

**RSPO**

Roundtable on  
Sustainable Palm Oil

Quarter 4 2022



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# RSPO ASSURANCE PROGRESS REPORT

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Updates on Work Plan: Quarter 4 2022

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## LIST OF ACRONYMS

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|                |   |
|----------------|---|
| <b>AB</b>      | Accreditation Body  |
| <b>ASC</b>     | Assurance Standing Committee  |
| <b>ASI</b>     | Assurance Services International  |
| <b>BHCVWG</b>  | Biodiversity and High Conservation Values Working Group                         |
| <b>BoG</b>     | Board of Governors  |
| <b>CB</b>      | Certification Body  |
| <b>CSPO</b>    | Certified Sustainable Palm Oil  |
| <b>CAP</b>     | Complaints and Appeals Procedure  |
| <b>GU</b>      | Grievance Unit  |
| <b>HCSA</b>    | High Carbon Stock Approach  |
| <b>HCV</b>     | High Conservation Area  |
| <b>HCVN</b>    | High Conservation Value Network   |
| <b>HRD</b>     | Human Right Defender  |
| <b>HRWG</b>    | Human Rights Working Group  |
| <b>ISPO</b>    | Indonesia Sustainable Palm Oil  |
| <b>ICLUP</b>   | Integrated Conservation & Land Use Plan   |
| <b>IMO</b>     | Intermediary Organisation   |
| <b>JAPBUSI</b> | Jejaring Pekerja Buruh Sawit Indonesia (Palm Oil Trade Union Network Indonesia) |
| <b>LUCA</b>    | Land Use Change Analysis  |
| <b>MSPO</b>    | Malaysia Sustainable Palm Oil   |
| <b>MoU</b>     | Memorandum of Understanding   |
| <b>MEL</b>     | Monitoring, Evaluation and Learning   |
| <b>NIWG</b>    | National Interpretation Working Group   |
| <b>NPP</b>     | New Planting Procedure  |
| <b>P&amp;C</b> | Principles and Criteria   |
| <b>RaCP</b>    | Remediation & Compensation Procedure  |
| <b>RSPO</b>    | Roundtable on Sustainable Palm Oil  |
| <b>SEPA</b>    | Sabah Environmental Protection Association                                      |
| <b>SDD</b>     | Standard Development Division   |
| <b>SOP</b>     | Standard Operating Procedure  |
| <b>SSC</b>     | Standard Standing Committee   |
| <b>SC</b>      | Standing Committee  |
| <b>ToR</b>     | Terms of Reference  |
| <b>WG</b>      | Working Group   |

## Background

The RSPO Assurance Progress Report is a quarterly publication narrating the progress of a work plan that resulted from the Assurance Gap Analysis Report published in September 2021. To date, three reports have been generated in April 2022, July 2022 and October 2022. The reports serve as a platform to communicate the Assurance Division achievements in closing the gaps that were identified through a comprehensive Gap Analysis work plan which was later incorporated into the RSPO Operational Plan 2021-2025 in order to strategise and implement necessary measures in key areas of the RSPO Assurance System that require strengthening. The following table presents the three thematic areas identified and the key issues highlighted in the Gap Analysis Report.

| Thematic Areas                | Description/Remarks  |
|-------------------------------|--|
| Cross-cutting Assurance       | <ul style="list-style-type: none"> <li>● <b>Chronic understaffing and under-investment</b> in the Secretariat have resulted in reduced capacity of the Assurance Division, impacting on their effective implementation of the Assurance System.</li> <li>● Lack of <b>clear and comprehensive management systems</b> to ensure joint implementation, including operational relationships with partner organisations such as ASI, HCVN and HCSA.</li> <li>● Lack of a <b>holistic approach</b> to deliver assurance outcomes, including AB and CBs' compliance levels, outreach to different stakeholder groups, and measures to build wider compliance in the sector.</li> </ul> |
| Labour & Human Rights         | <ul style="list-style-type: none"> <li>● <b>Prevailing weaknesses</b> in labour conditions in certified operators.</li> <li>● Extremely likely that labour abuses and non-compliances are significantly <b>under-detected</b> by CBs.</li> <li>● <b>"Pervasive" non-compliance</b> with labour requirements by certified operations.</li> </ul>  |
| Deforestation & Land Conflict | <ul style="list-style-type: none"> <li>● Two predominant issues in ASI's case history and findings are land rights and FPIC, and environmental protection and deforestation.</li> <li>● Weaknesses in terms of <b>CB verification against NPP requirements</b>, including FPIC compliance.</li> <li>● Compounded by weakness in terms of CB evaluations against new planting requirements during certification assessments.</li> </ul>   |

Table 1

The identified issues above can be categorised into two: first, failings that are specific to assuring compliance with RSPO requirements relating to three main themes, namely deforestation, labour conditions and land rights; and second, underlying generic weaknesses that reduce the effectiveness of the overall Assurance System. All the past RSPO Assurance Progress reports can be accessed from the Assurance Standing Committee's (ASC) section on the RSPO's [website](#).

Note: All information and data used in this report were extracted and consolidated for the period ending 20 January 2023.

## Summary of Progress Status:

### Cross-cutting Assurance

There are 12 deliverables with 53 detailed activities under the Cross-cutting Assurance. 23 are completed, 22 are on-going and 8 are scheduled to begin as planned.

#### Achievements

- Strengthening Secretariat capacity,
- Revision of SOPs mechanism to actively engage with ASI
- Enhanced mechanism for CBs' performance monitoring
- Involvement of CBs in P&C review on practicality of Indicators.
- Enhancement of RSPO Interpretation Forum.

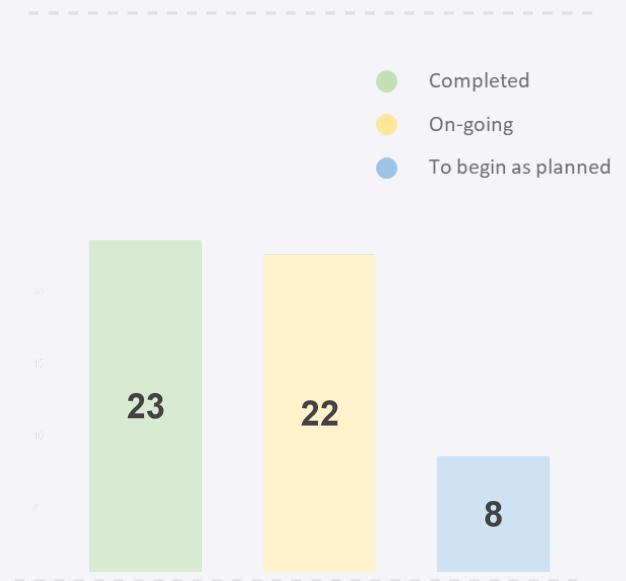
#### Challenges

- Underdeveloped SOP for self-declaration of non-compliance by member.
- Book & Claim automation currently was put on hold by Supply Chain & Traceability Working Group.
- CB Audit Checklist and integrated platform using PalmTrace are pending for an organisational-level digital framework
- Exploring options for mechanisms to delink CBs and auditees
- Low interest for formation of ASC's Subgroup
- No expression of interest as third party Project Management Team (PMT)
- Outreach and engagement programmes with local government, companies, workers and local communities started late due to travel restrictions during pandemic.

#### Next Actions

- Development of new RSPO P&C Audit Checklist will restart after the standard review process is completed.
- SOP for self-declaration of non-compliance by RSPO members will be expected to continue to make progress.
- Plans for integrated assurance platform and digitisation/digitalisation of Integrity and Certification processes are being integrated into an organisational-level Digital Framework.
- Assurance Division will restart seeking for a Project Management Team (PMT) to assist in the development of A Pool of Experts (PoE)
- Newly hired Training & Capability Manager will see a development of training modules to improve training design for auditors.

**53** detailed activities



*"The RSPO Rules on Market Communications and Claims 2022 document was approved by the RSPO Board of Governors on 3 October 2022 and two socialisation webinars were held on 16 and 17 November 2022."*



## Summary of Progress Status:

### Labour & Human Rights

There are 5 deliverables with 10 detailed activities under Labour & Human Rights. 2 are completed, 5 are on-going, 2 are scheduled to begin as planned and 1 has not started.

#### Achievements

- Publication of Labour Auditing Guidance and first Physical socialisation with the CB
- Development of 3 BMPs for peat, GHG and ISH

#### Challenges

- Executing outreach programmes with estate level management and trade unions, communities and their representative organisations with migrant labourers due to previous travel restrictions.
- No interest from third party to become a Project Management Team to assist Secretariat in developing a Pool of Experts.
- Underwhelming response during implementation of HRD programme as well as its feasibility and complexity.

#### Next Actions

- The Secretariat will continue its outreach programme with estate level management and trade unions.
- Trade union trainings (JAPBUSI) and capacity building for estate management will begin in the near future.
- More BMPs will be published once completion of P&C standard review.
- The Secretariat already reactivated and engaged with a few service providers with regards to Worker Voice tool.

# 10

 detailed activities

*“Labour Auditing Guidance was published to improve the auditability of the labour requirements of the RSPO P&C and provide CBs with a clear methodology that ensures a consistent system and execute RSPO P&C audits.”*



## Summary of Progress Status:

### Deforestation & Land Conflict

There are 8 deliverables with 20 detailed activities under Labour & Human Rights. 8 are completed, 9 are on-going and 3 are scheduled to begin as planned.

#### Achievements

- Provided training for growers in Latin America, Thailand and Indonesia in RaCP and LUCA has improved submission and review process.
- Completed the integration of ICLUP requirements into NPP structure.
- Produced framework from RSPO Risk Register.

#### Challenges

- Awaiting HCSA to revert to Secretariat on the next action for collaboration.
- Requirement from Board of Governors on improving social liability aspects with regards to review of RaCP implementation.

#### Next Actions

- The Secretariat will instruct ASI to review NPPs that are verified by the CBs.
- Review of RaCP implementation will also include social liability aspect.
- Concept of HCV Monitoring Programme has started to be developed and will be shared with the Secretariat In Q1 2023.
- To follow up with HCSA on MoU with the Secretariat.
- Focus Group Discussion (FGD) was formed and will discuss the initial result of risk mapping.

**20** detailed activities



*"Total of 180 participants attended For ISH Group Manager Training for RaCP & LUCA in Surat Thani, Thailand."*







## 2022 Progress Updates on Activities



This section presents updates on the actions taken by the Secretariat in implementing the Gap Analysis Work Plan up until the end of June 2022. The progress updates are divided into the three thematic areas (1) Cross-cutting Assurance, (2) Labour & Human Rights and (3) Deforestation & Land Conflict.

A status code is used to indicate the current status which is up to 30 June 2022 of each activity's implementation.




|                           |   |
|---------------------------|---|
| <b>Status Code Legend</b> |  Completed                     |
|                           |  On track / Ongoing            |
|                           |  Scheduled to begin as planned |
|                           |  Delay                         |




## Thematic Area 1: Cross-cutting Assurance






## THEMATIC AREA 1: Cross-cutting Assurance




This section provides updates on the progress of the work plan under Thematic Area 1: Cross-cutting Assurance with the aim to address underlying specific weaknesses that reduce the effectiveness of the overall Assurance System. These include the shortfall in the capacity of the Secretariat, improvement in the Secretariat's management system and enhancing CBs' performance and review.






| Work Plan: Secretariat capacity strengthening |   | Unit Responsible: All   |   |
|---|---|---|---|
| Deliverables                                  | New recruitment of personnel to increase the Assurance Division resourcing to target level. Enhance capacity and capability, particularly in relation to the critical thematic areas. |   |   |
|   | Detailed Activities   | Progress  | Status  |
|   | Recruitment for remaining positions: Integrity Unit   | All positions have been filled.   |  |
|   | Recruitment for remaining positions: Impacts & MEL Unit   | The Impacts, Monitoring, Evaluation and Learning (IMEL) unit was moved from the Assurance Division to the CEO's Office, with additional functions and scopes to be added. Therefore, this activity will no longer be reported in the Assurance progress report. |  |
|   | Recruitment for remaining positions: Risk Unit  | Five positions have been filled, one position remains.  |  |


| Work Plan: Secretariat systems and SOPs improvements |  | Unit Responsible: Certification  |   |
|--|--|--|---|
| Deliverables   | Design an improved template of compliance checklist and Palm Trace approval checklist. |  |   |
|  | Detailed Activities  | Progress   | Status  |
|  | Review of CB Audit Checklist   | There is no progress on the development of the new RSPO P&C Audit Checklist as the standard review process is still in progress.   |  |
|  | Pilot digitisation of CB Audit Checklist   | It will be part of digitisation of RSPO audit. This will be part of the FY 2023 budget.  |  |
|  | Revision of PalmTrace approval review process  | An RSPO PalmTrace Review Task Force (PRTF) is currently active to identify any gaps, opportunity for improvement and how to strengthen data traceability management within the platform. |  |


| Work Plan: Secretariat systems and SOPs improvements |   | Unit Responsible: Compliance  |   |
|--|---|---|---|
| Deliverables   | Design an improved internal procedure of Compliance (incorporating the Certification Unit and the Integrity Unit) |   |   |
|  | Detailed Activities   | Progress  | Status  |
|  | Development of new SOP and flowchart: Self-declaration of non-compliances by RSPO members                         | SOP is being reviewed by the RSPO management. A few self declarations were received between 2021 to 2022. A trial verification was done at two of the declared units. |  |
|  | Development of new SOP and flowchart: Advisory Notes  | Development completed. A few advisory notes were issued in 2021. Implementation is currently being put on hold by the RSPO management.                                |  |



| Work Plan: Secretariat systems and SOPs improvements |   | Unit Responsible: Certification   |   |
|--|---|---|---|
| Deliverables   | Design an improved internal procedure of Compliance (incorporating the Certification Unit and Integrity Unit) |   |   |
|  | Detailed Activities   | Progress  | Status  |
|  | Development of SOP for time bound plan  | New SOP completed and announced in December 2021 ( <a href="https://rspo.org/news-and-events/announcements/rspo-announcement-for-time-bound-plan-revision">https://rspo.org/news-and-events/announcements/rspo-announcement-for-time-bound-plan-revision</a> ). |  |


| Work Plan: Secretariat systems and SOPs improvements |   | Unit Responsible: Integrity   |   |
|--|---|---|---|
| Deliverables   | Design an improved internal procedure of Compliance (incorporating the Certification Unit and Integrity Unit) |   |   |
|  | Detailed Activities   | Progress  | Status  |
|  | Revision of SOP: New Planting Procedure   | New Planting Procedure 2021 endorsed in June 2021. New SOP for NPP implemented with three submissions approved as of Q3 2022. |  |
|  | Revision of SOP: Remediation and Compensation Plan  | Process improvement has been implemented. SOP for RaCP Version 2 may be updated based on the revision.                        |  |
|  | Revision of SOP: Global Information System  | Integration of Post-New Planting Procedure Active & Retrospective Monitoring (HCV Area).                                      |  |



| Work Plan: Secretariat systems and SOPs improvements |  | Unit Responsible: Certification   |   |
|--|--|---|---|
| Deliverables   | Revision of previously established SOP       |   |   |
|  | Detailed Activities                          | Progress  | Status  |
|  | Revision of SOP: Market Data                 | SOP remains for the time being. New reports circulated on the 15th of each month.   |  |
|  | Revision of SOP: Public Announcement         | SOP remains for the time being.   |  |
|  | Revision of SOP: Trademark Review            | The latest RSPO C&C Documents has been presented and approved by SCC  |  |
|  | Revision of SOP: Trader Distributor Approval | New SOP has been implemented with more scrutiny on trader licences.   |  |
|  | Book & Claim Automation                      | This project is put on hold by the Supply Chain & Traceability Working Group (SCT WG) as they consider this as not a priority at this moment. |  |


| Work Plan: Secretariat systems and SOPs improvements |  | Unit Responsible: Risk  |   |
|--|--|---|---|
| Deliverables   | Revision of previously established SOP   |   |   |
|  | Detailed Activities  | Progress  | Status  |
|  | Remodelling of Investigation & Monitoring Unit ('IMU') into Risk Unit (gap assessment of previous IMU practices, revamping of SOP and internal guidance, capacity building of staff) | The Remodel report was finalised in May 2022. Key recommendations from the report highlighted the following: 1) Risk Unit to cover risks that are related to certification, in addition to social and environmental risks; 2) Enhance risk processes into the Enterprise-wide Risk Management (ERM) process. An ERM training session was conducted for the Risk Team and Heads of Certification and Integrity Units in June 2022. Findings and recommendations from the remodel project were socialised internally within the Secretariat in August 2022. |  |



| Work Plan: Secretariat systems and SOPs improvements |   | Unit Responsible: Impacts & MEL   |   |
|--|---|---|---|
| Deliverables   | Revision of previously established SOP                    |   |   |
|  | Detailed Activities                                       | Progress  | Status  |
|  | Redesign of the Monitoring, Evaluation and Learning unit. | The Impacts, Monitoring, Evaluation and Learning (IMEL) unit was moved from the Assurance Division to the CEO's Office, with additional functions and scopes to be added. Therefore, this activity will no longer be reported in the Assurance progress report. |  |

| Work Plan: Secretariat systems and SOPs improvements |  | Unit Responsible: Assurance and Operational Excellence |   |
|--|--|--|---|
| Deliverables   | New learning and evaluation mechanism aligned with the operational excellence process (ISO 9001 or beyond).                      |  |   |
|  | Detailed Activities  | Progress   | Status  |
|  | Desk Review to mirror good practise of best quality management systems by benchmarking with companies that adopt ISO 9000 series | To begin in FY 2023.                                   |  |
|  | Comparison between RSPO adoption of ISO 9000 series with benchmarking results for process improvements                           | To begin in FY 2023.                                   |  |




| Work Plan: Consideration of P&C complexity and impact, linkage to MEL and 2023 review |   | Unit Responsible: Impacts & MEL, Certification   |   |
|---|---|--|---|
| Deliverables  | Explore a new model of RSPO Certification System in 2025 through Monitoring, Evaluation and Learning (MEL) for improvement over time. |  |   |
|   | Detailed Activities   | Progress   | Status  |
|   | Development of integrated platform framework  | PalmTrace review is ongoing as part of the internal Secretariat PalmTrace Review Task Force. Plans for integrated assurance platform and digitisation/digitalisation of Integrity and Certification processes are being integrated into an organisational-level Digital Framework and roadmap, which is part of the PalmTrace Review. Digital Framework is expected to be completed in March 2023. Short-term focus on digitising current and past audit reports is ongoing in preparation, with support from ASI. |  |


|  |  |   |   |
|--|--|---|---|
|  | Mapping of requirements  | This will be done in parallel with the P&C Review 2023.   |  |
|  | Initiation of comparative study with other certification schemes (ISPO & MSPO) | A brief internal report was completed and submitted to the standards review team. This was done on an analysis of competing standards and the wider landscape for Voluntary Sustainability Schemes (VSS). |  |

|  |   |  |   |
|--|---|--|---|
| <b>Work Plan:</b> Consideration of P&C complexity and impact, linkage to MEL and 2023 review |   | <b>Unit Responsible:</b> Risk  |   |
| <b>Deliverables</b>  | P&C Review 2023   |  |   |
|  | <b>Detailed Activities</b>  | <b>Progress</b>  | <b>Status</b>   |
|  | Sharing identified gaps from the review of cases in Risk Registry with Standards Development Division (SDD) | The observation and recommendations from the Risk Unit have been shared with the Standard Development Division. The input was collected from the Risk Unit's assessments (desktop review and on-site visit). |  |




|   |   |   |   |
|---|---|---|---|
| <b>Work Plan:</b> Mechanisms to actively engage with AB and monitor its performance |   | <b>Unit Responsible:</b> Compliance                     |   |
| <b>Deliverables</b>   | Design and implement reviews to strengthen accreditation processes                    |   |   |
|   | <b>Detailed Activities</b>  | <b>Progress</b>   | <b>Status</b>   |
|   | Monthly coordination meeting with ASI   | Monthly meetings have been conducted since March 2021.  |    |
|   | Incident Review between RSPO-ASI on CBs' performance to improve accreditation process | Bi-weekly reviews have been conducted since March 2021. |  |




|  |  |                                     |               |
|--|--|-------------------------------------|---------------|
| <b>Work Plan:</b> Enhanced mechanisms for monitoring CBs performance |  | <b>Unit Responsible:</b> Compliance |               |
| <b>Deliverables</b>  | Driven by the RSPO-ASI Agreement<br>- Strengthen the role of peer reviewer during audit<br>- Enhanced mechanisms for monitoring of relative CBs' performance levels to inform actions by the Secretariat and ASI, supported by greater transparency. |                                     |               |
|  | <b>Detailed Activities</b>   | <b>Progress</b>                     | <b>Status</b> |

|  |  |  |   |
|--|--|--|---|
|  | Development of peer reviewer database and frequent capacity building programme | The Peer Review Training by ASI was held on 14 and 15 July 2022. The Certification Unit will be leading the development of the Peer Reviewer training in collaboration with ASI and the Training Unit. This will become a permanent activity for the Assurance Division. |  |
|  | CB Appraisal - joint performance review by ASI and the Secretariat             | First phase of performance review conducted in 2021.   |  |
|  | Development of stakeholders consultation guidance document                     | Public consultation was done in July 2021 and the guidance has been incorporated in the Labour Auditing Guidance that was published in November 2022.  |  |



|  |  |  |   |
|--|--|--|---|
| <b>Work Plan: Piloting assessor independence options</b> |  | <b>Unit Responsible: Compliance, Impacts &amp; MEL</b> |   |
| <b>Deliverables</b>                                      | Explore options for mechanisms to delink, in some part, business relations between CBs and auditees that align with the applied RSPO Certification System Document or decoupling assessors with companies by gathering baseline information via research |  |   |
|  | <b>Detailed Activities</b>   | <b>Progress</b>  | <b>Status</b>   |
|  | Gathering baseline information via research - Comparative study on delinking with other sustainability schemes (e.g. SMETA)  | Not started yet and has been planned for FY2023.       |  |





| Work Plan: Certification assessment methodology improvements |   | Unit Responsible: Compliance  |   |
|--|---|---|---|
| Deliverables   | Bringing new innovations in RSPO Certification Process                    |   |   |
|  | Detailed Activities   | Progress  | Status  |
|  | Comparative studies using technology to support remote audit              | A baseline study was completed during the development of the Contingency Remote Audit procedure. A comparative study will be undertaken during the development of the digital audit platform for RSPO, in order to support remote audits. |  |
|  | Digital platform development to support remote audit                      | Initial consultation with the CBs was made in parallel with the digitisation of audits. Currently in discussion with ASI on data points to be collected.  |  |
|  | Link lessons learned with revision certification system and other schemes | Not started yet and has been planned for FY2023.  |  |


| Work Plan: Consideration of P&C complexity and impacts, linkage to MEL and 2023 review |   | Unit Responsible: Impacts & MEL  |   |
|--|---|--|---|
| Deliverables   | Development of standards evaluation framework   |  |   |
|  | Detailed Activities   | Progress   | Status  |
|  | Learnings of Impacts and MEL plus operations for the development of ToR for P&C review  | Two reports were delivered for the P&C 2023 review - one with recommendations from an Impacts perspective, and another with recommendations from available research. An additional report will be prepared in collaboration with the Assurance Division on the P&C 2018 implementation and operational lessons. All information has been cascaded to the P&C Review Taskforce. |   |
|  | Base setup of Knowledge Management to create learning and knowledge loops between different pillars and functions of the Secretariat to minimise risk of gaps for standard-setting and communication - run together with MEL redesign | The IMEL unit was moved from the Assurance Division to the CEO's Office, with additional functions and scopes to be added. Therefore, this activity will no longer be reported in the Assurance Progress Report.   |  |
|  | Improve the implementation and operation of integrated data in providing clear impact while learning from the implementation of the Assurance System.   | The IMEL unit was moved from the Assurance Division to the CEO's Office, with additional functions and scopes to be added. Therefore, this activity will no longer be reported in the Assurance Progress Report.   |  |


|  |  |         |  |
|--|--|---------|--|
|  |  | Report. |  |
|--|--|---------|--|



|   |  |   |   |
|---|--|---|---|
| <b>Work Plan:</b> Sector-wide engagement to build enabling conditions |  | <b>Unit Responsible:</b> Compliance   |   |
| <b>Deliverables</b>   | Wider sector-level engagement by RSPO to help build enabling conditions and address structural challenges, including participation in government-led and multi-stakeholder processes, and other targeted engagement such as with government labour inspectors. |   |   |
|   | <b>Detailed Activities</b>   | <b>Progress</b>   | <b>Status</b>   |
|   | Involvement of CBs in P&C Review as an expert panel on practicality of indicators  | CB representatives have been invited to join the Technical Committee for the RSPO P&C Standards Review. |  |
|   | Lead in pilot testing and provide feedback to the P&C Task Force   | Tentatively planned for September 2023.   |  |

|   |   |  |   |
|---|---|--|---|
| <b>Work Plan:</b> Sector-wide engagement to build enabling conditions |   | <b>Unit Responsible:</b> Compliance  |   |
| <b>Deliverables</b>   | Wider sector-level engagement by RSPO to help build enabling conditions and address structural challenges, including participation in government-led and multi-stakeholder processes, and other targeted engagement such as with government labour inspectors.  |  |   |
|   | <b>Detailed Activities</b>  | <b>Progress</b>  | <b>Status</b>   |
|   | Alignment of ToR with related sectors via desk review of the governance/supporting bodies under Assurance (i.e. BHCVWG, Assurance Forum). Formation of ASC's subgroups (i.e governance, standards quality and public domain) to discuss among others, more innovative ways for stakeholders consultation to improve representation and freedom of expression* | The ASC's Standards Quality Subgroup was formed and the first meeting was held in October 2022. The Secretariat is still searching for any members to join the Governance and Public Domain subgroups. |    |
|   | Involvement of Assurance Division in review of standards and requirements to improve and verify consistent interpretation of standards and assurance procedures.  | Done in March 2022. All necessary information and lessons learned were shared with SDD. The Assurance Division shared an analysis of NCs and experience from operations.                               |  |



|   |  |                                     |  |
|---|--|-------------------------------------|--|
| <b>Work Plan:</b> Sector-wide engagement to build enabling conditions |  | <b>Unit Responsible:</b> Compliance |  |
| <b>Deliverables</b>   | Wider sector-level engagement by RSPO to help build enabling conditions and address structural challenges, including participation in government-led and multi-stakeholder processes, and other targeted engagement such as with government labour inspectors. |                                     |  |


|  | Detailed Activities                                 | Progress  | Status  |
|--|---|---|---|
|  | Improve and enhance RSPO Interpretation Forum (RIF) | RIF is now accessible not only for the CBs but everyone with Hotspot analysis uploaded to the page. |  |



| Work Plan: Sector-wide engagement to build enabling conditions |  | Unit Responsible: SDD  |   |
|--|--|--|---|
| Deliverables   | Wider sector-level engagement by RSPO to help build enabling conditions and address structural challenges, including participation in government-led and multi-stakeholder processes, and other targeted engagement such as with government labour inspectors. |  |   |
|  | Detailed Activities  | Progress   | Status  |
|  | Mapping of Regulatory framework with governmental agencies via NIWG (Malaysia, Indonesia, South East Asia, Africa, Latin America)  | To date, the only regulatory framework done is for Indonesia. While all NIs state relevant local laws, some countries may be more complicated than others (e.g. no proper guidance to resolve land disputes in Africa). All divisions to work with Stakeholder Engagement on the approach. |  |


| Work Plan: Sector-wide engagement to build enabling conditions |  | Unit Responsible: Integrity, Global Community Outreach & Engagement   |   |
|--|--|---|---|
| Deliverables   | Wider sector-level engagement by RSPO to help build enabling conditions and address structural challenges, including participation in government-led and multi-stakeholder processes, and other targeted engagement such as with government labour inspectors. |   |   |
|  | Detailed Activities  | Progress  | Status  |
|  | Development of a Pool of Experts to look at Assurance issues in collaboration with the IMO.  | An Expression of Interest was posted on the RSPO website to appoint a third-party Project Management Team to assist the Secretariat in developing the framework, establishing the database and guidance for future implementation of the PoE system by the Secretariat. |  |
|  | Focus on mobilising experts for investigation and audit observation  | This will be tabled to the ASC by Q4 2022.  |  |



| Work Plan: Sector-wide engagement to build enabling conditions |  | Unit Responsible: Stakeholder Engagement |  |
|--|--|--|--|
| Deliverables   | Engagement strategy with prioritised State Actors. Stronger engagement programmes with Government and Investment/Financial Sector. |  |  |

|  | Detailed Activities   | Progress   | Status  |
|--|---|--|---|
|  | Development of stronger Government engagement programmes including support to identify alignment between regulatory frameworks and RSPO Standard                                | The TERPERCAYA initiative was officially launched during the B20 Forum on 11 November 2022, the framework is now called the Sustainable Jurisdiction Indicators (SJI) which will be the reference for the National Planning Agency to work with districts in Indonesia to encourage sustainable development in respective areas. |  |
|  | Collaboration with national standards. Participation in government-led and multi-stakeholder processes, and other targeted engagement such as with government labour inspectors | The Market Transformation team will be working closely with the Deputy Director of Malaysia & Thailand and is responsible for ensuring RSPO's regional direction and engagement with key stakeholders and policymakers.  |  |

| Work Plan: Enhance integrated data support |   | Unit Responsible: Impacts & MEL & Assurance   |   |
|--|---|---|---|
| Deliverables                               | System improvement and data integration   |   |   |
|  | Detailed Activities   | Progress  | Status  |
|  | Digitisation and Digitalisation initiative to create a streamlined Assurance data stream from audit reports and an integrated digital platform for Certification purposes | Preliminary idea was consulted with CBs during the CB Interpretation Forum in March 2022 and received positive feedback. The next step is to identify types of data that are suitable for digitisation. Two contract staff have been hired to extract data from previous audit reports. |  |

| Work Plan: Holistic approach to training and capacity building |  | Unit Responsible: Assurance & Technical  |   |
|--|--|--|---|
| Deliverables   | Collaborative capacity programme with Technical Division<br>- Improve training for staff, members and service providers<br>- Holistic approach to training and capacity building, based on needs assessment and supported by effectiveness monitoring. |  |   |
|  | Detailed Activities  | Progress   | Status  |
|  | New governance and improved training design for auditors   | The new Training & Capability Manager has been recruited and part of the portfolio is the development of training modules.               |  |
|  | Enhance existing RSPO training programme for auditors, recognising different global benchmarking references in the RSPO P&C, SCC and   | Centralised assessment and feedback process for all training involving endorsed trainers. To be done through the rebooted Sustainability |  |

|  |   |  |   |
|--|---|--|---|
|  | RSPO ISH Standard   | College.   |   |
|  | Compliance guidance and best practice for growers and certificate holders, focusing on key labour compliance issues, supported by targeted training and outreach to certificate holders to support understanding and compliance | Labour Auditing Guidance documents which have been endorsed in Sept 2022 will be socialised to all the CBs and RSPO members to ensure that labour compliance is well evaluated during the audit. First socialisation will be in January 2023 for all CBs in Bogor, Indonesia. Moving forward, a webinar and a physical session in Malaysia will be held as well. |  |

|  |  |   |   |
|--|--|---|---|
| <b>Work Plan: Outreach and transparency measures</b> |  | <b>Unit Responsible: Global Community Outreach &amp; Engagement</b>   |   |
| <b>Deliverables</b>                                  | Participation in assurance-related matters in outreach sessions.   |   |   |
|  | <b>Detailed Activities</b>   | <b>Progress</b>   | <b>Status</b>   |
|  | Outreach programmes with estate level management and trade unions, as well as communities and their representative organisations (current IMO scope)   | RSPO supported HUKATAN to engage with labour groups through a workshop on ' <i>Gender Mainstreaming in Improving Protection of Women Workers</i> '  |  |
|  | Outreach to harder to reach stakeholders to support their role in building compliance, such as raising awareness to workers' and community organisations; and promoting transparency by considering opportunities for independent observation of assessments; and allocation of a specific fund to support these activities by relevant parties (current IMO scope except compliance). | Launch and Kickoff Training for the IMO programme in Nigeria conducted from 24 to 27 October 2022 in Benin City. The community outreach activities have started with the development of a baseline report as the priority of the first 6 months. The service agreement for the IMO programme in Honduras and Guatemala is still being finalised, OXFAM is required to elaborate the financial component of the programme. |  |


## Thematic Area 2: Labour & Human Rights




## THEMATIC AREA 2: Labour & Human Rights



This section provides updates on the progress of the work plan under Thematic Area 2: Labour & Human Rights with the aim to address ongoing weaknesses in RSPO's Assurance System relating to labour and human rights. These include critical interventions with a robust assessment of compliance with certification requirements by certification bodies, using an approach that is effective in detecting human rights abuse.

| Work Plan: Engagement in sector-level and government processes to build compliance |  | Unit Responsible: Integrity, Global Community Outreach & Engagement   |   |
|--|--|---|---|
| Deliverables   | Increase outreach and involvement of key parties through a wider programme to build labour compliance  |   |   |
|  | Detailed Activities  | Progress  | Status  |
|  | Design outreach programmes with estate level management and trade unions, as well as communities and their representative organisations in countries where migrant labourers are used. | RSPO will support the workshop organised by Komunitas Sahabat Tenaga Kerja Indonesia (KSTKI) with the following theme: Reflections on 2 Years of KSTKI in Realising the Union for Indonesian Migrant Workers. KSTKI is a forum which was established by a group of migrant workers from Indonesia working in palm oil plantations in Malaysia, the organic establishment of this group was a positive spillover effect of the RSPO Community Outreach Programme in Malaysia, the KSTKI community was initiated by the stakeholder themselves because they realise the benefit of having RSPO certification. |    |
|  | Addressing issues from the SEPA's report (specific to Malaysia)  | The community workshop in Pahang & Perak was completed, the response from the ground is positive. BCI as the implementation partner of this programme is currently preparing the report for RSPO.   |    |
|  | Development of Pool of Experts to look at labour issues (collaboration with IMO)   | Pending the appointment of the Project Management Team (PMT) for a Pool of Experts (PoE).   |  |



| Work Plan: Build capacity of estate management and trades unions |  | Unit Responsible: Assurance, Technical, Global Community Outreach & Engagement |   |
|--|--|--|---|
| Deliverables   | Collaboration with Technical Division and IMO        |  |   |
|  | Detailed Activities                                  | Progress   | Status  |
|  | Trade union trainings (JAPBUSI) on awareness of RSPO | To start in Q4 2022.   |  |

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|--|---|----------------------|---|
|  | Capacity building for estate management in Indonesia and Malaysia | To start in Q4 2022. |  |
|--|---|----------------------|---|

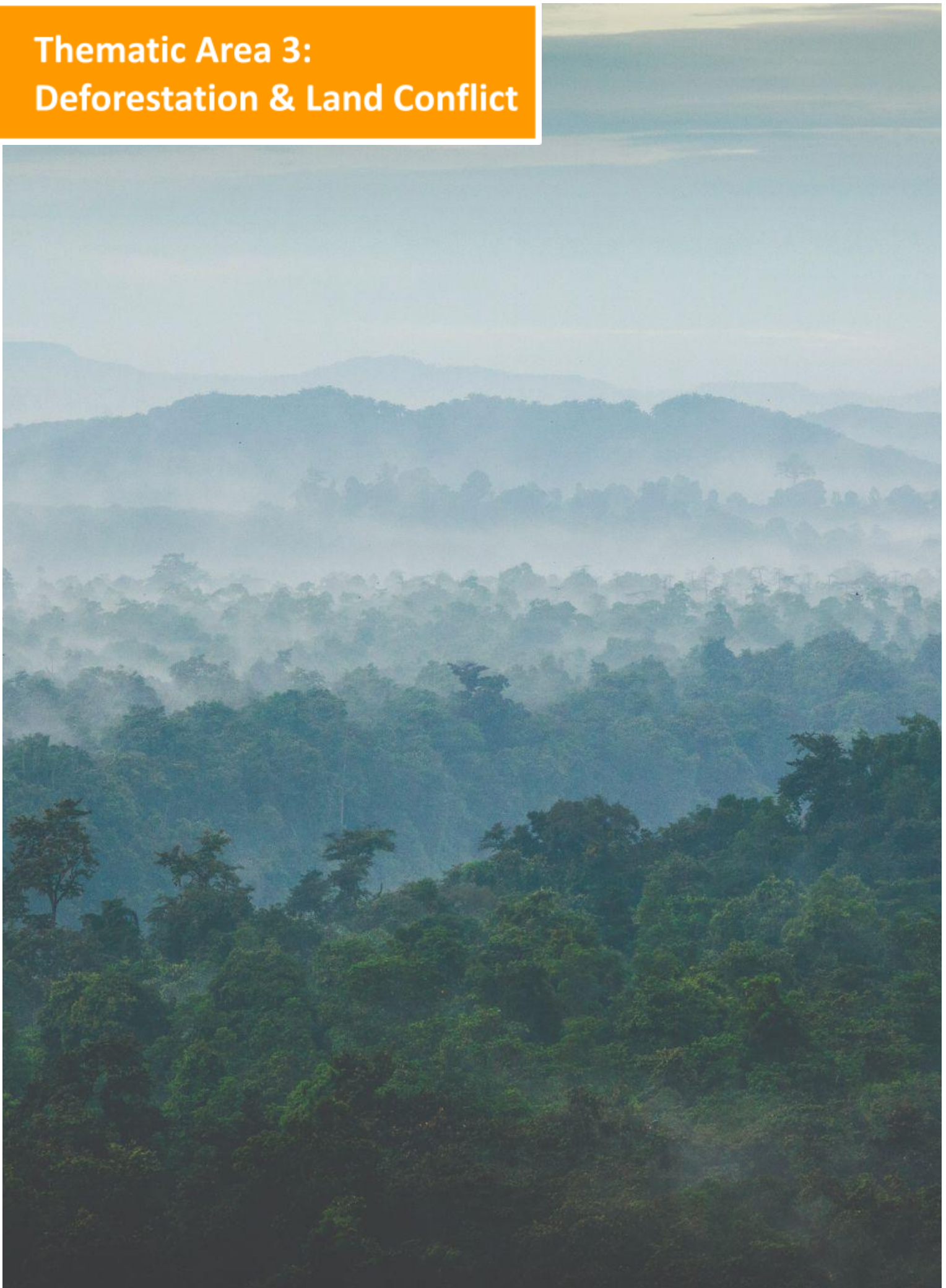
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|---|--|---|---|
| <b>Work Plan:</b> Specific labour assessment guidelines for CBs |  | <b>Unit Responsible:</b> Compliance   |   |
| <b>Deliverables</b>   | Piloting Labour Auditing Guidance and acceptance by the ASC<br>- Establish specific labour assessment guidelines for CBs that require more meaningful sampling, more time in the field as opposed to reviewing documentary evidence, higher numbers of worker interviews, and more robust approaches including gender balance of teams and unannounced spot/audits, and measures to build confidence in interviewees, to provide assurance of anonymity and protection.<br>- Increase outreach and involvement of key parties through a wider programme to build labour compliance |   |   |
|   | <b>Detailed Activities</b>   | <b>Progress</b>   | <b>Status</b>   |
|   | Produce a guidance document that complements the existing RSPO Certification Systems document, drawing lessons from other schemes such as Social Accountability International (SAI) and other ISEAL members, and supported by targeted specific training and capacity building for CBs.  | The Labour Auditing Guidance was endorsed by the ASC in September and will be published in Q4 2022. |  |

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|--|---|--|---|
| <b>Work Plan:</b> Compliance guidance and best practice for grower |   | <b>Unit Responsible:</b> Assurance & SDD   |   |
| <b>Deliverables</b>  | Collaboration with SDD to define the execution on development of necessary documents. |  |   |
|  | <b>Detailed Activities</b>  | <b>Progress</b>  | <b>Status</b>   |
|  | Best Management Practice (BMP) needs analysis   | 3 BMPs were analysed and proceeded with the development stage. Other BMPs are currently on hold following P&C standard revision. |  |
|  | Consultation in the development of BMP  | 3 BMPs (Peat, GHG, ISH) have been developed so far and are published on the RSPO website.  |  |





| Work Plan: Worker Voice mechanism to increase direct access to grievance mechanisms |  | Unit Responsible: Grievance & Risk  |   |
|---|--|---|---|
| Deliverables  | Improve accessibility of workers to grievance processes  |   |   |
|   | Detailed Activities  | Progress  | Status  |
|   | Worker Voice: SDD to reactivate and deliver Ulula project, starting with pilots  | Assurance Division has taken this activity and currently is waiting proposal form Ulula and other service provider. |  |
|   | Strengthening the HRD policy: Continue the review of HRD policy with implementation review to determine which unit is best placed to take responsibility for HRD implementation under the new Assurance division structure | This item is put on hold for now.   |  |


## Thematic Area 3: Deforestation & Land Conflict








### THEMATIC AREA 3: Deforestation & Land Conflict




This section provides updates on the progress of the work plan under Thematic Area 3: Deforestation & Land Conflict with the aim to address ongoing weaknesses in the RSPO's Assurance System relating to land clearance and new plantings by RSPO members. These include an appropriate remediation and compensation with the RaCP, the implementation of Free, Prior and Informed Consent (FPIC) to uphold land rights and improve the enforcement of NPP.






| Work Plan: NPP implementation review |  | Unit Responsible: Integrity   |   |
|--------------------------------------|--|---|---|
| Deliverables                         | A thorough review of the processes for enforcing NPP compliance and ensuring effective verification by CBs, to identify weaknesses and training needs to be addressed, and to agree on an effective oversight programme by ASI.  |   |   |
|                                      | Detailed Activities  | Progress  | Status  |
|                                      | Using baseline data of 2022 when the full NPP 2021 is effective.   | Training for CB NPP verification was conducted during CB Interpretation Forum in Medan, Indonesia.<br>NPP post-monitoring has been started (a collaboration between the Integrity and GIS teams) to monitor members' concession areas with approved NPP 2021. |  |
|                                      | Include the linked issues that arise during certification assessments, relating to requirements for uncertified units under the same ownership, and compliance with Principles 4 (land rights) and 7 (deforestation) relating to recent plantings. ASI review on NPPs that are verified by the accredited CBs. | ASI was instructed to start looking into NPPs that were verified by accredited CBs as this is now under the scope of the Certification System Document.   |  |


| Work Plan: Review of HCV/HCS management in certified unit |  | Unit Responsible: Integrity & Impact & MEL   |   |
|---|--|--|---|
| Deliverables  | Improvement of CBs checklist on the HCV/HCS management   |  |   |
|   | Detailed Activities  | Progress   | Status  |
|   | Conduct a baseline study. A thorough review of a sample of certification units to evaluate the ongoing measures to monitor and manage identified HCV/HCS areas, and any related assessment issues. | HCVN is designing a monitoring system from the information gathered from probability maps (medium and high risk) and P&C Review. |  |




| Work Plan: Effective implementation of RaCP |   | Unit Responsible: Integrity, Biodiversity  |   |
|---|---|--|---|
| Deliverables                                | Ensure effective and credible implementation of RaCP to remediate and compensate for past non-compliances, taking into account recommendations from the recent RaCP review. |  |   |
|   | Detailed Activities   | Progress   | Status  |
|   | Participate in revision review with SDD   | One major concern from the BoG is on improving the social liability aspect. Review of RaCP implementation and gap analysis are in progress. Framework has been developed.  |  |
|   | Improvements in submission and review process   | Training on RaCP was provided for growers and ISH in March 2022. Alignment meeting with compensation panels completed in April 2022. Integration of flowchart is currently in review. Resources expanded by pulling in the GIS unit. |  |

| Work Plan: Ensure all concessions are declared, mapped and monitored |   | Unit Responsible: Integrity  |   |
|--|---|--|---|
| Deliverables   | Full implementation of remote concession monitoring.  |  |   |
|  | Detailed Activities   | Progress   | Status  |
|  | Ensure through sample checks that all concessions are declared by members to the Secretariat and mapped on RSPO databases     | Some of the concession boundaries shared in pdf and jpg formats are still being digitised by the vendor and have been uploaded onto the RSPO databases.  |    |
|  | Monitoring for evidence of land use change/deforestation and fires, and investigation protocols if any incidents are detected | The current protocol has regulated the land-use change i.e. deforestation, fires, and investigation protocols if any incidences are detected. The SOP regarding the monitoring of deforestation and fire watch has been updated. |  |
|  | HCV Monitoring programme with HCVN  | Communication with HCVN was initiated in August 2022. HCVN has started to develop a concept and will share it with the Secretariat in Q1 2023.   |  |

| Work Plan: Review of relationship and engagement with HCVN/HCSA |  | Unit Responsible: SDD  |   |
|---|--|--|---|
| Deliverables  | Review of relationship and ongoing engagement with HCVN and HCS to ensure alignment on roles |  |   |
|   | Detailed Activities  | Progress   | Status  |
|   | ALS Review   | Written comments provided during review of ALS implementation in June 2021.  |  |
|   | Finalisation of collaboration HCSA   | HCSA proposed an MoU and is currently being reviewed. The last edit was done in December 2022. Awaiting HCSA to revert to the Secretariat. |  |
|   | Implementation of ALS and ICLUPs   | Integration of ICLUP requirements into NPP structure was completed and endorsed by the SSC in February 2022.                               |  |

| Work Plan: Strengthen the expert roster across specific functional areas. |  | Unit Responsible: Integrity, Global Community Outreach & Engagement   |   |
|---|--|---|---|
| Deliverables  | Design stakeholder database from regional IMO programme for audit activities, to strengthen the link with the Assurance System and processes.        |   |   |
|   | Detailed Activities  | Progress  | Status  |
|   | Creating framework for pool of experts   | An Expression of Interest was posted on the RSPO website to appoint a third-party Project Management Team to assist the Secretariat in developing the framework, establishing the database and guidance for future implementation of the PoE system by the Secretariat. |    |
|   | Engagement with IMO  | Feedback gathered from meeting with IMO proponents on 26 January 2022.  |   |
|   | ToR development  | ToR to be developed once the framework has been finalised.  |  |
|   | Endorsement by the ASC Criteria for the framework:<br>- Categorised by Subject Matter (i.e. Labour, Social, Environment)<br>- Categorised by regions | This will be tabled to ASC when it is ready in Q4 2022.   |  |
|   | Pilot testing  | Pilot testing to be planned once framework and ToR have been finalised.   |  |

|  |  |   |   |
|--|--|---|---|
| <b>Work Plan:</b> Increase outreach and involvement of key parties |  | <b>Unit Responsible:</b> Global Community Outreach & Engagement                           |   |
| <b>Deliverables</b>  | Wider sector-level engagement by RSPO to help build enabling conditions and address structural challenges, including participation in government-led and multi stakeholder processes, and other targeted engagement such as with government labour inspectors. |   |   |
|  | <b>Detailed Activities</b>   | <b>Progress</b>   | <b>Status</b>   |
|  | Development of Pool of Experts to look at deforestation issues and land conflict (collaboration with IMO)  | Pending the appointment of the Project Management Team (PMT) for a Pool of Experts (PoE). |  |

|  |  |   |   |
|--|--|---|---|
| <b>Work Plan:</b> Identify land rights & dispute risks in SEA, Latin America, Africa (mapping) |  | <b>Unit Responsible:</b> Risk   |   |
| <b>Deliverables</b>  | Development of RSPO Risk Register.   |   |   |
|  | <b>Detailed Activities</b>   | <b>Progress</b>   | <b>Status</b>   |
|  | Establish framework from RSPO Risk Register  | The first version of the framework has been produced with consultation from experts and within the Secretariat (Technical and Operational Excellence Units).  |    |
|  | Identify samples for case study in three regions. The samples are to be identified from Risk Database, complaints records, and membership monitoring | Samples for case study had been identified in South East Asia, Latin America and Africa.  |    |
|  | Case study (following the samples in 3 regions) by referring to the frameworks   | Review on audit reports for samples in Africa, LatAm and SEA has been completed for 3 thematic areas (Land Rights, Labour, and Environment).<br>Data analysis (pivoting table) is still ongoing for environment and labour. The Risk Unit will conduct a Focus Group Discussion (FGD) to discuss the initial result of risk mapping which will be scheduled in the fourth week of January 2023 for SEA, while Africa and Ghana will be scheduled during CB Interpretation Forum in February and May 2023. |  |

**NOTE:** Activities and prioritisation are also being included in a separate Assurance Division work plan. Given the ongoing scaling-up of the Secretariat's resources, current limited resources would need to be allocated first on the most pressing issues.

## Conclusion

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As the year 2022 draws to an end, the Secretariat remains committed to delivering results with many achievements having been accomplished and many gaps addressed. Although the industry is recovering from the global pandemic, the Secretariat remains resilient and focused. This Assurance Progress Report will include a review on the progress made over a year since the Gap Analysis Report was published, with consideration of the upcoming P&C 2023 review which may change parts of the work plan and detailed activities.

The progress of closing the gaps with the purpose of strengthening the Assurance systems and improving compliance is currently progressing on schedule in the fourth quarter of 2022. At the end of December 2022, out of a total of 83 detailed activities, the Secretariat has slightly increased the completion rate from 35% in Quarter 3 to 40% in this quarter. 44% of the activities are currently on-going, 15% will commence as scheduled and the remaining activities that are yet to begin remain at 1% to date.

“The RSPO Assurance division has shown continual growth and progress especially on closing the gaps since the first progress report was published. Although there are still works in progress, we persevere and remain confident that we are heading in the right direction with an aim to strengthen the Assurance System”

- Aryo Gustomo, Deputy Director of RSPO Assurance Division

As part of the RSPO Secretariat’s effort for continuous improvement and to gauge trust in the Assurance System, a survey among ASC members was conducted in May 2022. The survey result revealed 85% satisfaction from members with the current performance of the Secretariat’s management of the ASC. This shows there have been significant changes in managing the Assurance System by the Integrity Unit. Out of many improvements that are worth highlighting is the strengthening of Secretariat capacity which involves increase of staffing, including regional staff to provide necessary assistance across divisions for assurance matters. A mechanism to monitor CBs’ performance was also enhanced, with CB performance and appraisal review and development of Peer Reviewer training in collaboration with ASI.

The Secretariat also has focused on issues and activities relating to labour and human rights. The recent publication of the Labour Auditing Guidance aims to improve the auditability of the labour requirements of the RSPO P&C, while some projects have already kicked off in relation to increasing outreach and involvement of key parties through a wider programme to build labour compliance. In order to improve compliance and provide best practice for members, over the past year the Secretariat developed 3 Best Management Practices (BMP) documents regarding peat, greenhouse gases (GHGs) and independent smallholders (ISH).

Under the umbrella of Integrity Unit, efforts to increase the effectiveness of NPP and RaCP implementation through multiple trainings which were conducted either physically or virtually for Latin America, Africa, Indonesia, Malaysia and Thailand. The unit also works diligently to ensure that all concessions are declared by members. The GIS team which also part of the unit has developed investigation protocols and is working constantly to monitor and ensure that no deforestation and fires are caused by RSPO members, especially due to slash-and-burn practices.

Overall, the Secretariat concludes that it has been a successful year of 2022 with significant knowledge and accomplishment gained throughout the entire process. This can only be achieved with close synergy between the Secretariat, ASC members and all relevant stakeholders. The Secretariat is now better equipped with available resources to close the identified gaps. However, continuous monitoring of the effectiveness of implemented activities will be assured.

RSPO is an international non-profit organisation formed in 2004 with the objective to promote the growth and use of sustainable oil palm products through credible global standards and engagement of stakeholders.

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