

**Assurance Standing Committee
15th Meeting (via Zoom)
Minutes of Meeting**

Zoom Link : Zoom Meeting (<https://zoom.us/j/99424286264>)
Date and time : 7 June 2023 at 3.00 pm – 5.00 pm (GMT+8)

Members Attendance:

Growers		
Name	Organisation	Group Representation
Anita Neville (Co-chair) (AN)	Golden Agri-Resources (GAR)	Indonesian Growers (IGC)
William Siow (WS)	IOI Group	Malaysian Growers (MPOA)
Mariama Diallo (MD) <i>(absent with apology)</i>	SIAT Nigeria	Growers RoW
Lawrence Quarshie (LQ)	Golden Star Oil Palm Farmers Association (GSOPFA)	Smallholders Group
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
Olivier Tichit (OT)	Musim Mas Holdings	P&T
Michal Zrust (MZ)	Lestari Capital	Financial
Lee Kuan-Chun (LKC)	P&G	CGM

RSPO Secretariat Attendance:

Name	Position
Aryo Gustomo (AG)	Director, Assurance
Wan Muqtadir Wan Abdul Fatah (WM)	Head, Integrity

Mohd Zaidee Mohd Tahir (ZT)	Manager, Integrity
Freda Manan	Sr. Executive, Integrity
Lee Jin Min (LJM)	Executive, Biodiversity (Scientific & Data Support)
Shazaley Abdullah	Head, Certification
Amirul Ariff	Manager, P&C Certification
Ariel Toh	Head, Climate Change

Other attendance:

Name	Organisation	Role
Jan Pierre (JP)	ASI	RSPO Programme Manager
Matthias Wilnhammer	ASI	Operations Director

Item	Description	Action Points
1.0	Introduction WM opened the meeting and invited KS to give welcome remarks. WM briefly shared the agenda for the meeting.	
1.1	RSPO Antitrust Law, ASC ToR (Objectives, Consensus-Based Decision Making) WM reminded the members of the RSPO Antitrust Guidelines and the objectives of the ASC. WM stated that the ASC follows the RSPO consensus-based decision-making process, in accordance with the ASC Terms of Reference.	
1.2	Declaration of Conflict of Interest (Col) WM highlighted the ASC Col obligations. No Col was declared at this meeting.	
1.3	New Representative for Indonesian Grower & Co-Chair of the ASC WM informed that Agus Purnomo resigned from his roles as a Member of the BoG and Co-Chair of the ASC on 4 May 2023. The BoG accepted the IGC's recommendation and appointed Anita Neville, Chief Sustainability and Communications Officer at Golden Agri-Resources, as his replacement. Anita also stepped down as Co-Chair of the MDSC to assume her new positions as Co-Chair of the ASC and representative of the Indonesian Grower constituency. The ASC welcomed Anita into the meeting.	
1.4	Acceptance of MoM from 15 March 2023 Meeting WM asked the ASC for comments or feedback on the minutes from the previous ASC meeting on 15 March 2023. All members agreed to accept the minutes.	

<p>2.0</p>	<p>For Decision</p>	
<p>2.1</p>	<p>Draft Terms of Reference (ToR) for the Independent Review of the Labour Auditing Guidance</p> <p>AG explained that the RSPO Labour Auditing Guidance, approved by the ASC in September 2022, is currently in an 18-month trial period since its announcement in November 2022. An independent third-party consultant will be appointed to conduct a review to assess its implementation, identify gaps, analyse suitability for different organisations, review the auditing process, evaluate strengths and weaknesses, and explore its impact on certification audits. The deliverables will include a comprehensive report with a summary of key strengths and weaknesses, recommendations for improving labour conditions by using the guidance, and a presentation of findings to relevant stakeholders (ASC, SSC, the Secretariat, CBs and grower companies). Key timelines for the independent review are:</p> <ul style="list-style-type: none"> • Nov 2023 to Dec 2023: Call for proposals and review by the Secretariat. • Jan 2024 to Aug 2024: Preparation, data collection, and conducting the independent review. • Sep 2024 to Nov 2024: Submission & review of draft, finalisation of report, and presentation for approval by the ASC & inform the SSC. <p>Discussion points</p> <p>A member inquired about the guidance’s status during the trial period and the finalisation of the independent review report. AG confirmed that the guidance will remain voluntary until the next decision is made by the ASC. Another member stressed the need for consultation with labour experts such as CNV who is part of the Human Rights Working Group (HRWG) to ensure their expertise and experience are utilised to minimise gaps during the review. Another member suggested involving the HRWG in reviewing consultant proposals for suitability and asked about the alignment between changes in the P&C and the guidance. AG mentioned that the Assurance Division had contributed to the P&C review by sharing insights from the pilot test and CB workshops. Further discussions with the SDD are expected to address alignment after the revised P&C endorsement.</p> <p>A member expressed concerns about potential conflicts of interest (Col) in appointing a consultant, and AG assured this will be done in accordance with the RSPO procurement process to avoid any Col. Another member mentioned Proforest and Danish Institute of Human Rights studies on labour practices and challenges in worker interviews. AG clarified that the guidance already includes the relevant requirements (e.g. without company staff present, using own vehicles etc), and the review will assess auditors' adherence to them. In the chat box, a member shared a link to <i>Identifying the Human Rights Impacts of Palm Oil: Guidance for Financial Institutions and Downstream Companies (FPP, April 2022)</i>. WM proposed involving the HRWG in reviewing the ToR and selecting the consultant, with all members agreeing to this suggestion.</p>	<p>The Secretariat to involve the HRWG in reviewing the ToR for the Independent Review of the Labour Auditing Guidance and selecting the consultant after receiving proposals.</p>
<p>2.2</p>	<p>New Planting Procedure (NPP) 2021 Verification: Checklist for Auditors</p> <p>ZT shared that the checklist was developed based on inputs from the ASC Standards Quality Subgroup meeting and will be utilised until the next revision of the NPP in 2025. The checklist addresses several problems including inconsistencies in how CBs performed NPP verification, leading to potential discrepancies identified during the Secretariat's NPP completeness check and the NPP 2021 templates being too general and providing inadequate assistance to</p>	



	<p>CBs. The desired outcomes of the checklist are to provide support in CBs' NPP verification and align the verification process with relevant P&C indicators and requirements. The implementation strategy for the checklist includes conducting communication and training sessions to familiarise auditors with its purpose and components and regular reviews based on feedback and emerging best practices, with periodic updates to align with changes in the NPP and RSPO standards.</p> <p>Discussion points</p> <p>A member inquired about a transition period before implementing the approved checklist to avoid disruptions or delays in ongoing contracts for NPP, but ZT stated that immediate implementation is intended as most elements are already addressed in the NPP guidance document. Another member appreciated the inclusion of ASC Subgroup comments and the professional look of the checklist. The member proposed emphasising field verification in section 3.4: Stakeholder Engagement & FPIC section to ensure proper participatory practices. WM clarified that field verification is now compulsory in NPP 2021 and ASI will conduct thorough checks on CBs' NPP field verification.</p> <p>A member raised concerns about section 3.3: Integrated HCV-HCS Assessment potentially creating redundancy with the ALS review process and questioned CBs' qualifications to verify section 3.4 given the prescriptive nature of the HCV-HCS toolkit on that element. WM assured that the Secretariat will address the concern. Another member questioned whether the checklist will be considered a formal document or used as guidance for checking requirements. ZT clarified that the checklist is intended as a tool for CBs verification after receiving the required NPP documents from growers.</p> <p>A member asked if the checklist could be used to identify incomplete checks by CBs and if it would be included in the NPP submission. WM explained that the checklist guides CBs to ensure that the information is accurately filled in the NPP templates, which aligns with the principles of the P&C audit checklist. Another member clarified that the checklist is primarily for auditors' use and not for inclusion in the final NPP submission. They highlighted the importance of gathering feedback from auditors to make necessary improvements without disrupting the system. ZT added that this approach would reduce the need for extensive clarification between CBs and growers. The discussion concluded with a member noting their intent to provide additional technical comments via email, and WM confirmed that the checklist will undergo online approval by the ASC within three weeks, allowing time for adjustments.</p>	<p>The Secretariat to submit the revised NPP 2021 Verification Checklist for Auditors for online approval by the ASC within three weeks.</p>
<p>2.3</p>	<p>Revised Terms of Reference (ToR) for Biodiversity and High Conservation Values Working Group (BHCVWG)</p> <p>LJM explained that the BHCVWG comprises diverse RSPO members reflecting sectoral, geographical, and technical expertise. Decision making requires a 2/3rd quorum, but there is a knowledge gap due to the lack of Social NGO (SNGO) representation. Therefore, the BHCVWG agreed on the need for additional recruitment of SNGO. The ToR will be amended to increase SNGO and Processors & Traders seats from two to three each. This ensures balanced representation without affecting the required quorum. The amendment is to be made in the first paragraph of Section 3.1 Criteria for Membership and Composition, page 3. The SSC reviewed the proposal and suggested recruiting Consumer Goods Manufacturer and Financial Institutions as experts instead of</p>	

	<p>members due to potential knowledge gaps on HCV. BC Initiative Sdn Bhd (BCI) has agreed to fill the additional social seat in the BHCVWG. The Secretariat seeks ASC's approval on the ToR amendment, and following that, will publish it on the RSPO website and recruit new members.</p> <p>Discussion points</p> <p>A member from the Financial Institutions Consultative Group (FIGG) requested the Secretariat to check for a nominee from the constituent and suggested that Co-Chairs of working groups without representation should keep the FIGG informed on important matters and recommended the BHCVWG to review the ToR to align with evolving sector requirements and stakeholder expectations, including those of financial institutions. LJM asked the member to connect him with the FIGG to begin the recruitment process for financial institution representation in the BHCVWG.</p> <p>A member expressed concerns about the limited capacity of social NGOs to participate in RSPO working groups and committees, questioning the feasibility of increasing their representation in the BHCVWG. LJM reassured that the Secretariat provides support initiatives, including travel allowances and accommodation claims, and has connected with BCI to allocate two representatives. However, the member highlighted that the challenge goes beyond financial constraints, with a lack of social NGO members within RSPO and a shortage of subject matter experts. WM sought consensus regarding the proposed changes in the ToR and to ensure financial institution representation in the BHCVWG. This was agreed by all.</p>	<p>The Biodiversity Unit to connect with the FIGG to ensure financial institution representation in the BHCVWG and publish the approved ToR on the RSPO website.</p>
<p>3.0</p> <p>3.1</p>	<p>For Discussion</p> <p>ASI Insights on Agropalma's Suspension</p> <p>WM welcomed ASI to the meeting. JP explained that in 2015-2016, the first incident occurred, followed by escalating land conflicts between Agropalma and Quilombola communities in 2022, leading to the suspension of Agropalma's certificate in 2023 and the imposition of major non-conformities (NC) and sanctions on IBD. ASI NC 202123 was issued due to the CAB providing NCs without specifying objective evidence, while ASI NC 202122 was issued because the CAB failed to conduct a closing meeting as required by RSPO. In a formal warning issued on 25 May, IBD was cautioned for copy-pasting ASI compliance assessment findings into their own certification report without following their review and decision-making process, thus not complying with ISO 17021 requirements. In response, IBD stated on 5 June that they will develop a new audit.</p> <p>In ASI's point of view, the incident handling and stakeholder engagement process demonstrates transparency and openness of the RSPO system for involved parties. IBD identified severe gaps in Agropalma's management system, such as land rights violations and failure to identify HCV areas and water pollution. These gaps justify the suspension of Agropalma. However, it is concerning that the IBD's earlier audits did not proactively identify these NCs. As a result, ASI issued several Major NCs and IBD must address them to avoid further sanctions. Agropalma's appeal was partially accepted by IBD, and Agropalma has accepted some of IBD's findings. It is important to distinguish between the certification process decisions made by IBD regarding Agropalma and the accreditation process decisions made by ASI regarding IBD, as there seems to be some confusion at different levels.</p>	

	<p>JP shared some lessons learned including (i) effective incident handling and proactive stakeholder engagement processes ensure transparency and timely issue resolution, (ii) targeted stakeholder consultation is crucial for thorough compliance assessments, (iii) robust implementation of the accredited system is crucial for maintaining certification process integrity and (iv) ASI presence onsite is essential to ensure independence and honesty, emphasising the limitations of remote approaches. More unannounced compliance assessments are recommended to enhance accountability.</p> <p>Discussion points</p> <p>A member raised concerns about the lack of communication with ASI and prolonged media attention surrounding the case. The Palm Oil Innovation Group (POIG) of which Agropalma was a member, discussed the need for an independent investigation into the land dispute, which was not conducted. This raises questions about the timing of the identification of NCs by ASI and IBD. JP clarified that ASI had been monitoring the issue since 2015, engaging with lawyers, and triggered a compliance assessment based on the final court result. While other social issues were involved, the land dispute took precedence in the court's decision. The member questioned why IBD did not report the problem in 2015 despite ASI's awareness and why it needed media exposure before ASI took action. JP acknowledged that multiple NCs, including those related to IBD's performance, have been identified, and IBD was previously suspended for various reasons. However, IBD has been working to address the issues and undergone positive changes, including in ownership (now partially owned by QIMA, an international CAB based in Hong Kong). ASI has observed improvements in IBD's system and procedures during the assessment for suspension lifting.</p> <p>A member expressed concerns about the adequacy of IBD's performance as the NCs were not proactively identified until prompted by ASI's assessment. There were differing narratives between Agropalma and ASI regarding the timelines. JP responded that during ASI's audit, Agropalma informed ASI via email about IBD's decision for suspension and the report from IBD was only received after ASI had shared the NC findings with IBD. Both processes occurred simultaneously. JP suggested that constructing a timeline from ASI's perspective would be straightforward and can be shared if requested by the ASC. The member inquired about the need for the ASC to conduct further investigation into the discrepancies.</p> <p>WM wrapped up the discussion by indicating that a summary of it will be shared for the June 2023 BoG meeting.</p>	<p>The Secretariat to share a summary of the discussion on ASI Insights on Agropalma's Suspension for the June 2023 BoG meeting.</p>
<p>4.0</p>	<p>For Updates</p> <p>WM reminded everyone that information in this section had been shared in the pre-read sent prior to the meeting.</p>	
	<p>4.1</p> <p>Updates from the Action Tracker</p> <p>A member asked about the status of action point 114 while another member expressed concern about the delay. AG informed that the CSPKO graph had just been approved by the Supply Chain Traceability Working Group (SCTWG) and will be published on the RSPO website. A member requested including this as an update from the Market Development Standing Committee (MDSC) for the next BoG meeting. In the chat box, relating to action item 147, a member shared that</p>	

	<p>the CAP Review report prepared by an independent consultant, is currently being reviewed by the steering group. The member commented that the report contains clear recommendations, and should be prioritised in terms of time and resources. Once endorsed, the report will be shared with the CP, ASC and SSC.</p>	
<p>5.0</p> <p>5.1</p>	<p>Any Other Business</p> <p>IUCN NL Letter to the BoG: The Need to Revamp RSPO's Assurance System AG shared that at the end of May 2023, the Secretariat received a letter from IUCN NL which was addressed to and acknowledged by the CEO. AG highlighted examples given by IUCN NL to improve RSPO's Assurance System including Rainforest Alliance's (RA) CB allocation system based on competence to a certificate holder (CH), the requirement for unannounced audits used by the Global Seafood Alliance, and the need for an independent certification committee for audit decision-making, as seen in the Best Agricultural Practice standard. AG proposed to discuss these aspects in-depth within the ASC Subgroup. This aligns with the upcoming review of the RSPO Certification System after the endorsement of the new P&C standard in 2024.</p> <p>Discussion points A member asked about CB allocation based on risk. Another member explained that RA faced challenges with cocoa assurance in West Africa and implemented a trial system considering CBs' audit quality and competence. Risk classification for CHs and potential CHs was based on factors like deforestation proximity and historical social issues. RA also conducted shadow audits to assess auditor performance, contributing to the audit quality rating system's development. In the chat box, the member shared a link to <i>Audit Allocation System: Implementation In Ivory Coast And Ghana</i> (RA, April 2020) and another link to <i>Measures to Strengthen the Cocoa Sector</i> (RA, July 2020) for the ASC's reference.</p> <p>A member asked whether, in RSPO's context, the decision of selecting CBs would lie with the Secretariat or ASI. Another member responded that RA has its own approach. RSPO relies on ASI to accredit CBs, but the specific rating system needs to be determined. The focus should be to assign CBs based on quality and risks, potentially using ASI's ratings or a Secretariat team to review CBs' performance. RA has observed positive outcomes from pilot initiatives, indicating improved CB performance. However, the implementation may vary based on country-specific frameworks. A member highlighted the need to assess the risks and potential outcomes of the approach while another member proposed the creation of a dedicated subgroup or taskforce for this matter. AG suggested expanding the ASC Standards Quality Subgroup or forming a separate taskforce.</p> <p>A member emphasised the need to address IUCN NL's questions and recommendations regarding the assurance system, with concerns about engaging with them despite their non-membership status. Parallel engagement was suggested for timely resolution. Another member acknowledged the collective handling and proposed the subgroup as the suitable approach. WM mentioned that no scheduled meeting is currently set for the subgroup, but one is expected soon to discuss the ToR for the second delinking study. The subgroup reports to the ASC and includes representatives from Kulim, Siat, WWF, FPP, ASI, and HCVN. Due to time constraints, an immediate meeting with the subgroup is not possible. Instead, the Secretariat will prepare a brief response to the IUCN NL</p>	<p>The Secretariat to prepare a brief response to the IUCN NL letter for the June 2023 BoG meeting.</p>



<p>5.2</p>	<p>letter for the June 2023 BoG meeting.</p> <p>Duration of ASC Quarterly Meetings A member suggested holding a quarterly meeting lasting two to three hours, depending on the agenda and the number of topics to be discussed, and this was agreed by all.</p>	
<p>End of meeting WM thanked everyone for participating and handed over to KS to close the meeting. The meeting adjourned at 5.07 pm.</p>		