> <p>BT presented a summary of the initial findings of a comprehensive literature review and gap analysis of all weaknesses identified in the past few years.</p> <p>DHB and LSC provided an overview from the work of the grievance unit and complaints panels.</p> <p>MC urged the Secretariat and ASC to verify if certification yielded positive social benefits to low income communities and pointed to a recent paper that indicated otherwise. He also sought clarity on whether the closure of a complaint means that a remedy has been implemented. Others pointed out that the study in question was conducted before the implementation of P&C2018 and showed marked differences for the outcomes in communities with more market access.</p> <p>DHB stressed that the current RSPO Complaints and Appeals Procedure does not require remediation and would necessitate an overhaul of the role of the complaints panels. LSC indicated that a legal firm had been appointed to review if changes should be made to the CAP. TS reminded the CP that authority for any reviews of the CAP and other matters relating to the grievance <i>process</i> would rest with the BoG.</p>	

<p>5.6</p> <p>5.7</p>	<p>Questions were raised about the integrity and credibility of the oversight of the Assurance System and grievance processes. This will be addressed as part of the ongoing review of the Assurance System. The CEO-designate and NJ were tasked to come back to the Board with recommendations on how to strengthen the credibility of the system, including the grievance procedures.</p> <p>Clarification of the CEO Designate’s Mandate The CEO Designate responded to concerns raised by CBN and DHB that her mandate was to strengthen the Secretariat and to ensure it was fit for purpose to serve the governance model and Committee structure as set out in the Statutes and managed by the Board of Governors.</p> <p>It was stressed that the independence of the complaints process was very important and that any future concerns and recommendations from the complaints panels concerning challenges to such independence should be routed directly to the Co-Chairs for consideration by the Board.</p>	
<p>6.0</p> <p>6.1</p>	<p>Proposed Dates of 2021 BoG Meetings</p> <p>The BoG has agreed to the meeting dates for the year 2021, as stated below.</p> <ol style="list-style-type: none"> 1) 25 Feb 2021 (Thursday) 2) 10 June 2021 (Thursday) 3) 27 September (Monday) 4) 22 Nov (Monday) 	
<p>7.0</p> <p>7.1</p> <p>7.2</p> <p>7.3</p> <p>7.4</p> <p>7.5</p>	<p>Any Other Business</p> <p>OT highlighted there is a need to attract more grower members especially in Malaysia where progress has stalled.</p> <p>OT raised concern about the vacant seat for smallholders on the Board. More effort must be made to address this matter and understand their barriers to inclusion.</p> <p>LKC urged the Board to include the tracking of certified sustainable palm kernel oil in the next meeting agenda.</p> <p>TS asked the BoG to recognise and appreciate the work done by the CEO Designate under difficult circumstances and emphasised that any matters relating to performance should be brought to the attention of Co-Chairs in the first instance.</p> <p>MC raised a concern about NPP which does not include a requirement to check on integrated conservation land use plans, social and environmental requirements. He requested the SSC to review this again with care.</p>	
<p>9.0</p>	<p>Meeting adjourned at 7.25pm (GMT +8).</p>	