



---

Roundtable on Sustainable Palm Oil

## Approved Minutes

### Roundtable on Sustainable Palm Oil 9<sup>th</sup> General Assembly (GA9)

**Date:** 1<sup>st</sup> November 2012  
**Venue:** Resort World Sentosa, Singapore  
**Start time:** 2.00 pm (Singapore)  
**Chair:** Jan-Kees Vis, President of RSPO  
**Attendance:** 205 Ordinary Members

RSPO Secretariat  
Affiliate members and observers

- Agenda:**
1. Members' roll call
  2. Opening address and report by the RSPO President, Mr. Jan-Kees Vis
  3. To confirm minutes of the last General Assembly held on 24 November 2011
  4. To receive and adopt the Report and Audited Accounts 30th June 2012 of the RSPO Treasurer
  5. To discuss and adopt resolutions:
    - Resolution 6a – To confirm the appointment of PricewaterhouseCoopers as the auditors of the RSPO for the financial year ended 30 June 2013
    - Resolution 6b – Proposed amendments to Article 6.1 of the RSPO By-Laws and Article 9 of the RSPO Statutes regarding the composition of the Executive Board
    - Resolution 6c – Proposal for RSPO to prioritize concrete steps to address the current low demand for CSPO and to accelerate uptake to ensure continued credibility and sustainability of the RSPO
    - Resolution 6d – The application of and reporting against relevant Principles and Criteria across all member sectors
  6. To elect Executive Board members for the following categories:
    - a) Oil palm growers (Rest of the World and Smallholders) – 1 seat
    - b) Palm oil processors and Traders – 1 seat
    - c) Consumer Goods Manufacturers – 1 seat
    - d) Retailers – 1 seat
    - e) Banks and Investors – 1 seat
    - f) Environmental and Conservation NGOs – 1 seat
    - g) Social NGOs – 1 seat
  7. Any other business

## 1. Members' roll call

The 9<sup>th</sup> Annual General Assembly of RSPO members was called to order at 2.00 pm on 1 November 2012 in Resort World Sentosa, Singapore, by The President of RSPO Mr. Jan Kees Vis presided over the meeting after the minimum requirement of 50% quorum of Ordinary Member attendance was reached.

## 2. Opening address and Report by the RSPO President

Jan Kees Vis gave an overview of progress and challenges in the past year:

### Membership

- We continue to see growth in our membership and we have breached the 1,000 member threshold. We have 754 ordinary members, 105 affiliate members and 191 supply chain associates.
- The largest growth in membership has taken place in the manufacturing constituency with 96 new members and in the processors and traders with 72 new members. We have also seen an additional 26 growers who have joined RSPO, 11 retailers, and one each in the bank, environmental and social NGO constituency.
- We continue to have an issue with payment of membership fees. The secretariat has implemented a standard operating procedure to chase members who are in arrears. Membership to the RSPO will not be granted until payment of the first membership fee.

### Composition of the RSPO Executive Board

The Executive Board will remain unchanged, with the exception of:

- Half of the seats on the Executive Board seats are up for re-election.
- CIAT will retire as a representative for rest of the world and there are two candidates contesting for the seat.
- We received information after we had sent out the agenda that Sawit Watch will not be seeking a seat on the Executive Board. That seat will remain vacant until that constituency receives an agreement on their representative alongside Oxfam in the Executive Board.

### Standing Committees

#### Certification and Standards Trading

- We have certified 175 mills belonging to 37 growers. In total that represents a production capacity of close to 7.7 million tonnes of CPO and a total area of 1.5 million hectares.
- There was a number of national interpretations that were approved. We have simplified the procedure for creating national interpretations. They can simply start from the generic P&C and develop a national register or legislation which then can be used as a standard for audits.
- The first review of the P&C review is under way five years after its launch. There are 30 days left on the second round of public consultation so please make use of the opportunity.
- The Palm GHG calculator has been launched. Growers can now use it to calculate the carbon footprint of the palm oil they produce.
- Market uptake lags behind production at just over 50% as more consumer goods companies come close to their 2015 commitment. We would expect the uptake will continue to increase a bit.

## Trade and Traceability Committee

- We continue to see growth in supply chain certification with 214 companies now certified.
- In total 547 facilities have certified to receive and move mass balance segregated oil.
- We launched E-trace. A new contract with UTZ has been negotiated for members who deal in mass balance and segregated.
- The first national commitment was made in the Netherland two years ago. Belgium then followed and there are ongoing discussions in Germany, UK, France and Italy and in Switzerland. Through our communications partner, Hill+Knowlton, we try to support to all the discussions taking place in different countries.

## Communications and Claims

- Market information is now available on RSPO.org/RSPO.eu. RSPO.eu will be taken down shortly as the RSPO website has been revamped with a bit more information.
- A global communications strategy was launched targeting specific markets. In Europe we try to support the market transformation, give advice and support to members who call the RSPO helpdesk, which is manned by Hill+Knowlton.
- In India and China we have completed the stakeholder mapping and we are now beginning to build relationships with the important stakeholders, both on industry and on the government side.
- Last year we handed out 34 trade mark licences. In total 72 trade mark licences have been issued. Samples of products can be seen in the RSPO's booth.

## Challenges and future actions

- Increasing the market share of CSPO is still a challenge and we will work very hard try to convince other companies to participate more in the CSPO market.
- The P&C Review has been extended and we hope it can be finalised by March 2013.
- We will gradually begin to work with the secretariat on changing the status of the Executive Board into that of a Non-Executive Board and transfer executive powers to the management team in the secretariat.
- We will continue to invest in smallholder organisations. We created the smallholders fund to support initiatives for smallholder certification. We are in the process of setting up governance, guidelines and procedures on how much of RSPO's income goes into the fund and how the fund is used. In the future, we will be investing along the same line in a dispute settlement facility.

## 3. Confirmation of Minutes of the last General Assembly held on 8 March 2012

The Chair requested the General Assembly to confirm minutes page by page and to raise their hands if they had any comments. There were no comments or objections to the minutes.

Confirmation of GA8 Minutes	Approved
-----------------------------	----------

## 4. Report and Audited Account of RSPO Treasurer

Tim Stephenson (AAK, Treasurer) summarised the Treasurer's report:

### Organisational structure development

- Tim refreshed members on the organisational structure. The RSPO itself is registered in Switzerland as a not for profit members association. RSPO Secretariat Sdn Bhd is the registered organisation of the RSPO in Malaysia and employs all the RSPO secretariat staffs and carries out administrative function.

- During 2011/12 as advised in the 8<sup>th</sup> General Assembly, the shareholding structure in this company has been simplified. Rather than shares being held by individuals on trust for the RSPO, The RSPO itself is now 99% shareholder in the RSPO Secretariat Sdn Bhd and only 1% held on trust.
- The RSPO Indonesian liaison office (RILO) performs the same functions in Indonesia. It will be registered as a regional representative office having now gained approval for this registration from the Indonesian authorities.
- The Finance Standing Committee still has a job of overseeing the finance, administration and compliance functions of the RSPO. It comprises the Treasurer, an Executive Board (Geraldine Lim of Rabobank), Secretary General (Darrel Webber), the Finance and Administrative Director (Chong Wei Kwang). Tim thanked the contributions of Jeremy Goon, Edi Suhardi and Paul Norton, who were also members of the committee during the year.
- The finance standing committee has unchanged terms of reference agreed by the Executive Board. It comprise principally of oversight of financial information, financial controls, financial planning and compliance. We continue to strive for transparency in financial reporting complying with local laws and continuous improvement.
- The Executive Board members of the finance standing committee delegate the day to day responsibility to the Secretary General and the Finance Director. The committee tries to meet at least four times a year.

## **Audited accounts for the year ending 30<sup>th</sup> June 2011**

- The consolidated results of the RSPO, RSPO Secretariat Sdn Bhd, RILO were presented.
- PricewaterhouseCoopers pointed out a few small audit adjustments to the management accounts.
- The surplus for the year before tax was RM5.2 million, a significant increase compared with the previous year and much higher than budgeted.
- Income was up significantly on the previous year and also higher than budgeted with more members. RSPO subscription remains unchanged at €2000. We also have had a much higher income from CSPO trade, certificate trading, mass balance and the segregated supply chain.
- Operating cost was RM6.9 million which was slightly more than budgeted. There were more and higher paid employees in the secretariat for the full year.
- Communication costs were higher mainly being fees paid to Hill+Knowlton. Exceptional recruitment and consultancy cost from previous years were not repeated.
- Project expenses amounted to RM3.4 million. The shortfall against budgeted project costs is mainly due to underspend in the communications budget. The biggest costs was the GHG Working Group at RM600,000. Palm oil producer support initiative was approximately RM800,000.
- Assets and liabilities as at 30<sup>th</sup> of June 2012 rose to RM10.8 million during the year due to the higher surplus. Fixed assets are relatively small and comprise mainly office and IT equipment. Subscriptions outstanding of RM2.3 million have increased and is about five months' worth of income compared to four months last year.
- We continue to push to recover overdue membership fees. New applicants will not be members until their dues are paid. The secretariat has a numbers of good ideas for reducing overdue fees and will be implemented after this meeting including more stringent follow up policies.
- Deferred income comprises subscription relating to the period after 30<sup>th</sup> of June and this is about the expected level given the level of subscription income.
- Other accruals mainly relates to projects.
- Our cash asset have risen to a healthy RM10.4 million.
- The Executive Board has created a smallholder fund to assist smallholder certification. This comprises 10% of income from trade in CSPO plus 50% of any remaining surplus. The larger surplus this year

means this fund has started with a value of RM2.9 million. Further discussions are taking place regarding an appropriate mechanism for governance and control.

- During the March 2012 GA, several questions were brought to the floor and the first one was the terminology used on income from CSPO Donation. We have made changed the terminology to “Contributions from sustainable palm oil trade”.
- Secondly, there was a request for a note to the accounts for direct taxation liability which is now included in Note 19.
- There was a query on the tax treatment of the RSPO. Just to confirm that the accounts reflect the RSPO liability for taxation in Malaysia for all income not deriving from ordinary members less associated costs. This is a relatively small amount annually but the liability has built up over several years since the RSPO’s Malaysian Tax status was clarified. The charge relating to 2011/12 was RM70,000 compared with the surplus before tax of RM5.2 million, giving an effective tax rate of less than 2%. The tax exempt status in Malaysia for the RSPO as a not for profit organisation continues to be investigated.
- The next step is to improve the quality of service and capability. We continue to focus on outstanding fees. We will implement a new financial system and improve project management to keep expenditure in check. We also have intentions of carrying out an internal audit control.

## Budget 2012/2013

- The budget includes a significant rise in income from increased membership and income from trade in CSPO.
- The operational cost is budgeted to increase further to strengthen the secretariat and fill gaps in the organisation. Project costs are budgeted to increase to RM8.1 million comprising a number of different projects. All projects are linked to the five strands of the RSPO mission and listed in line with the secretariat organisational structure. A number of these items listed comprise different projects that are planned.
- The budgeted surplus before tax is RM0.8 million. This is significantly less than what was achieved last year.
- The RSPO remains financially strong. It still has a strong and growing income allowing it to fund increasing capabilities in the secretariat and a wide range of projects.

The Chair asked if there were any further questions or comments from the floor. As there were no questions, he asked if there were any objections to the audited accounts. As there were no objections, the report was approved.

The adoption of the treasurer’s report and audited accounts	Approved	
	For	204
	Against	0
	Abstain	1

## 5. Resolutions

There were four resolutions to be voted on in the GA. Voting for resolution A would be done by a show of hands. The Chair explained that ballots paper will be used for resolutions B, C, D. The voting results and discussion is as follows:

### Resolution 6a – Appointment of auditors

As there were no comments from the floor, the resolution was put to a vote without discussions

<b>6a: To confirm the appointment of PricewaterhouseCoopers as the auditors of the RSPO for the financial year ending 30 June 2013.</b>	<b>Adopted</b>	
	For	204
	Against	0
	Abstain	1

**Resolution 6B – Proposed amendments to the Article 6.1 of the RSPO by-laws and Article 9 of the RSPO statutes regarding the composition of Executive Boards.**

The resolution was submitted by Malaysian Palm Oil Association and Indonesian Growers including the co-signatory of Musim Mas, Agro Indomas, Bakrie Sumatera Plantations, Bumitama and Mina Mas (Sime Darby Group). The resolution was read out by Khairuddin Hashim. The Chair then opened the floor for questions.

**Adrian Suharto** (Neste Oil) - I think it is quite noble to increase the smallholders but there is a lot of smallholders association in Indonesia and Malaysia. How would you select the appropriate smallholders association or can anybody actually join?

**Khairuddin Hashim** (Sime Darby) - As in other categories, they stand for election and the group will select whoever they want to elect. There shouldn't be any difference in procedures for smallholders in Malaysia or Indonesia.

**Floor Member** - I think I am in support of the resolution. Growers have put a lot of effort over the past 10 years to produce 7.6 million tonnes of CSPO and yet the uptake is less than that. So by having some change in the Executive Board and more representation from the growers, than there would be more efforts taken downstream. I feel that the responsibility is too much on the growers.

**Marcel Silvius** (Wetlands International & GEC) - It is admirable to give a voice to the smallholders however I think we are here in a multi-stakeholder platform and there needs to be balance. The constituencies are all represented by two representatives on the Executive Board. It is very important in a multi-stakeholder platform that such a balance remain. What I see coming from this proposal is one that will take away that balance and therefore I am not in favour of this resolution.

**Dr. Jan Kees Vis** - The current composition is that every constituency has two seats, except for the growers who have four. There is a Malaysian grower's seat, an Indonesian grower's seat, a rest of the world grower's seat and a smallholder's seat. The four grower seats balance the four NGO seats. The other supply chain members of the traders, manufacturers, retailers and banks each have two seats.

I think that the Executive Board and the secretariat recognise the need to invest more in the smallholders programme. We have taken a number of steps to actually do that. If I'm correct, I don't think any smallholders association has become a member of RSPO. So I wonder how we are going to fill that now that we are creating two additional seats for smallholders.

**Tim Stephenson** - I notice that the proposers of this resolution does not include growers from the rest of the world. I wonder how growers from the rest of the world feel about this. Do they need or want more seats on the Executive Board?

**Floor Member** - Yes, we as the rest of the world were quite surprised to see that other people have made a proposal without consulting us. We in the rest of the world have already discussed at the Executive Board

that we have one seat because we think that the situation as it is now is well balanced with four grower seats in the 16 member Executive Board. We made a proposal two Executive Board meetings ago that we will have three alternates because we are covering a big area of the world.

**Floor Member** - With due respect, we did contact the rest of the world. We think that the RSPO today is different from the RSPO when it started. When we started there was balance representation because we all signed up to equal responsibility of sharing of the burden. Today it seems like most of the burden is on the growers and we feel that we should have a better representation in the Executive Board.

As to the question of representation by the smallholders, I think we will cross the bridge when we come to it. There will be people who are able to represent the smallholders. As explained in the resolution, the growth areas in oil palm cultivation in the world today is in Africa, Latin America, and Thailand which is currently the third largest producer. Over 80% of the Thai growers are smallholders and they are also starting to get certified.

When we started the RSPO way back in the year 2003/2004 the growers were about 40%. Today growers are 15 – 20%. So I think responsibility comes with representation. If the other sectors want to have the equal representation they also need to have equal responsibility in what we signed up to in the first place. That is the production, procurement and the use of CSPO.

**Yohannes** (Bakrie) - Just before I left Indonesia to attend this conference I talked with a well-known Indonesian association for smallholders. They are willing to support this. We have spent so much time talking about smallholders in the RSPO but representation from the smallholders is neglected. We should not underestimate the participation of the smallholders in the Executive Board.

**M. R. Chandran** (Platinum Nanochem) - I have to support this resolution. If you saw Edi Suhardi presentation of the future of the Indonesian palm oil industry, nearly 50% of the area is going to be under smallholders by 2025. In fact the figure he showed was 7 million hectares under smallholders alone. Just for the record, when we started the process of deciding on how the Executive Board should be constituted, we looked at different models from the various other roundtables and we said we needed to have a balance. That is why we decided on four members representing the growers and four members representing the NGO. This is unlike the FSC model where 2/3 are social and environmental NGO's and only 1/3 for the economic group.

I think the question that was raised earlier is valid. If you are increasing the board constituency then you need to have a balance between growers. I think the success of the RSPO all this while has been because this balance has been maintained between growers and the NGO seats. So it is unfortunate that all growers have been lump into one resolution because if the seat for the smallholders were separate I think many people would have considered it favourably.

**Hidde Van Kersen** (IOI Group) - I would like to reflect on two remarks that I hear in the discussions so far. One is on the uptake of CSPO in the market. After four to five years, the uptake is 55% to 58%. If you compare with other commodity certification schemes which have been around much longer than the RSPO, they are around 15-20%. I think this is a colossal success and should not be misinterpreted as a disappointingly low figure.

The other comment I would like to reflect and stress upon is the importance of balance in the Executive Board. I think we would never have survived 10 years without the balance. We should not let this be the moment that we remove that balance.

**Joko Arif** (Carrefour) - I support the comment from Mr. Chandran on the true intention of increasing the smallholders bargaining power in the Executive Board because I think it would be the business model for the RSPO in the future of involving more and more smallholders, especially independent smallholders.

However, we also must see the production side. Currently, almost 90% production comes from Malaysia and Indonesia. I think representative of these growers are already members on the Executive Board. So in that context I think it is still fair.

**Chew Jit Seng** (Genting Plantations) - I think the discussion was on balance but we also have the principle of consensus. So the question of balance is not that important anymore because as long as you have a representation in the Executive Board from the NGO's or another sectors, there is always this requirement for consensus building or by raising sustained objection. This resolution is about representation and not about creating imbalance. The growers are from all over the world and the issues faced in their respective countries differ.

**Dr. Simon Lord** (New Britain Palm Oil) – Clarification point to the Executive Board. I thought it was decided that there was an alternate seat for smallholders and that we approved a resolution to increase the number of seats at the Executive Board for smallholders to two. Could you confirm or clarify please?

**Dr. Jan Kees Vis** - There have been discussions in the Executive Board about adding a smallholder seat to the Executive Board at the strategic retreat in Port Dickson but that was part of the bigger deal which fell through when GAPKI left the RSPO. So this was never approved through a resolution in the General Assembly.

The discussion is not about the number of seats in the Executive Board. The discussion is about whether the rest of the supply chain carries the same commitment as the growers. There are two other resolutions that try to address this point.

The point on balance by Chew is important because it is about airtime. It is about the number of voices in the room even if we try to reach a decision by consensus. I find it honestly odd that this resolution which is to increase the number of seats for growers of the rest of the world to four does not come from growers of the rests of the world.

**Simon Siburat** (PPB Oil Palms Berhad) – I support Chew Jit Seng. Say for example today in our current Executive Board set up, we are discussing a problem in Thailand. I wonder who on that table can actually give a good understanding on what's happening in Thailand. So that is why to me it is important to have a representation of at least a country which is the third largest producer in the world.

The Chair called for the resolution to be voted on.

<b>6b - Proposed amendments to Article 6.1 of the RSPO By-Laws and Article 9 of the RSPO Statutes regarding the composition of the Executive Board.</b>	<b>Rejected</b>	
	For	77
	Against	127
	Abstain	1



**Resolution 6c – Proposal for RSPO to prioritize concrete steps to address the current low demand for CSPO and to accelerate uptake to ensure continued credibility and sustainability of the RSPO.**

The proposal was submitted by MPOA, NBPOL, INA Growers' caucus as co-signatory representing INA Growers including Musim Mas, Agro Indomas, Bakrie Sumatera Plantations, Bumitama and Mina Mas (Sime Darby Group).

**Frans Claassen (MVO)** - My question to the Executive Board is do we need this resolution to take the necessary steps to do so?

**Dr. Jan Kees Vis** - According to the member who submitted the resolution, we do.

**Olivier Tichit** (PT Tolan Tiga) - Maybe not a question but I think from the grower's side, we believe that the Board is making great effort. This resolution is also a message to the others stakeholders that the growers believe there is a problem with demand and we would like to see more efforts not only from the Executive Board, but from other stakeholders to increase uptake of sustainable palm oil.

**Marcel Silvius** – In my view, one of the reasons why there is a slow uptake of the current CSPO is because there are still certain flaws in the credibility of the current CSPO. In particular in regards to issues of HCV and GHG emission. These are now being addressed through the revision of the new P&C which takes significant positive steps to address these issues.

I think we can interpret this as one of the aspect of the Executive Board's work which is to take the P&C review forward and perhaps is part of the implementation of this resolution.

In the past Wetland International would not have supported any resolution to promote the uptake of CSPO because it was not sustainable or it did not guarantee sustainability by lack of proper criteria in relation to GHG emission. In this case I am willing to support this resolution in view of the process of the revision of the new P&C and I encourage the Executive Board to put a lot of effort in assuring that the revision as it is at the moment will be adopted in March 2013.

**Adam Harrison** - We tabled a resolution at the last GA which was very similar to this one. I feel obliged to report on the progress that has been made on the resolution that we passed last year which was to remind all the ordinary members of the RSPO to submit an annual report. In addition, those functioning within the supply chain have to set themselves a time bound targets for reaching 100% CSPO.

We have moved from 61% of the membership reporting to 72% this year. So that it is an improvement but not yet 100%. We now have time bound targets for 54% of growers. Only about a third of the processors and trader members have time bound targets, 60% of the manufacturers and three quarters of the retailers. Unfortunately none of the banks have set themselves time bound targets so there is a lot of progress to be made there.

In terms of producing CSPO, only a third of the growers are producing it. So 2/3 of the growers are not taking action on their time bound plan if they have them. Only 15% of the processors and the traders are using CSPO, a third of the manufacturers are using it, almost three quarters of the retailers. There is progress but it is nowhere near complete so I have a lot of sympathy for this resolution. It is very similar to a resolution which was passed and we should see this as a signal that we need to re-double our efforts.

Going back to the point Hidde made, I don't think the problem is that only half of the CSPO has been bought. I think that is a success but actually the real problem is that it is only half of us are taking action. That is the real problem.

**Floor Member** - I think the figures is very misleading.

**Dr. Jan Kees Vis** - Which figure are you referring to, to this?

**Floor Member** - The uptake figures. They are actually two distinct products combined into one, fully segregated and mass balance. I strongly believe that the uptake of fully segregated is much higher and mass balance is lower. So it should not be combined. It should be separated then you can have a picture of the real situation.

**Dr. Jan Kees Vis** - I agree with you. With the UTZ platform for some reason it does not distinguish between the mass balance deal and the fully segregated. I am not sure whether the e-trace system has addressed this.

**Chew Jit Seng** - I think we have to be very careful about correlating the RSPO's P&C to CSPO uptake because by extension can we say that the other standards and roundtables have low uptake because their standard is not up to the mark? So we have to be really careful about that and also to give the actual figures, the certificates that have been sold, mass balance. Then the real picture will come up very clearly.

**Khairuddin Hashim** - To produce CSPO, it takes a lot of effort by the growers. Not only in term of commitment but also in terms of cost. So it would be very nice to see this mismatch between uptake and production so that we can incentivise the growers to go for CSPO. The other thing is, this is the only way stakeholders along the value chain can encourage the growers to strive for RSPO. Otherwise the mission of the RSPO to achieve CSPO as a norm would not be reached.

**Dr. Simon Lord** - We support this resolution as New Britain Palm Oil. Why wouldn't you support it? It is actually a plea from growers to please do something about this and take some concrete steps. We are actually hearing from two NGOs supporting it. We are not dictating and it is not prescriptive. It is actually requesting. If there was a similar resolution passed last year, then again it is from two different sectors saying we need to take some action. So my question to all of you that are about to vote is why wouldn't you support it? Is there really a negative side to this?

The Chair called for a vote on the resolution.

<b>Resolution 6c – Proposal for RSPO to prioritize concrete steps to address the current low demand for CSPO and to accelerate uptake to ensure continued credibility and sustainability of the RSPO.</b>	<b>Adopted</b>	
	For	158
	Against	42
	Spoilt	2
	Abstain	3

**Resolution 6d – The application of and reporting against relevant Principles and Criteria across all member sectors.**

The resolution was submitted by Agropalma, Carrefour, GEC, NBPOL, Olam International Limited, Oxfam, Platinum Nanochem Sdn Bhd, Sawit Watch, Shell, Solidaridad, Zoological Society of London. The Chair invited Sandra Seeboldt to read the resolution.

**Alexandra Booth (Olam International Ltd)** - We recognise that the P&C task force review is still ongoing and there are potentially some good criteria that can come out of it if it is approved. We are leaving this slightly open ended so that the Executive Board can identify those criteria that are relevant to member categories.

**Dr. Jan Kees Vis** - Thanks for the introduction, before we open it for discussion let us remind ourselves that the P&C is about the production of palm oil and the Executive Board does not interfere in the P&C review process. That has been agreed with the P&C review steering task force. So whatever comes out of the P&C review process is then adopted by the General Assembly. This proposal as I understand it is also about how other constituencies report against generic principles of ethical business behaviour. Is that correct?

**Sandra Seeboldt** - Yes.

**Dr. Jan Kees Vis** - Which in my view would then probably either lands in the requirement of the annual communication progress or as an annex to the Code of Conduct. You can't land a requirement for a social NGO in the P&C. A requirement to report on certain generic principles on ethical behaviour, ethical business conduct for a retailer cannot land in the P&C for palm oil production. So it will have to land either in a requirement in the annual communication of progress or as an annex to the Code of Conduct. Do you agree?

**Sandra Seeboldt** - Yes exactly. We are basically asking the RSPO to adopt the Code of Conduct and to make all members report on it in their annual communication of progress. It is already in the Code of Conduct but we are basically asking the RSPO to adjust the Code of Conduct and make it more specific as to what article 3.2 means.

**Chew Jit Seng** - Just a point of clarification. The resolution is submitted by Agro Palma and other companies. I read that Platinum Nanochem Sdn Bhd is there and I think we are familiar with Platinum Energy but not Platinum Nanochem. I understand from the RSPO secretariat that there has been a change in the name but I am not sure if this is reflected in the RSPO website and in the membership list.

**M.R. Chandran** - The secretariat has been informed of the name change but unfortunately I realised only two days ago that it has not been changed on the website. It is in their record.

**Dr. Simon Lord** - This resolution came out of the P&C task force. It was a resolution that was supported by nod of heads by every member of that task force. It came out of a spirit which for me personally I saw in the old spirit of the P&C process. I can't say again why we are arguing about little bits and pieces of it. The spirit of it I think it is very clear and because it was a combined approach by all of the task force members. It is then again a request to actually push forward the P&C in our Code of Conduct and reinforce what we said before.

**Floor Members** - I am member of that task force as well and I am surprised about the link with the task force because there is only one comment on ethics on the present draft which is on the internet. There is another comment in the same draft which consider it to be a part of supply chain certification process. My suggestion would be if you want to link it to the present consultation process, then wait until we finish in March.

I am not against what you are saying here but do you want to really leave it that open ended as saying “we suggest that Executive Board consider”?

**Sandra Seeboldt** - At the moment nobody knows how the P&C review will end. We have a consultation document and we hope of course that at the end of January we will have a consensus document. So this resolution leaves us open ended at the moment. At the same time it is not rocket science. There will be things like general ethical business practices which most of us in this room would be supportive of.

There will be a discussion on which principle exactly will then be in the Code of Conduct. Therefore in the reporting requirement it is a discussion we don't need to have now. We can do that in the later stage once the Executive Board come with the suggestion as to which criteria we should take into account.

**John Buchanan (Conservation International)** - We support this in principle. It generated a lot of discussion I think based on the concern about do we know what this would really entail to implement. Just for clarification, what I think I heard earlier is what we are really talking about is a modification of the annual reporting. Is that correct?

**Sandra Seeboldt** - Yes.

**Christoph Tamandl (Nestle)** - I would also like to ask for clarification from the signatory what exactly would be the implication of this resolution for the manufacturing constituency in addition to the annual communication on progress, the time bound action plan to achieve 100% CSPO etc.?

**Alexandra Booth** - This is simply about demonstrating your commitment to the relevant criteria through your annual communication on progress and setting a time bound plan for implementing this criteria. By no means are we suggesting that this should be included in the supply chain audit. It is not appropriate to be included in the supply chain audit because that is about traceability.

**Sandra Seeboldt** - It does ask you to go one step further as a supply chain member. It will require more information and to give more insight into your key operations. So it is not only your commitments but what are you changing in your key operations to get to this commitment.

And actually that is what we are asking from the growers. So it is not something new it is something that many people in this room have to do as part of their P&C, so it seem only an equal balance to ask that also from other member constituencies.

**Olivier Tichit (SIPEF)** - What you are saying basically is that the growers produce CSPO and have to comply with a wide range of principle and criteria and this is demonstrated by the certification process. What you are saying is that once this goes to the other stakeholders in the supply chain how these stakeholders are demonstrating they are also being sustainable. Is that correct?

**Sandra Seeboldt** - I think that is very well put.

**Surina Ismail (Emery Oleochemical)** - We are in the oleochemical chain. The oils that we used are from CSPKO. Currently what is reported, is about the uptake of CSPKO and what is available. For us the time bound plan to take up CSPKO is going to be very difficult because it is not going to be available.

So what kind of time bound plan are you looking at in terms of the oleochemical chain? We do not support green palm because it is not a physical transaction or physical movement of the palm oil and palm kernel oil. We do support mass balance but if it is not available and it is difficult for us to have a specific time bound.

**Sandra Seeboldt** - We are not setting the time bound plan. The time bound plans are currently set by each company and the only thing we are asking you is to be more specific on how you are going to meet your commitments.

It is also not something that will be audited. It is something that will be in the annual communication of progress. So we are basically asking for more clarity on how supply chain members are achieving their commitments and more openness in that process.

**Dr. Jan Kees Vis** - If you remembered what Adam just told us about the annual communication of progress analysis that has been done so far, the biggest weakness in there is that so many members do not report. If you want to look at the transformation in the market for CSPO and your conclusion is it will take another 25 years, then put in 25 years.

We fully take your point. You depend on what is being offered to you in terms of feed stock and then you depend on what customers' demand of you. So it is very difficult to make your own commitment of 5 to 10 years. I fully take your point and everybody in the RSPO understands that.

To the question from my colleague from Nestle, Cherie Tan and I looked at this resolution for Unilever and we believe that the combination with our Code of Business Principles, our supply code and our sustainability report, we cover 99% of what is being asked and have been doing it for the last 10 years. If you said it is not necessary for a new commitment, you may not find exactly those wordings within your current policy but if you put all your current policies together, I think you would be very close.

**Simon Siburat** - Reading between the lines from what Olivier is trying to say and what Sandra just confirmed, what this resolution is trying to do is to get other constituencies to adopt the kind of challenges that the growers are going through. But if that is the case, then I would say that this is a half cooked resolution because growers are audited by certification bodies. What is being proposed is just a self-declaration by individual companies. It is two different things.

If you put in all these extra requirements, even as it is today, based on the statistic that was presented by Anne Gabriel two days ago, only about 70% of members are submitting their communication of progress. Will this extra requirement of reporting make it more complicated? I am not sure if this is a positive way forward.

The Chair called for a vote on the resolution.

<b>Resolution 6d – The application of and reporting against relevant Principles and Criteria across all member sectors</b>	<b>Adopted</b>	
	For	101
	Against	100
	Abstain	1
	Spoilt	3

## 6. Election of Executive Board

There were six seats to be elected with results as follow:

<b>Constituent</b>	<b>Elected</b>	
<b>Rest of the World Growers</b>	New Britain Palm Oil	
SIAT Group is retiring and not available for re-election. There are two candidates for the seat, New Britain Palm Oil and Olam International.	NBPOL Olam	10 2
<b>Processors and Traders</b>	AarhusKarlshamn AB	
AarhusKarlshamn AB is retiring and is available for re-election. There is no counter candidate so is appointed to the Executive Board.		
<b>Consumer Group Manufacturers</b>	Kraftfoods	
Kraftfoods is retiring and is available for re-election. There is no counter candidate so is appointed to the Executive Board.		
<b>Retailers</b>	The Retailers Palm Oil Group	
The Retailers Palm Oil Group is retiring and is available for re-election. There is no counter candidate so is appointed to the Executive Board.		
<b>Banks and Investors</b>	Rabobank	
Rabobank is retiring and is available for re-election. There is no counter candidate so is appointed to the Executive Board.		
<b>Environmental NGOs</b>	WWF International	
WWF International is retiring and is available for re-election. There is no counter candidate so is appointed to the Executive Board.		
<b>Social NGOs</b>		
Sawit Watch is retiring and is not available for re-election. The information reached the secretariat after notification of the General Assembly was sent out. The Social NGOs constituency will decide amongst themselves who will represent them until the next General Assembly.		

## 8. Any Other Business

Jan-Kees Vis asked if anyone had a question or any other business.

**Simon Siburat** – I think there is a typing error on page 35 of the minutes. Conservation International received five votes and Borneo Rhino Alliance received 12 votes but then Conservation International was congratulated by the Chair?

**Dr. Jan Kees Vis** - Yes you are correct. We spotted it as well after we have confirmed the minutes. You will find another one on page 31 where it reference the Ecological Society of London which should have been the Zoological Society of London.

**M.R. Chandran** - Just to seek clarification from the Secretariat, whether they have received any proxy votes by post on the resolutions? If that is the case then that should be taken into consideration for voting.

**Darrel Webber** - Yes most of the proxies were faxed. We haven't received any by post. All the proxies have already been included in the voting.

**Chew Jit Seng** - I would like to suggest that the secretariat proof read the minutes.

**Dr. Jan Kees Vis** - This is noted. I would also like to point out that in the membership part of the website there is a bit of cleaning up to do. We have already discussed that with the secretariat.

**Floor Member** - I have a question regarding the results for 6c. The results were 158 in favour, 42 against and 2 spoilt votes. That adds up to 202. What happened to the other 3?

**Dr. Jan Kees Vis** - They abstained from voting.

The Chair announced that

- The Executive Board will meet tomorrow morning starting at 9.30 in the Pisces room.
- RT11 is planned for the week of 11 November, 2013 in Medan.

Meeting was adjourned by the RSPO President, Mr. Jan-Kees Vis.

**END OF GA9**

**Annex 1 - Attendance list****Ordinary Members Attendance and Proxy List****Banks and Investors**

1. 8

**Consumer Goods Manufacturers**

2. 116

**Environmental NGOs**

3. 16

**Producers**

4. 63

**Processors and Traders**

5. 110

**Retailers**

6. 32

**Social NGOs**

7. 8