

Minutes for RSPO BOARD OF GOVERNORS Meeting 04-21

Date: 18 October 2021 Start Time: 3.00pm-4.47pm (GMT +8) Venue: Conference Call

BOG MEMBERS AND ALTERNATES IN ATTENDANCE

SUBSTANTIVE MEMBERS

Anne Rosenbarger (AR), **WRI — Co Chair**
Tim Stephenson (TS), **AAK – Vice-Chair**
Paul Wolvekamp (PW), **BOTHENDS**
Agus Purnomo (AP), **GOLDEN AGRI RESOURCES**
Lee Kuan-Chun (LKC), **P&G**
Karen Yu (KY), **RABOBANK**
Julian Walker-Palin (JWP), **RPOG**
Martin Huxtable (MH), **UNILEVER**
Daphne Hameeteman (DH), **WILMAR**
Elizabeth Clarke (EC), **WWF International**
José Roberto Montenegro (JRM), **AGROCARIBE**

ALTERNATE MEMBERS

Lee Kuan Yee (LKY), **MPOA**
Caroline Westerik-Sikking (CWS), **AAK**
Madeleine Brasser (MB), **OXFAM**
Dr. Mohamad Fadhil Hasan (FH), **ASIAN AGRI**
Olivier Charrier (OC), **FERRERO**
Olivier Tichit (OT), **MUSIMMAS**
Harjinder Kler (HK), **HUTAN**
Yumie Kawashima (YK), **AEON**
Quentin Meunier (QM), **OLAM**
Sander Van den Ende (SVE), **SIPEF**
Nursanna Marpaung (NM), **HUKATAN**

ADVISORS

Prof Bungaran Saraigh (BS)
MR Chandran (MRC)

SECRETARIAT STAFF

Adam Harrison (AH)
Dr Gan Lian Tiong (GLT)
Patrick Chia (PC)
Inke Van Der Sluijs (IS)
Neil Judd (NJ)
Tiur Rumondang (TR)
Sarah Tan (ST)

Oi Soo Chin (OSC)

*Woo Hooi Jew (WHJ)

Guests

2 Owlingu interpreters (Irma & Mei)

*Phang Oy-Lin, EY (POL)

*Left after Finance presentation

ABSENT WITH APOLOGIES:

SUBSTANTIVE MEMBERS

Dato' Carl Bek-Nielsen (CBN), **MPOA – Co Chair**
Marcus Colchester (MC), **FPP**
Samantha Bramley (SB), **STD CHARTERED**
Kahori Miyake (KM), **AEON**

ALTERNATE MEMBERS

Martin Van Vaals (MVV), **RABOBANK**
Hugo Byrnes (HB), **AHOLD DELHAIZE**
Roger Charles (RC), **STD CHARTERED**
Claudine Musitelli (CM), **UNILEVER**
John Clendon (JC), **UNIVANICH**
Eleanor Spencer (ES), **ZSL**

Item	Description	Focal Point
1.0	<p>Introductions and Opening Remarks RSPO Antitrust Caution, Quorum and Conflict of Interest The Secretariat confirmed that quorum had been reached for the meeting. AR opened the meeting the Board was reminded of the need to follow the antitrust requirements, reminding members of the rules.</p> <p>Approval of Agenda - BOG 04-21 The agenda was duly approved with no amendment.</p>	
2.0	<p>To receive and approve the RSPO's audited financial statements for the year ended 30 June 2021</p> <p>Audit closing report for FY ended 30 June 2021 was presented by POL, EY. The 4 areas of audit emphasis was highlighted.</p> <p>Questions were raised on the draft financial statement and were answered by TS.</p> <p>The Audited Financial Statements for the year ended 30 June 2021 was approved and endorsed by BoG. Proposed by LKC and seconded by JRM.</p>	
3.0 3.1	<p>Resolutions submitted for approval at the 18th General Assembly (GA18). AR clarified GA18-6b is for Board resolutions for endorsement, 6c, 6d and 6e are resolutions submitted by members for Board overview and discussion.</p> <p>Resolution GA18-6b: Resolution to amend RSPO Code of Conducts for Members to include Shared Responsibility: For Board endorsement</p> <p>AH presented the resolution and a proposal to seek Board's endorsement to amend the CoC to incorporate the SR requirements, which is a result of the SRWG. This had been shared with both BoG Co-chairs who are in support of this Resolution.</p> <p>The Board deliberated over the resolutions which is generally supported that there is a need for a resolution to support SR but concerns were expressed. Not able to reach a consensus.</p> <ul style="list-style-type: none"> • Resolution has not been fully agreed by SRWG. SRWG members need to reach consensus before GA. • Annual uptake target adjustment, breaches of CoC and sanctions process to be clarified • The resolution does not have the full support of the Board in its current wording. The SRWG to revise the text taking into account the concerns of what had been raised. <p>Action:</p> <p>1. IS to circle back with urgency to SRWG to come up with revised text that the group can support including clarification of what is existing vs what is the actual element that is being proposed that is new on the resolution.</p>	Secretariat

	<p>Get back by end of week or Mon 25 Oct latest for BoG to consider via email.</p> <p>2. The Board to review till Wed 27 Oct to approve by email.</p> <p>3. BoG: if there is consensus in the SRWG, Board asked to consult with their constituent in the working group and if you have concerns, have the discussion this week. So we are ready to discuss over email next week.</p> <p>4. If not able to get consensus, a WIP resolution, to assign working on this by end of next year to show that we are working on something on the topic.</p>	<p>} } BoG } } Secretariat</p>									
<p>3.2</p>	<p>Resolutions for GA18</p> <table border="1"> <thead> <tr> <th data-bbox="300 539 459 584">Resolution</th> <th data-bbox="459 539 788 584">Title</th> <th data-bbox="788 539 1257 584">BoG Recommendation/ Support</th> </tr> </thead> <tbody> <tr> <td data-bbox="300 584 459 1368">GA18-6c</td> <td data-bbox="459 584 788 1368">Strengthening the Code of Conduct to clarify that it embraces all stages of the supply chain, in particular refineries.</td> <td data-bbox="788 584 1257 1368"> <p>Resolution is not clear. The concerns:</p> <ul style="list-style-type: none"> • Reference to refineries make it difficult for general membership to support. • Is resolution trying to close a loop hole? What is the best way to close the loop hole? • SRWG to further refine and make recommendations what are these parallel standards of P&C for non-grower members. To collaborate to work with GA18-6b resolution. If GA-6b is properly worded, 6c not needed. • Create a system behind it. A system for verification and compliance and how is it to be implemented. • What does it mean to breach CoC? <p>Proponents to decide whether they want to revise or table as is.</p> </td> </tr> <tr> <td data-bbox="300 1368 459 2067">GA18-6d</td> <td data-bbox="459 1368 788 2067">Enhancing the robustness of the RSPO Mass Balance supply chain model to accelerate uptake of certified sustainable palm oil.</td> <td data-bbox="788 1368 1257 2067"> <p>The BoG did not reach a consensus on this resolution.</p> <p>Board agreed MB SC need to be explained & communicated to address confusion/ potential confusion of MB at mill and MB downstream and on element of communication strategy on MB. How it works and to understand in the P&C for people buying MB and address lack of trust in MB.</p> <p>Proponents to better explain key issue in implementing 2.3: How is 2.3 implemented and how is it certified and intent clarification. What are the key improvement points and in what context this can be implemented?</p> <p>Resolution is about assurance, integrity of MB, concerns on deforestation entering MB. To seek a</p> </td> </tr> </tbody> </table>	Resolution	Title	BoG Recommendation/ Support	GA18-6c	Strengthening the Code of Conduct to clarify that it embraces all stages of the supply chain, in particular refineries.	<p>Resolution is not clear. The concerns:</p> <ul style="list-style-type: none"> • Reference to refineries make it difficult for general membership to support. • Is resolution trying to close a loop hole? What is the best way to close the loop hole? • SRWG to further refine and make recommendations what are these parallel standards of P&C for non-grower members. To collaborate to work with GA18-6b resolution. If GA-6b is properly worded, 6c not needed. • Create a system behind it. A system for verification and compliance and how is it to be implemented. • What does it mean to breach CoC? <p>Proponents to decide whether they want to revise or table as is.</p>	GA18-6d	Enhancing the robustness of the RSPO Mass Balance supply chain model to accelerate uptake of certified sustainable palm oil.	<p>The BoG did not reach a consensus on this resolution.</p> <p>Board agreed MB SC need to be explained & communicated to address confusion/ potential confusion of MB at mill and MB downstream and on element of communication strategy on MB. How it works and to understand in the P&C for people buying MB and address lack of trust in MB.</p> <p>Proponents to better explain key issue in implementing 2.3: How is 2.3 implemented and how is it certified and intent clarification. What are the key improvement points and in what context this can be implemented?</p> <p>Resolution is about assurance, integrity of MB, concerns on deforestation entering MB. To seek a</p>	
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3.4			<p>way to ensure that we can strengthen communication perspective on advantages of MB. Resolution is looking for feasibility study that looks at model like efficacy control that will help inform the strengthening of MB. The Supply chain Traceability group can help with this.</p>	
	GA18-6e	<p>Resolution to review and amendment of the remediation and compensation procedure (RaCP) process as applied to scheme smallholders</p>	<p>Proponents to decide whether to table it for GA.</p> <p>Not supporting the direction but discussion needed to clarify the different standards and implementation of new standards in the P&C and RaCP review in 2022.</p> <p>Regardless if resolution is passed, if it is a relevant Board can request Secretariat to follow-up to analyse the scale of the problem, understanding the relationship between scheme SH and companies and a mechanism – who makes the decision to clear land and has the liability, we are looking to look into this.</p> <p>Emphasize this should not be swept under the rug. This is partially a result of the binary definition of SH that RSPO has that has created a lack of clarity. It needs to be addressed and not delayed as it relates to systemic problems and legal obligation of SH in Indonesia.</p>	
4.0	<p>Any Other Business</p> <ul style="list-style-type: none"> • The new Director for HR has started with RSPO. • MDSC update on CSPKO solution in 27 Sep BoG Meet. Since then, drafted ToR for Oleo TF and former members invited to join the TF and a number have expressed interest. An update to be provided in next BoG Meeting. <p>Action:</p> <p>MDSC to update on CSPKO solution in next BoG Meeting</p>		MDSC	
5.0	<p>The Meeting adjourned at 4.47pm (GMT +8).</p> <p>On behalf of the BoG, AR thanked the Secretariat for all their work in preparing for the meeting. Reminding BoG to check their email on follow-up of Board resolution and necessary decision.</p>			