

**Assurance Standing Committee  
7th Meeting – Part 2 (via Zoom)  
Minutes of Meeting**

Venue: Zoom Meeting (<https://zoom.us/j/95473143901>)  
Date and time: 15 April 2021 at 4.00 pm – 6.00 pm KL time

**Members Attendance:**

<b>Growers</b>		
<b>Name</b>	<b>Organisation</b>	<b>Group Representation</b>
Agus Purnomo (Co-chair)	Golden Agri Resources (GAR)	Indonesian Growers (IGC)
Lee Kuan Yee	Kuala Lumpur Kepong (KLK) Berhad	Malaysian Growers (MPOA)
Laszlo Mathé	New Britain Palm Oil Limited (NBPOL)	Growers RoW
Vacant	n/a	Smallholders Group
<b>NGOs</b>		
<b>Name</b>	<b>Organisation</b>	<b>Group Representation</b>
Michael Guindon (Co-chair)	WWF Singapore	E-NGO
Paula den Hartog	Rainforest Alliance	E-NGO
Paul Wolvekamp	Both ENDS	S-NGO
Marcus Colchester	Forest Peoples Programme	S-NGO
<b>Supply Chain Sector / Downstream / Others</b>		
<b>Name</b>	<b>Organisation</b>	<b>Group Representation</b>
Kuan-Chun Lee	P&G	CGM (alternate)
Emily Kunen	Nestlé	CGM
Hugo Byrnes	Royal Ahold Delhaize N.V	Retailers
Olivier Tichit	Musim Mas Holdings	P&T
Michal Zrust	Lestari Capital	Financial

**RSPO Secretariat Attendance:**

Name	Position
Tiur Rumondang (TR)	Director of Assurance
Wan Muqtadir Wan Abdul Fatah (WM)	Sr. Manager, Assurance Integrity Unit
Freda binti Abd Manan	Consultant, Assurance Integrity Unit
Fay Richards	Acting Head of Marketing & Communications
Sarsongko Wachyutomo	Grievance Manager (Indonesia)
Citra Hartati	Head, Risk
Izzati Rahman	Grievance Manager
Aryo Gustomo	Deputy Director, Compliance
Yen Hun Sung (HS)	Senior Data Scientist & Information Systems
Krishna Jeyabalan	Smallholder Certification Programme Senior Executive

**Other Attendance:**

Name	Organisation	Role
Neil Judd (NJ)	Proforest	Lead Facilitator
Shinta Puspitasari	Proforest	Facilitation support
Hubert de Bonafos (HdB)	ASI	RSPO P&C Program Manager
Marieke Leegwater (ML)	Solidaridad	Co-chair, SSC
Madeleine Brassier (MB)	Oxfam	Co-Chair, HRWG

Item	Description	Action Points
1.0	Introduction	



	<p>NJ welcomed Co-chairs of the Smallholder Standing Committee (SSC), noting that Krishna from the Secretariat will be presenting for the smallholder agenda item. NJ also welcomed MB from Oxfam who will be presenting an update from the Human Rights Working Group (HRWG).</p> <p>AP opened the meeting and welcomed others who joined the meeting.</p> <p>NJ briefly shared the agenda for today's meeting.</p>	
1.1	<p><b>RSPO Antitrust Guidelines</b></p> <p>NJ reminded the members of the RSPO Antitrust Guidelines.</p>	
1.2	<p><b>RSPO Consensus-based Decision-Making</b></p> <p>NJ stated that the ASC follows the RSPO consensus-based decision-making process, in accordance with the ASC Terms of Reference.</p>	
1.3	<p><b>Declaration of Conflict of Interest</b></p> <p>NJ highlighted the ASC Col obligations. No Col was declared at this meeting.</p>	
2.0	<p><b>Action Tracker Update</b></p>	
2.1	<p><b>Review of outstanding points</b></p> <p>NJ gave an action tracker update and reminded the members that it is available on the shared folder. NJ summarised that most actions have been completed, some are closed (superceded) and there are a few outstanding actions.</p> <p>NJ highlighted several ongoing activities and asked WM to update on the timeline and guidance on the Decent Living Wage (DLW) progress. WM updated that a benchmark was conducted and based on this, DLWTF decided not to take one method for all regions; DLWTF will develop a toolkit or template to help the NI working group to work on this issue. Once the toolkit is developed DLWTF will communicate it to respective NI Working Groups.</p> <p>Member sought clarification on whether the national benchmarks are no longer developed by the RSPO WG but by the NIWG based on the toolkit RSPO provides. WM clarified that for countries who already have the living wage estimation, we can leverage on that. Otherwise, it's still the work of DLWTF to develop the toolkit. The toolkit will set the corner stone of DLW criteria, and will provide options and solutions to move forward with the DLW, whilst maintaining the consensus-based decision platform in all countries.</p> <p>Member further asked when the toolkit will be available. On which, WM</p>	<p>The Secretariat will</p>



	<p>responded that he doesn't have the answer yet, as it depends on Secretariat recruitment. The last update from the DLWTF meeting on 4<sup>th</sup> March is what has now been shared in this meeting.</p> <p>NJ suggested to take this as an action point from this meeting, to share the DLW timeline when available.</p> <p>Member suggested that certified growers will need to be informed. CBs also need to be guided when they can start assessing against the requirements.</p> <p>Member recalled the ASC discussion on the possibility of collaborating with Wage Indicator, which has national and sub-national guidance on this, and asked for a follow up on this issue.</p> <p>NJ continued that the ASC/CP joint meeting is in the planning stage. A doodle poll will be sent out to find a suitable date in early May.</p> <p>NJ continued with the other outstanding activities including the pool of experts, which will be discussed later in the agenda (item 2.3). The Assurance Forum will now be managed by Aryo. The next Assurance Forum will be in June.</p> <p>WM updated on the Fire Hub, which is now planned to be launched in June 2021. It was initially going to be leveraged during the RT Series. However, the RT Series will potentially be cancelled in June. Some finalisation of the hub is still ongoing. It needs to be narrated correctly to avoid misinterpretation of the data, and advice from the Secretariat's legal representative is to ensure that all affected members give consent before it is published. Since Dec 2020, the Secretariat has only received 35% of the members' permissions; WM asked the ASC members to help convey this message to respective constituents to allow RSPO to promote good efforts in fire management by giving consent from members and growers for the Fire Hub launching.</p>	<p>share the timeline on DLWTF toolkit development, as soon as available.</p> <p>The Secretariat to follow up on the possibility of collaboration with Wage Indicator on DLW.</p> <p>The Secretariat will launch the Fire Hub in June 2021. All ASC members to convey message to give consent for the Fire Hub reporting.</p>
<p><b>2.2</b></p>	<p><b>Recommendations from IUCN NL report</b></p> <p>WM updated that there are 4 clusters of recommendations given by the IUCN report including: general points, independence of the auditors, transparency, and competence &amp; quality.</p> <p>On competence and quality, the recommendations are to direct more resources towards the RSPO Assurance Division for training and to develop in-house specific skills on the more complex issues around social auditing. Additionally, given the expense of training, special consideration should be given to smaller CBs and regions where capacity is lacking. In terms of transparency, it is important to ensure resources for worker and local community capacity building to ensure understanding and engagement with the audit, so that key representatives can participate in audits. The recommendations on independence are (1) to ensure the root cause analysis considers the issue of different options for enhancing</p>	



	<p>auditor independence; (2) to consider auditor rotation applying to all CBs, head auditors and auditors where there is a sufficient pool of auditors to do so, and ensure there is systematic research on its efficacy; (3) and to consider how pilots could trial different versions of the solutions proposed to deal with independence, which should provide data on efficacy and impacts. The general recommendations include the need to systematically list and explore other certification and multi-stakeholder schemes, as well as other industries, for best practice; and to consider creating a joint trust fund to assist with capacity building issues around assurance. WM sought guidance from the ASC on what to prioritise from all the recommendations given.</p> <p>NJ explained that most of the recommendations were captured in the gap analysis report. The proposed gap analysis workshop can be a platform to discuss some on these issues as well.</p> <p>Member also asked which recommendations to prioritise. On competence and quality, member added that more resources are needed. He suggested we should be careful on how to change the system. Certified growers know how difficult it is to undergo audits and better audits don't mean bigger audits. They are huge audits already and it is important to deliver quality audits. The recommendations should be prioritised and let's not try to deliver in one go.</p> <p>Member reminded the group that the IUCN introduction states how this can also help the gap analysis and how to use this to identify underlying causes, followed by prioritisation of actions.</p> <p>Member reminded the group that there's a new task force to prepare RSPO inputs for the upcoming COP26 in Nov 2021. Part of this is to improve the quality of assurance.</p> <p>Member would like the ASC to take on board the idea of trust funds to allow the implementation of better and more independent audits, and asked the Shared Responsibility Working Group to look at how much downstream players and investors, &amp; members of the RSPO would be prepared to contribute to a trust fund. So that not all the financial burdens fall to the growers for improvements of our system.</p> <p>Member asked how the review of the IUCN report aligned with the draft gap analysis report presented in the last meeting. NJ explained that the draft gap analysis report looked at about 12 external reviews and reports, including the IUCN report.</p> <p>TR responded to member's comments on the IUCN report, such that more discussion is required with ASC members to identify priorities for the Assurance Division workplan, noting that proposed actions are included in the draft gap analysis report and that discussions would also be required with other WGs/SCs to come up with the best and most sensible workplan.</p> <p>On trust funds, TR explained previous thinking about this including the</p>	
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	<p>Dispute Settlement Facility (DSF) which has yet to be executed. There are administrative obstacles which need to be addressed. Focus group discussions will be needed to identify a realistic pathway.</p> <p>NJ noted that linkage with the SRWG is part of the ASC ToR. So, ASC has the option to bring forward an item on that during the next call. NJ will seek ASC members views on that by email.</p>	<p>NJ will seek ASC members' views on including an SRWG agenda item during the next meeting.</p>
<p><b>2.3</b></p>	<p><b>Independent pool of experts</b></p> <p>WM shared that the list of experts is categorised into clusters, e.g. by country/region. The experts are expected to come up with investigative reports based on secondary data and not through direct interaction with the related parties. Experts can come from a wide range of backgrounds and with various types of expertise. The Secretariat has shared the information with ASI on the current list that RSPO has, including those who have been involved in IMO Projects, including SDI (Liberia), SEPA (Malaysia), ELSAM (Indonesia), INDEPAZ (Colombia). WM identified key questions for discussion, namely whether this should be under one of the future ASC sub-groups, what the reward system will be for these experts, and whether this will come from clients or RSPO.</p> <p>Member mentioned that the HRWG co-Chairs and some ASC members had a brainstorming session on the pool of experts. Some key points are that the DSF sub-group expressed the need for a workplan to develop a pool of mediators. Member also shared the discussion with the co-chairs of the Complaints Panel about the urgent need to have experts to carry out investigations in the field. Lastly, member mentioned the need under the HRD mechanism for key respondents in the field. Regarding rewards, member suggested we could have experts based on retainer with rewards discussed for each specific assignment.</p> <p>Member sought clarification on how we are going to use the pool of experts, whether they are for audits, investigation, or other things. We need to have clear context on how they are going to be used. TR responded that the current independent pool of experts used by the Secretariat are resources if RSPO needs support. Mostly they are for investigations related to complaints. TR added that the Secretariat has some mediators who have been helping if support is needed, but it is not an extensive list. At the moment, those mediators are only based in Indonesia &amp; Malaysia. In TR's view, the pool of investigators should be distinct from the pool of mediators and the pool of experts for HRD. This will need further discussion and TR suggested the discussion should be taken forward by one of the ASC sub-groups.</p> <p>NJ summarised that this discussion needs to be picked up under the sub-group session later (item 3).</p> <p>Member suggested that rewards should potentially come from RSPO, and asked if there are disagreements with the expert report, who should be the judge and how the final decision and solutions will be taken. TR responded that if the pool of experts is used under the complaints system,</p>	<p>ASC members to discuss and decide in which sub-group the pool of experts should sit and what the reward mechanism is</p>

	<p>the final decision should be with the CP. If the experts are used by the Risk Unit, the final decision would involve the CEO or COO. This is now how RSPO uses the pool of experts.</p>	<p>appropriate.</p>
<p><b>2.4</b></p>	<p><b>Smallholder standard implementation monitoring</b>          Krishna started with the background that when resolution 6f was adopted at GA16 in 2019 there were calls for continuous monitoring of the implementation of the RSPO ISH Standard by the RSPO Secretariat. The Secretariat then developed a proposal for monitoring and it was presented to the SSC in August 2020. The proposal included (1) setup of a joint task force of SHSC and ASC; (2) develop risk-based monitoring of the farmers going for certification. Upon discussion with the ASC co-chairs and reviewing the capacity of the Secretariat and ASC members, it was concluded that the setup of a joint task force would not be feasible due to resource constraints. The next step is to use the existing due diligence mechanism and step by step procedures and criteria for farmers who do not comply with the ISH Applicability criteria.</p> <p>Krishna continued by outlining the membership application and certification assessment process. Following initial due diligence, the membership application is posted on the RSPO website for public comment for 2 weeks. Comments received are processed by the membership team and the relevant stakeholders are consulted to clarify the comments. Any comments will be addressed by the ISH Group before proceeding with the audits.</p> <p>Krishna highlighted the impact of the implementation. In addition to 81 Active Memberships, 12 are in the process of applying for membership and half of these are in the process of providing clarifications on their disclosure templates. Most clarifications required are generally for status of land use, size of plot owned, and shapefile inaccuracy.</p> <p>Krishna continued with the current proposal to continue 2 main verification processes, namely desk verification and ground verification at the Certification audit stage. The current process also allows for public comments during the membership and certification stage. The proposal from the Secretariat is to retain the current process without any additional risk assessment or verification as the existing process is robust enough to identify compliance with the applicability criteria. There were no objections to this from ASC members.</p> <p>Member added that if RSPO wants to be more inclusive for farmers, it needs to find a balance on what is needed from the farmers and the benefits they receive in return.</p> <p>Member asked what will happen to farmers who are already in the system and certified and how the new proposal will affect them. On which Krishna responded that existing group members who would like to bring in new members, have to submit the required disclosure documents. At the moment, there are 2 groups who are moving towards ISH Standards. They need to close the 'non-compliances' that were raised by the</p>	

	<p>auditors, who have completed the field audits. So, the certifications have not been completed yet.</p> <p>Member highlighted that the RISS annual review has not taken place because of Covid-19. On which, SSC co-chairs responded that this has been acknowledged.</p>	
<p><b>3.0</b></p>	<p><b>Proposal for Sub-Groups Formation</b></p> <p>TR shared the proposal to form 3 sub-groups on Governance, Standard Quality and Public Domain. The Governance sub-group is to govern the compliance quality in implementing all requirements of the RSPO key documents related to the certification system. The Standard Quality sub-group is to govern the compliance quality for adequate CBs performance in implementing the RSPO Standards (P&amp;C, RISS, SCC). The last sub-group is on Public Domain to govern the process in capturing elements of grievances, issues in the public domain, and channel them into adequate internal and external settlements.</p> <p>TR continued that the 3 sub-groups should align with the findings of the gap assessment. The sub-groups will provide input and feedback for a better assurance system. The pool of experts should be under the Governance sub-groups.</p> <p>Member asked whether the discussion on a trust fund will be under the Standard Quality or others. TR responded that details of activities haven't been provided in the sub-group proposal but reminded the group that when the proposed objectives of each sub-group are confirmed, that would lead them to identify all activities.</p> <p>Member suggested that it's too early to develop sub-groups before further discussion on the root cause analysis. We can have a time-limited sub-group to support the Secretariat working on the gap analysis and identify the prioritisation and what the solutions are. Then subsequently we can form sub-groups that can support the implementation of the workplan.</p> <p>Member asked whether the Governance sub-group will govern the pool of experts. On which TR responded that the sub-group will not make any decisions on behalf of the ASC. For example, the sub-group can prioritise what pool of experts we should have in 2021 and how to implement the assurance system, etc, but decision have to be taken at ASC level.</p> <p>Member sought further clarification on the sub-group proposal, but also agreed to first establish consensus on the root cause analysis, then identify priorities for the workplan, including the forming of the sub-groups to monitor implementation.</p> <p>NJ summarised from all feedback that we will follow up with the agreed ASC workshop to review the root cause analysis, followed by agreement on the workplan and then forming the sub-groups to support the implementation, on which TR agreed. NJ added that any further feedback</p>	<p>The formation of ASC sub-groups will be based on the results of the root cause analysis, and prioritisation of actions.</p>



	on sub-groups can be shared by the members anytime.	
<b>4.0</b>	<b>Human Rights Working Group Update</b>	
<b>4.1</b>	<p><b>Update on Strategy and Workplan, and Alignment with ASC</b>            MB updated that the HRWG strategy was endorsed by the Standards SC last month.</p> <p>MB outlined the rationale for a rationale, and summarized the purpose, scope and responsibilities for the the HRWG strategy. MB shared the 4 goals of the HRWG strategy: (1) RSPO has a human rights framework in place and it is implemented by its members, (2) Plantation workers exercise their rights to safe and decent work and living conditions, (3) Customary and legal land rights of indigenous peoples, local communities and other users are respected, advanced and disputes are remedied, (4) Gender equality, Women’s safety and Women’s Economic Empowerment principles are applied and promoted.</p> <p>MB further explained the objectives and proposed interventions for each of the strategy goals, and shared that there is now an intention to form a sub-group to monitor and oversee the implementation of each goal, comprising one sub-group for overall HR strategy, plus others for labour, FPIC, and gender equality.</p> <p>MB explained there are clearly overlaps between the HRWG and the ASC. So, it is important to collaborate on implementation of standards, related policies (e.g. HRD), social auditing including capacity building for CBs, remedy and impact measurement. Lastly, MB shared the position of the HRWG within the RSPO and the proposed communication line with ASC.</p> <p>Member sought clarification on which part of the Secretariat HRWG relates to for immediate actions if an urgent issue comes up. MB responded that they have the same question. An urgent matter related to HR occurred last year, where the Secretariat took charge. However, HRWG was not involved in the process. It was a challenge and needs clarification from the Secretariat. TR responded that the updates on these cases have been shared in the monthly report by the CEO to the Board. The latest updates are included in the meeting report in February 2021. However, the progress of these cases is slower than expected as there are some restrictions because of Covid. Additionally, some of the potential independent investigators have a conflict of interest, which has required more time to find different candidates. Other challenges on the cases are related to Movement Control Order (MCO) issues.</p> <p>Member responded that it would clearly be good practice if the Secretariat can inform the WG about ongoing investigations. MB offered to discuss a format or proposed process on how this can be done. TR suggested that the HRWG should set up a regular agenda to get updates on the process from the Secretariat, as it is now running on minimum resources.</p>	<p>HRWG, and potentially ASC to set up a regular update with the Secretariat on ongoing HR</p>



	<p>Member suggested that as a norm when a WG initiates an issue, there should be feedback. Particularly if the Secretariat is struggling to find an expert to help with the investigation, the WG can help with this matter.</p> <p>Member asked about the HRWG resource management covering 4 different sub-groups and whether the sub-group on HR strategy can be covered by the HRWG itself. MB responded that the size of each sub-group will be different, but it is the level of action that matters.</p> <p>Member reminded the group that there are procedure which cover how to raise complaints against RSPO members and certified growers. One is the certification route and the other one is the RSPO complaints process. Considering the stretch of resources, we should consider emphasizing the first option, where ASI and CBs can provide effective responses. owever, if the HRWG suggested that this not sufficient then there is a need to identify the problems and causes.</p> <p>NJ added that the Secretariat has also already updated on its review of the various routes for grievances.</p> <p>MB noted that the HRWG also looked at social auditing and noticed that auditors and CBs have are not well equipped to confirm compliance. So, the certification route might not be the best route to pick up these social violation issues, and CBs need to be trained properly.</p> <p>Member commented on the ASC and HRWG collaboration. He would have welcomed the involvement of the HRWG in ASC sub-groups. Also, to have regular attendance from the HWRG co-chairs in ASC meetings. On which MB supported the suggestion and options.</p> <p>NJ asked the members for any objections or to accept the member’s suggestions on more active ASC – HRWG collaboration as a consensus for general collaboration. No objections were raised.</p>	<p>investigations.</p> <p>ASC will involve HRWG members in its sub-groups and regularly in meetings.</p>
<p><b>5.0</b></p>	<p><b>Any Other Business</b></p> <p>TR updated on the current administrative bottleneck of the CEO &amp; COO that the approval of SOPs related to assurance matters can be assigned jointly by several directors.</p> <p>TR continued with the second matter on the BHCVWG’s proposed change in reporting line, to move from the Standards SC to the ASC.</p> <p>Member sought more explanation on the SOP. TR responded that it relates to internal operational processes for the Secretariat only, including decision making as to whether suspension or terminations need to occur. Member underlined that suspension, termination and conformity are CB roles and not that of the Secretariat. However, TR clarified that this relates to membership, and not certification, and so outside CBs’ role and</p>	



	<p>responsibilities.</p> <p>NJ and AP clarified that this is for defining the internal decision-making process when the CEO and COO are absent. AP added that an interim coordinator is already appointed by the BoG to support the normal Secretariat functions and asked whether the ASC members have any objection with this arrangement. No objections were raised by ASC members.</p> <p>Member commented that in terms of implementation of standards, this issue relates to SOPs concerning how the Secretariat needs to function; member agreed with TR that SOPs are needed if there are gaps.</p> <p>Member reminded the group that the reason BHCVWG should be under ASC is that the relevant standards requirements are now clear, and the challenge now is to uphold it, which is an assurance matter. Additionally, the Risk Unit in the IMU is to monitor hotspots and land clearance, which are roles under the Assurance division. The delayed implementation of the RaCP is also an assurance matter.</p> <p>NJ asked the co-chair to summarise the discussion and to confirm their final decision on whether BHCVWG should be reporting under the ASC. The co-chair (AP) had no objections on the proposed BHCVWG reporting line to ASC.</p>	<p>Members agreed that BHCVWG will now change its reporting line, and sit under the ASC.</p>
<p><b>End of meeting</b>                  The Co-Chair thanked NJ and all the ASC members who attended the meeting, for their feedback and comments.                  The meeting adjourned at 6pm.</p>		