

Minutes for RSPO BOARD OF GOVERNORS Meeting 02-21

Date: 10 June 2021

Start Time: 3.00pm-7.15pm (GMT +8)

Venue: Conference Call

BOG MEMBERS AND ALTERNATES IN ATTENDANCE

SUBSTANTIVE MEMBERS

Dato' Carl Bek-Nielsen (CBN), **MPOA** – Co Chair
Anne Rosenbarger (AR), **WRI** — Co Chair
Tim Stephenson (TS), **AAK** – Vice-Chair
Paul Wolvekamp (PW), **BOTHENDS**
Marcus Colchester (MC), **FPP**
Agus Purnomo (AP), **GOLDEN AGRI RESOURCES**
Karen Yu (KY), **RABOBANK**
Lee Kuan-Chun (LKC), **P&G**
Samantha Bramley (SM), **STANDARD CHARTERED**
Martin Huxtable (MH), **UNILEVER**
Daphne Hameeteman (DH), **WILMAR**
Michael Guindon (MG), **WWF S'POR**
Julian Walker-Palin (JWP), **RPOG**

ADVISORS

Prof. Bungaran Saragih (BS)
MR Chandran (MRC)

ALTERNATE MEMBERS

Lee Kuan Yee (LKY), **MPOA**
Eleanor Spencer (ES), **ZSL**
Caroline Westerik-Sikking (CWS), **AAK**
Nursanna Marpaung, **HAKUTAN**
Madeleine Brassier (MB), **OXFAM**
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Olivier Charrier (OC), **FERRERO**
Roger Charles (RC), **STANDARD CHARTERED-**
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Olivier Tichit (OT), **MUSIMMAS**
Harjinder Kler (HK), **HUTAN**
Hugo Byrnes (HB), **AHOLD DELHAIZE**
Yumie Kawashima (YK), **AEON**
Sander Van den Ende (SVE), **SIPEF**
Audrey Lee (AL), **OLAM**

SECRETARIAT STAFF

Audrey Lee as Interim Coordinator (IC)

GUESTS

Selina Chean (Ingenium)
Anita Neville (AN)
Dato' Henry Barlow (DHB)
Lim Sian Choo (LSC)

ABSENT WITH APOLOGIES:

SUBSTANTIVE MEMBERS

Kahori Miyake (KM), **AEON**
José Roberto Montenegro (JRM), **AGROCARIBE**

ALTERNATE MEMBERS

Dr. Mohamad Fadhil Hasan (FH), **ASIAN AGRI**
Martin Van Vaals (MVV), **RABOBANK**
John Clendon (JC), **UNIVANICH**

Item	Description	Focal Point
1.0	<p>Introductions and Opening Remarks</p> <p><i>RSPO Antitrust Caution, Quorum and Conflict of Interest</i></p> <p>The meeting being quorate, the Co-Chairs opened the meeting. Dato' Carl thanked the Board members for attending and hoped that the RSPO was now returning to normality. CBN expressed appreciation for the Board's support for what has been a difficult time for RSPO.</p> <p>The Board was reminded of the need to follow antitrust requirements and agreed the agenda.</p> <p><i>Approval of Agenda - BOG 01-21</i></p> <p>The agenda was duly approved with amendments to bring forward agenda item on finance matters for discussion.</p>	
2.0	<p>Approval of Minutes of previous meeting – 25 February 2021</p> <p>MB noted that at the last meeting the Secretariat had stated that an investigation was to be undertaken to look into the allegations about serious abuses in SOCFIN's plantations in Africa, but this had not yet been done. An ASI review of CB's performance is now happening but this would address CB performance and not the company's performance. The case was front page news in the Netherlands and unless action was taken this could seriously harm RSPO's reputation. After some discussion, it was agreed that the Secretariat be asked to carry out this investigation as a priority as agreed and minuted in the previous meeting.</p> <p>It was likewise noted that the previous meeting had agreed a Board sub-group was to be formed to shape the CAP review. This had been delayed by the changes in Secretariat but this sub-group should now be formed.</p> <p>Further, it had been agreed that Assurance be a standing item on the agenda and this also should be instituted effectively in future.</p> <p>There was a discussion about the volume targets under Shared Responsibility. DH and CBN agreed to follow up on this outside the meeting.</p> <p>MG requested a minor clarification of what he was stated as saying of page 5 which he would provide after the meeting.</p> <p>AR asked if, with this amendment, the minutes could be approved. MC proposed and CBN seconded. There being no objections the minutes were agreed, subject to the following Actions.</p> <p><u>Actions:</u></p> <p>1. Item 7.5 Page 7 No palm oil claim. MG to provide the wordings for CoC 1.5 to be included in MoM.</p>	Secretariat/MG

	<p>Wordings provided by MG:</p> <p>Formation of COP26 Campaign Taskforce</p> <p><i>The Recommendation to form a new Taskforce reporting to the MDSC was endorsed by the BoG, on condition that the campaign positions RSPO as one tool as part of a multi-faceted approach to deliver a responsible and sustainable palm oil sector.</i></p> <ol style="list-style-type: none"> 2. Item 9.1, Page 8 Secretariat Risk Register to include reputational risks and complaints cases to be sent to Co-Chairs. 3. RSPO Secretariat asked to carry out investigation on Socfin as a priority as agreed and minuted in the previous meeting. 4. An agenda item 'Matters Arising' would be introduced in future agenda after the review of the minutes. 5. There would be a standing item on Assurance. 6. The Board sub-group to oversee the CAP review would be formed as agreed and minuted in the previous meeting. 	<p>IC } } Secretariat } }</p>
3.0	<p>Change of BoG Substantive Member for Consumer Goods Manufacturer</p> <p>It was agreed that Martin Huxtable become the substantive to replace Petronella Meekers as CGM representative. OC noted that there is now a need to nominate an Alternate. The CGM group is invited to propose an Alternate. MH will consult the CGM group.</p> <p>On behalf of the Board, AR expressed thanks for the contributions that Petronella Meekers of Unilever had made to the RSPO. It was proposed and agreed that some token of appreciation, in the form of a plaque or small medal, should be given for such service for long standing Board members once they left the sector (to qualify one must have served minimum 3 years on the BoG). The BoG supported this proposal.</p> <p>Action:</p> <ol style="list-style-type: none"> 1. MH will propose to BoG an Alternate representative from CGM. 2. BoG wants to express a small appreciation to PM who had resigned from the Board and to include from Year 2010 to 2021 – ex-BoG who had served more than 3 years. If possible from year 2004-2009 as well. A small token of appreciation of not more than USD100 in value. 	<p>MH IC and Secretariat</p>
4.0	<p>Transitional Matters</p> <p>Action:</p> <ol style="list-style-type: none"> 1. AR agreed to follow up communication points with Fay that BoG members could speak to our members 	<p>AR / Secretariat to BoG</p>
5.0	<p>Remuneration Committee Update</p> <p>Action:</p> <ol style="list-style-type: none"> 1. BoG members were invited to volunteer as member of Remcom. 2. ToRs for the CEO and COO to be shared with the BoG. 	<p>BoG IC</p>

	<p>3. Independent structured review of RSPO governance.</p> <p>4. Prioritise recruitment of a HR Director.</p>	IC / BoG Secretariat
6.0	<p>Operational Overview Update by Interim Coordinator</p> <p>AL provided her observations of internal situation/staff morale and highlighted a few areas of the operational report and answered questions of clarification.</p> <p><u>ACOP</u></p> <p>MG: ACOP response rate stagnated at 80%- 83%, any indication why? Any strategies to close the gap?</p> <p>AL: ACOP stagnant at 83%-85% response rate, non-submitters are new members not aware of duty. Late submission period to engage new members. ACOP analysis preview will be shared with BoG.</p> <p>LKC: ACOP deadline extension to reach out to non-submitters to understand why.</p> <p><u>HCSA</u></p> <p>MG: Update on HCSA on MoU.</p> <p>AL: No Deforestation SG - No progress on procedures on putting together on HSCC. High level engagement with HCSA. HCSA Secretariat reached out to RSPO, working with Julia on insight with HCSA, need BoG to help coordinate engagement and discussion with HCSA.</p> <p><u>Supply and Uptake Update</u></p> <p>There were numerous queries on the market data update from CWS, DH, MH.</p> <p>DH: Market Data: Numbers are correct, provided corrections on explanations should be included next time, this information need to be put on website/ explained.</p> <p>CBN: Total volume certified RSPO palm is 18% of global volume – more emphasis placed on SR to improve production of CSPO palm and uptake of CSPO palm.</p> <p><u>Action:</u></p> <p><u>ACOP</u></p> <ol style="list-style-type: none"> 1. ACOP non submitters list to be shared with BoG, seeking BoG help to reach out to their constituents for response. Secretariat will also be reaching out to the non-submitters for late submission period 14-25 June. Secretariat also to find out reason why non-submitters did not submit on the first request. 2. ACOP analysis update to be provided to BoG in August. <p><u>Market Data:</u></p> <ol style="list-style-type: none"> 1. Data source shared with BoG and on RSPO Website need to be aligned and website update on supply uptake numbers need to be updated as soon as possible and these information need to be explained. 2. Secretariat to follow-up on explanations which need to be clear. 	<p>Secretariat</p> <p>Secretariat</p>

	<p>Example - RSPO CPKO volume uptake is currently 95.2% - prices has gone up due to market demand and not because of traders' manipulation.</p> <ol style="list-style-type: none"> 3. SR data source need to tie in with the data numbers provided by market data source. 4. Technical questions from BoG on the market data dashboard, to be followed up with Secretariat directly. <p><u>HCSA MoU</u></p> <ol style="list-style-type: none"> 1. HCSA Secretariat reached out to RSPO Secretariat, needs BoG member to help coordinate engagement and discussion with HCSA. 2. HCSA toolkit is unclear we need to work on this urgently. HFCL issues have been hanging for too long. <p><u>Shared Responsibility</u></p> <ol style="list-style-type: none"> 1. Total volume certified RSPO palm is 18% of global volume – more emphasis placed on SR to improve production of CSPO palm and uptake of CSPO palm. 2. DH asked for the job responsibilities of the SR Manager. 3. SR requirements to be communicated to members. 	<p>IC/BoG</p> <p>IC/SVE & BoG members within HCSA membership</p> <p>IC/Secretariat</p>
<p>6.0</p> <p>6.1</p> <p>(b)</p>	<p>Standing Committees Update</p> <p>Market Development SC</p> <p><u>COP26 TF Update:</u></p> <p>Board members raised questions on scale of the campaign, timeline, success rate and internal capacity to deliver COP26 campaign.</p> <p>AR further elaborated that a scaled back version is preferable. LKC agreed that TF momentum should not be lost. AP advocate to use this event to promote RSPO's contributions to the sector. CWS stressed the importance for RSPO to be visible and the positioning of RSPO. MC queried whether there was enough evidence to demonstrate RSPO certified oil is climate positive and warned of the risks of making undemonstrable claims.</p> <p>After further discussion, BoG is in support for a scaled down version in view of internal capacity constraints The scaled down version engagement is at a level we can manage with impact, campaign ingrained and integrated into Secretariat's activity:</p> <ol style="list-style-type: none"> 1. COP15 Youth Summit in Kunming and 2. Tool kit to members on positive palm oil messaging. <p>The Interim Committee will be the sounding board for TF Co-Chair for feedback.</p> <p><u>Actions:</u></p> <ol style="list-style-type: none"> 1. COP26 TF/APCO/Secretariat to focus on 2 key deliverables: <ol style="list-style-type: none"> I. COP15 Youth engagement campaign activation II. Members Toolkit – model for future use for delivery in the period of Pre COP26 thru COP15 2. COP26 Taskforce to revert on financial budget needs in a week. 	<p>Secretariat / Taskforce</p> <p>AN</p>

<p>6.2</p> <p>(a)</p> <p>(b)</p> <p>(c)</p>	<p><u>Standards SC</u></p> <p>After clarifications and concerns are addressed, BoG endorsed the 3 National Interpretation documents for:</p> <ol style="list-style-type: none"> 1. Liberia National Interpretation 2. Honduras National Interpretation 3. Guatemala National Interpretation <p>BoG endorsed the Côte d'Ivoire Independent Smallholder Standard Local Interpretation.</p> <p>The New Planting Procedure (NPP) 2021 is endorsed with new updates provided/shared at meeting and with proviso for final edit.</p> <p><u>Action:</u></p> <p>1. Final edit, proof-read to correct grammar and punctuation before it is publicized.</p>	<p>Secretariat</p>
<p>6.3</p>	<p><u>Smallholder SC</u></p> <p>Complaint letter from PNG SH and update of Secretariat action.</p> <p>SVE: Took over 2 months to respond to a query/grievance from a grower is not acceptable, draft response letter does not address his key concerns, except for the promise that RSPO will visit his plot. Situation in PNG is serious and worsening where rate of deforestation from non RSPO palm oil is accelerating past RSPO palm oil not by SH but by companies. RSPO HFCC made small growers irrelevant and made non sustainable palm oil the only viable option for the country. His complaint taken as symbolic of a much bigger problem RSPO faces in future and hope the relevant working groups address it with more diligence and speed to this grower.</p> <p><u>Action</u></p> <ol style="list-style-type: none"> 1. To follow-up and expedite the follow-up of such complaints. 2. Keep this on agenda to be discussed at another time. 	<p>IC/Secretariat</p>
<p>6.4</p> <p>(a)</p>	<p><u>Finance Committee</u></p> <p><u>Update</u></p> <ul style="list-style-type: none"> ● TS reported the Finance Summary/Dashboard a good summary where we stand. In brief - surplus of MR14 mil end 31 March, projected to MR20 mil by end of year. Income continues to grow, cost savings under control and a strong balance sheet. ● Draft budget for year 2021/2022 not finalized. Finance Committee will review/approve initially and send it to BoG end of June for final approval. <p><u>Action:</u></p> <p>1. Year 2021/2022 budget to be submitted to Finance Committee for initial approval and to BoG for final approval by end June.</p>	<p>Secretariat/ Fin Com</p>

	<p>2. DH to email TS/PC (Secretariat) on Finance Update and Balance Sheet Part C queries to address separately.</p> <p>3. ES: on Proposed Budget, page 8 – NPP what’s included? To follow-up with PC (Secretariat). Strategic pillars/demonstrating impact has flexibility as things develop at a later stage as final part of process.</p> <p>(b) <u>Resolution to update bank signatories.</u></p> <p>This is endorsed by the Board.</p> <p>Due to the recent resignations of both the CEO and COO the bank signatories and authorisation limits can no longer be implemented. Bank payment and authorisation is a critical function of RSPO and to ensure business continuity, a new set of signatories and authorisation limits is proposed as an interim arrangement.</p> <p>The verification and approval of invoices by the Divisional Managers or Heads remain unchanged and the approval by Finance of invoices submitted for payment will continue with the exception that all approval be fully delegated to the Finance Manager thereby ensuring that Eileen do not approve any submissions for payment.</p> <p>The Bank be instructed to honour and comply with all cheques, promissory notes and other orders drawn on, and all bills accepted on behalf of the Company in respect of the Accounts with the Bank whether such Accounts be in credit or overdrawn, to comply with all instructions given in relation to the operation of the Accounts, and to accept and act upon all receipts or monies deposited with or owing by the Bank in respect of the Accounts, provided that such cheques, promissory notes, orders, bills, instructions or receipts are signed by the following persons ("Authorised Signatories") in the following manner:</p> <table data-bbox="391 1355 1141 1512"> <thead> <tr> <th><u>NAMES OF AUTHORISED SIGNATORIES</u></th> <th><u>SIGNING GROUP</u></th> </tr> </thead> <tbody> <tr> <td>1. PATRICK CHIA JET KHIN</td> <td>Group A</td> </tr> <tr> <td>2. JULIA MAJAIL</td> <td>Group B</td> </tr> <tr> <td>3. EILEEN HO PEI LYN</td> <td>Group C</td> </tr> </tbody> </table> <p><u>SIGNING CONDITIONS AND SIGNING LIMITS</u></p> <table data-bbox="391 1601 1220 1758"> <tbody> <tr> <td>a. Up to RM100,000</td> <td>- Any one (1) from Group A or B</td> </tr> <tr> <td>b. Up to RM300,000</td> <td>- Combination of any two (2) from Group A, B or C</td> </tr> <tr> <td>c. Above RM300,000</td> <td>- One (1) each from Group A, B and C</td> </tr> </tbody> </table>	<u>NAMES OF AUTHORISED SIGNATORIES</u>	<u>SIGNING GROUP</u>	1. PATRICK CHIA JET KHIN	Group A	2. JULIA MAJAIL	Group B	3. EILEEN HO PEI LYN	Group C	a. Up to RM100,000	- Any one (1) from Group A or B	b. Up to RM300,000	- Combination of any two (2) from Group A, B or C	c. Above RM300,000	- One (1) each from Group A, B and C	<p>DH/IC/ Secretariat</p> <p>ES/IC/ Secretariat</p>
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<p>7.0</p>	<p>Update from Complaints Panel</p> <p><u>CAP and Grievance System Review</u></p> <p>A taskforce to be formed for CAP Review, ToR definition and timeline to be advised. All complaints and grievances except those that relates to the</p>															

	<p>Secretariat should go under one portal/conduit so that all complaints are captured and addressed in consistent manner. This is supported by BoG.</p> <p>In response to HB’s query, CBN emphasized the independence and autonomy of CP remains fully intact, no attempt by anyone to interfere in the CP processes and procedures.</p> <p>BoG is in favour of CP Co-Chairs to have direct access to the CEO.</p> <p>BoG endorsed CP Co-chairs’ request to be on the panel for the short list interviews for Head of Complaints Desk/Grievance.</p> <p>CP Co-Chair raised that CP staffing is under-resourced. Recruitment is urgent for the Head and 2 more staff in Africa and Latin America. IC confirmed the 2 roles in Africa and Latin America are prioritized hiring.</p> <p>HB: Discussion with ASC, CBs particularly ASI supervises not shown sign of compliance up-to-date on the competency. Like full assurance CB exposed to refresher courses regularly and labour issues are drawn to their attention and briefed how to approach this aspect of certification.</p> <p>In reply to MC’s query on CP discretionary budget, AR responded that this had been addressed and established in previous meeting.</p> <p>CBN: CP Co-chairs to provide 30 minutes update twice a year and record our sincere appreciation to the CP Co-Chairs on CP functions positive progress and continue with the good work.</p> <p>PW: Proposed to have a dedicated one hour joint discussion session on labour with HRWG, a sharing of real time experiences realities on the ground on labour and recruitment, gender, lockdown measures depending on remote audit, companies depending on casual labour not proper contract. This is supported by CP Co-Chairs and AP. To be jointly organized by CP and ASC Co-Chairs, HRWG and Secretariat.</p> <p><u>Actions:</u></p> <ol style="list-style-type: none"> 1. A taskforce be formed to review the Complaints and Appeals Procedure (CAP), design the framework, terms of reference (ToR) and timing. 2. CP Co-chairs to be invited to the final short list interview panel for Head of Complaint Desk/Grievance. 3. CBs particularly ASI supervises not shown sign of compliance, up to date on the competency. CB exposed to refresher courses regularly and labour issues are drawn to their attention and briefed how to approach this aspect of certification. Secretariat to assure this is done. 4. Prioritized recruitment of 2 staff, one in Africa and one Latin America. 5. A dedicated joint session on Labour with HRWG, CP, ASC and Secretariat to be organized. 	<p>Secretariat</p> <p>Secretariat, HRWG, CP, ASC</p>
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8.0	<p>AOB</p> <p><u>RT</u></p> <p>It will be a virtual RT. Interim Coordinator will revert on this.</p> <p><u>GA</u></p> <p>GA will be virtual but need resolutions session for resolutions that are outstanding. To find a forum for discussion, with good preparation on resolutions. Logistics to be sorted out and we need to work on this asap. Capture the learnings from last RT and make improvement.</p> <p><u>Assurance</u></p> <p>Assurance to be added to BoG Agenda as an item.</p> <p>CBN: Thank the BoG for their participation, active involvement and time, for a constructive meeting and IC over last 2 months. Will revert on the date for the next BoG Meeting and recruitment status update.</p>	<p>IC / Secretariat</p> <p>IC/Secretariat</p> <p>Secretariat</p> <p>IC</p>
9.0	Meeting adjourned at 7.15 pm (GMT +8).	