

Minutes for BOARD OF GOVERNORS Meeting 08-16

Date: 11th Nov 2016

Start Time: 9.00am-3.40pm (11/11) MYT

Venue: Shangri-La, Bangkok

Attendance	
BoG Members and Alternates	With Apologies
WWF – Adam Harrison (AH) Chairman	UNILEVER – Biswaranjan Sen (BW) – Co-Chair
WWF – Stephen Watson (SW)	MPOA Carl Bek Nielsen (CBN) – Co Chair
AAK – Tim Stephenson (TS)	AHOLD – Hugo Byrnes (HB)
AGROCARIBE – José Roberto Montenegro (JM)	AAK – Martin Craven (MC)
BOTHENDS - Paul Wolvekamp (PW)	FELDA GLOBAL VENTURES HOLDINGS BHD – Tn. Hj Ab Ghani Mohd Ali (AG)
FAUNA & FLORA INTERNATIONAL – Cahyo Nugroho (CN)	FELDA GLOBAL VENTURES HOLDINGS BHD – Denys Munang (DM)
HSBC – Ian Hay (IH)	GOODHOPE – Edi Suhardi (ES)
IOI – Ben Vreeburg (BV)	HSBC – John Laidlow (JL)
MARKS & SPENCER – Fiona Wheatley (FW)	MONDELEZ – Jonathan Horrell (JH)
MONDELEZ – Karimah Hudda (KH)	IOI – Dr. Surina Ismail (SI)
MPOA – Dr. Ruslan Abdullah (RA)	RABOBANK – José den Toom (JT)
MUSIM MAS – Dr. Gan Lian Tiong (GLT)	UNIVANICH – John Clendon (JC)
RABOBANK – Geraldine Lim (GL)	
RPOG – Belinda Howell (BH)	<u>Secretariat Staff</u>
SIPEF – Olivier Tichit (OT)	Datuk Darrel Webber (DW)
OLAM – Audrey Lee (AL)	Patrick Chia (PC)
OXFAM – Johan Verburg (JV)	Salahudin Yaacob (SY)
OXFAM – Taufiqul Mujib (TM)	Stefano Savi (SS)
UNILEVER – Cherie Tan (CT)	Yohanes Ryan (YR)
VERITE ASIA – Daryll Delgado (DD)	Tiur Rumondang (TR)
WRI – Anne Rosenbarger (AR)	Oi Soo Chin (OSC)
ZSL – Leonie Lawrence (LL)	Cheri Woo (CW)
<u>Advisors</u>	<u>Other Invited Guest</u>
MR Chandran (MRC)	OXFAM - Madeline Brassler (MB)
Prof. Bungaran Saragih (BS)	

Item	Description	Focal Point
1.0	<p>Introduction</p> <p>1.1 This meeting is a continuation of the meeting held on 7 Nov 2016. AH was asked chair the meeting in the absence of the Co-Chairpersons.</p> <p>1.2 RSPO BoG consensus based decision making. The BoG was reminded that they try to reach/make decision by consensus which is the absence of sustained opposition.</p> <p>1.3 The following new elected board members were welcomed to the Board of Governors.</p> <ul style="list-style-type: none"> • José Roberto Montenegro, representing Agrocaribe was elected to the Grower Rest of the World seat • Stephen Watson, representing WWF International, was elected to Environment NGO seat • Haji Ab Ghani Bin Mohd Ali, representing FELDA, was elected to Grower Smallholder seat. <p>1.4 Many of the Board members expressed disappointment that both Co-Chairpersons were not present at yesterday's General Assembly and in today's the Board meeting.</p> <p>1.5 There were concerns over the proper process for the election of officer bearers in the Board of Governors. DW explained that organisations are elected to the Board. The organisations then appoint individuals to represent them. Further discussions were made on several areas with regards to the appointment process and the elections of office bearers.</p> <p>1.6 Several members of the board highlighting the need to externally review the functionality and role of the board and Secretariat. Subsequently, a small sub group from the board was established to identify a consultant with relevant experience to kick start this review process.</p> <p>1.7 The BoG Chair has requested PW, TS and FW to develop a ToR, in collaboration with DW, for a review of RSPO BoG by the end of 2016, and to suggest suitable individuals/organisations who could carry out the review from January 2017.</p>	
2.0	<p>Human Rights Working Group (HRWG)</p> <p>2.1 MB from Oxfam gave a verbal update on social auditing where it is not going well especially with human rights issues in some of RSPO certified plantation areas. Rainforest Alliance was commissioned to conduct a research to identify the issues and make recommendations on how to carry out proper social auditing.</p> <p>Labour task force to become operational, with 2 year action plan. TF can take on task in P&C review. With notion that guidelines produced by coalition of expertise groups can be adjusted within relatively short time</p>	

2.2	<p>span (2-3 months) towards a draft RSPO Guidance document – to be submitted to public consultation. There was a new gender sub-group established.</p> <p>Rainforest came out with sets of clear recommendations which are related to the P&C guidelines and the auditor's checklist which requires a lot of improvement.</p> <p>Another recommendation is to conduct training for lead auditors and social auditors as they lack of in-depth knowledge of the subject matter. BH requested for a clean input on labour, for P&C revision.</p>	
3.0	<p>Discussion on RT and GA</p> <p>3.1 OT expressed his concern on the small number of participation.</p> <p>3.2 MRC brought up the following:</p> <ul style="list-style-type: none"> ● There are two different points of view of the keynote speaker. ● People were some dissatisfactions on how the world café was conducted ● Participation from the Indonesians was good. All walks of sectors participated. ● We need to address the issue of smallholders. The smallholders must be brought to the EURO RT. Indonesian media were also good. ● Credit to the Secretariat to be able to bring the Thai government involvement. ● We must work towards accommodating the non-English speaking group. <p>3.3 AH and SW have the exact opposite feedbacks regarding the keynote speech.</p> <p>3.4 SS urged any RSPO spokesperson to wear the RSPO hat when speaking to media rather than their own interest. We had and still un-doing a lot of things which have been said earlier.</p> <p>3.5 AH advised that we ought to have a briefing with all spokesperson on what to say and not to say before RT just like before.</p> <p>3.6 TS points out that listening to live debate and discussions enhances better voting decision(s). E-voting only get the read the resolution, we may need to revisit this.</p> <p>PW suggested to use an e-forum to facilitate the discussion of resolutions before the GA. RSPO should consider such collaborative tools to further support participation from the membership.</p> <p>3.7 BH took the time and effort to email the resolution proponents and some replied and some did not. They wanted to seek clarification, but some didn't response.</p> <p>3.8 DW acknowledged that translation was an oversight.</p> <p>3.9 JV highlighted a scenario where some of the resolutions submitted are</p>	

	related to the environment and would have improved with an eNGO co-signatory.	
3.10	GA Resolutions	
3.10.1	<p>Resolution GA13-6b – Resolution to adopt “Non-discriminatory entitlement and responsibility for RSPO members under a specific sector or membership category”</p> <p>The board request the IGC to list down their expected next steps for the board to consider.</p>	
3.10.2	<p>Resolution GA13-6d – Assuring effectively planned, implemented and monitored compensation projects in “remediation and compensation procedure” of the RSPO (RaCP data)</p> <p>The current processes in the BHCVWG already adequately addresses most of what was requested inclusive the add on elements such as transparency and effectiveness of the whole mechanism. There was an extra request for an annual aggregate report by the Secretariat and the BHCVWG will be tasked to act on this.</p>	
3.10.3	<p>Resolution GA13-6e – Protecting human rights defenders, whistleblowers, complainants and community spokespersons</p> <p>The Board will request the Human Rights Working group to act on this resolution and resourcing the Secretariat to support them in doing that.</p> <p>MRC explained that we can refer to the Corporate Governance rules of Malaysia as a point of reference.</p> <p>OT suggest that the Secretariat should take up insurance coverage for this matter.</p> <p>AL highlighted that the current complaints process does not accept anonymous complainant, this need to be taken into consideration and have a further discussion with Dato’ Henry Barlow consider this factor as well.</p> <p>DW will discuss this matter with the Chair and the Secretariat.</p>	
3.10.4	<p>Resolution GA13-6f – Resolution to review and amendment of the updated New Planting Procedure process as applied to smallholders</p> <p>There will be immediate reprieve of NPP for all Smallholders and review of the New Planting Procedure.</p> <p>AH pointed out that we need clarification from the proponents on areas that they are concern about and the next step is to get the SHWG and BHCVWG to complete their work on this matter speedily.</p>	
4.0	Principle and Criteria (P&C) Revision	
4.1	DW have informed the board that the Secretariat already have the work plans on how to progress the P&C review. The exact timeline would be	DW

	<p>announced by SY towards the end of the year.</p> <p>4.2 The P&C revision is scheduled to commence at the end January 2017.</p> <p>4.3 James Sullivan would be the appointed consultant to formulate draft zero in a metricated format. Metricated standard is preferred as it does the following: i) stop/mitigate various interpretations of the standards as we see now happening with the certification bodies. ii) allows us to measure impacts easier</p> <p>4.4 JV agrees that the wording or the measurement of standard are all relevant but with improved auditor guidance. We should use this process to deliver our mission in a broader scope.</p> <p>4.5 Our consultant should look into the Palm Oil Innovation Group (POIG) verifiers and see if we can include it as options.</p> <p>4.6 We should make an announcement of the meeting dates and processes timeline to get things started so that all parties involved are aware of these dates and are would also be better prepared. The shortfall of the previous experience is that the certification bodies were consulted at a very late stage.</p> <p>4.7 CT recommends the board to hire a professional consultant to chair the standard committee and provide guidance. This was seconded by BH.</p> <p>4.8 DW explains that all the contents go through a multi stakeholder process (first point of control) and quality check. Therefore, it would be credible at national level hence we do not need a professional to do it.</p> <p>4.9 PW feels that many of the InterMediary Organisations (IMOs) are still not familiar and not empowered in the process. Therefore, a check is required.</p> <p>4.10 SY provided an update that at present, the RSPO have standard setting procedures which is ready to board endorsement in Jan 2017. S&C Standing committee is the final decision maker for all standard setting docs. However, there was a follow on discussion that the work of the S&C Standing committee maybe absorbed by the Secretariat, especially approvals of NIs.</p> <p>The Board will revisit this topic and discuss about it again at another meeting.</p>	
5.0	Remuneration committee	
5.1	<p>TS volunteer to revisit the Term of Reference and finalise it at the Board of Governor's retreat.</p> <p>Decision The Board did not endorse the ToR but will revisit it.</p>	TS
6.0	Extension of Emissions Reduction Working Group (ERWG)	

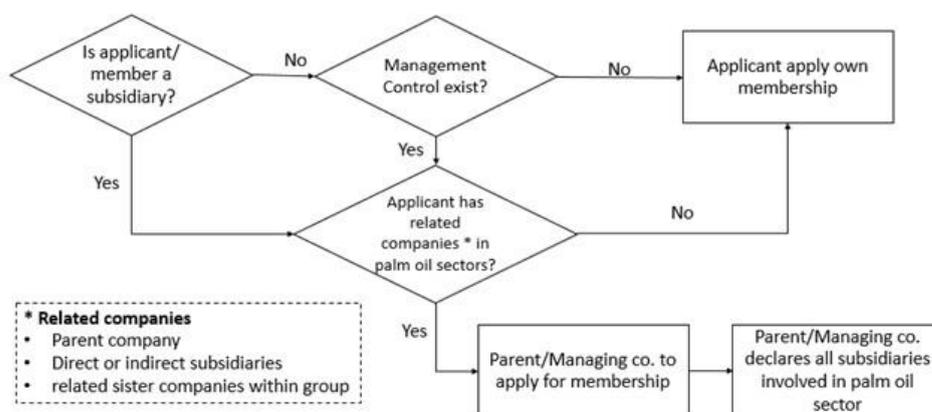
6.1	<p>The ERWG was established to support and oversee the successful implementation of Criterion 5.6 and Criterion 7.8 of the RSPO P&C 2013 during the trial implementation phase that is ending on 31st December 2016. Starting 1st January 2017, members are required to comply with Criterion 5.6 and Criterion 7.8 in accordance to PalmGHG Calculator Version 3 and GHG Assessment Procedure for New Plantings respectively.</p> <p>The members of ERWG are proposing a 1-year extension to maintain its advisory role to continue oversee and support the implementation of Palm GHG Calculator and GHG Assessment Procedure for New Plantings demonstrating compliance to Criterion 5.6 and Criterion 7.8; while addressing (if any) issues arising from the public reporting (this can be technical, capacity, procedural or reporting).</p> <p>Decision The extension period of ERWG was endorsed.</p>	SY
7.0 7.1	<p>Revival of Peatland WG</p> <p>There have also been many developments on peat and GHG emissions related peat works. In addition to that, members of ERWG encountered several peat-related matters that needed further guidance. With limited expertise and knowledges among members of ERWG, there is a need to re-establish the PLWG to review and update RSPO guidance on peatlands related issues.</p> <p>Decision The proposal to establish the Peatland Working Group was endorsed.</p>	SY
8.0 8.1	<p>Endorsement of New Claims Document</p> <p>In October 2016, the RSPO Claims & Communications Standing Committee agreed on revisions to these Claims Rules. The revised document is now being finalized after a period of public consultation which closed on 12th Oct 2016. Several important changes have been made which are summarised in an overview guidance note.</p> <p>All comments have been logged and taken into consideration by the Claims & Communications Standing Committee, before finalising the new Rules for approval.</p> <p>Decision The New Claims Document was endorsed.</p>	SS
9.0 9.1	<p>Discussion on Group Membership (revisit)</p> <p>The Decision Paper was revised with the following amendments:</p> <ol style="list-style-type: none"> 1) Type (2) proposed solution was added the following text “The effective membership date of the new parent company shall follow that of the earliest RSPO member from its existing subsidiary company membership”. 2) Definition on management control have been included and shall be 	PC

applied to substantial shareholdings in companies of less than 50% :

Management Control

In determining management control the holding company shall demonstrate the following:

- i) Ability to exert significant influence over action of the company through:
 - Owning a proportionately significant shareholding in relation to total voting shares
 - Significant representation on the board of directors of the company
 - ii) Existence of a contractual or operational agreement between two non-related companies.
- 3) Parent companies holding RSPO membership shall self-declare all subsidiaries involved in palm oil activities and register them under its membership.
- 4) Flowchart to determining eligibility for group membership has been revised to the version below:



OT proposed that an effective date be include in defining who among the membership falls under Type (1).

AH reminded that the group membership rule should also be applicable to non-corporate organisation such NGOs.

Decision:

The revised Decision Paper as presented above was endorsed and the guidelines for group membership shall be developed by Secretariat for Board approval.

FGV will apply for separate membership.

OT

AH

DW/PC

10.0 **RSPO Complaints & Appeals Procedure**

10.1 **Integrated Complaints Mechanism & Independent Appeal Mechanism**

OSC have provided an update on the status of draft to the board members. She had also highlighted some of the changes as under mentioned in this draft which is still under public consultation in our website.

OSC

FYI

1. Removal of the interim measure issues by the Secretariat
2. Removal of the cost and fee in handling compliant cases
3. DSF and Bilateral engagement can now take place at the same time to shorten the complain process
4. Removal of Fairness of Sanction and adequacy of corrective action (not to undermine the Complaint Panel's authority)

OSC intend to get this draft endorsed, by early next year.

The below table would be the follow up of the update that was presented to the board in Milan.

Timeline	Activities
July – Aug 2016	Compilation of comments received. Appointment of new consultant to finalise the procedures.
Sept 2016	Receipt of 1 st draft. Meeting with consultant and went through comments & gaps received with consultant.
5 th Oct, 2016	Receipt of 2nd draft. Secretariat went through the draft with consultant.
10 th Oct, 2016	Receipt of final draft. Finalised draft internally.
17 th Oct, 2016	Share final draft internally with other divisions.
24 th Oct, 2016	Shared final draft with; Complaints System Revamp Advisory Group CP members
1 st Nov, 2016	Public consultation for 30 days – Final round
Dec 2016	Compile feedback received. Finalise the procedures with advisory group, CP members and consultants.

10.2 JV comments on the need to maintain the possibility of taking direct interim measures such as stop work orders in case of actual HCV clearance, human rights abuses or other alleged non-compliances requiring emergency.

11.0 **Annual Communications on Progress (ACOP) Revision Process**

11.1 OSC have informed the Board on the ACOP revision process.

The first phase is to improve the questions and incorporating them into the next ACOP period. Concurrently, they are also in the midst of identifying the gaps and simplifying the process and have clear definition for each question.

The first draft should be ready by early December and they seek comments from the resolution proponents. In early January, the Secretariat will improve the questions base on the feedback received from proponents and then incorporate these questions in February during the ACOP reporting period.

Phase 1

	Phase 1 activities
On-going	<ul style="list-style-type: none"> • Identify issues and gaps • Simplify questions asked • Clear definition for questions asked • Relevant questions asked for each sector
1 st week Dec 2016	Final draft of revised questions Develop ACOP guidelines
2nd week Dec 2016	Seek comments from resolution proponents
Jan 2017	Improved questions based on feedback received
Feb 2017	Incorporate questions into ACOP ACOP guidelines made available

In the second phase, there is a plan to integrate two platforms together i.e. the ACOP platform and our own internal Membership Salesforce platform with an intend to have the same data mirroring in both systems. Following that, would be improving the mechanism to validate answers.

Phase 2

	Phase 2 activities
July 2017-June 2018	<ul style="list-style-type: none"> • Merging ACOP platform to membership and certification system • Mechanism to validate question

12.0

AOB

12.1

Borneo Conservation Trust

Borneo Conservation Trust applied to be a RSPO member. However, there has been objection from the membership for this group to join reason being this NGO has been known to be a loud vocal critique of RSPO and they feel that by letting them in, it would be very detrimental to the progress of RSPO.

MRC welcomes any form of critique as it would also be an opportunity to provide Borneo Conservation Trust an opportunity to learn about how the RSPO's system works and in return, we may even learn from them in

12.2	<p>adopting other effective methods.</p> <p>AR believes that we should allow them in and just hold them to the same standard code of conduct in terms of supporting the RSPO Sustainable palm oil and if they go against this, then we have grounds for expelling them.</p> <p>SS and SY raised their concerns about allowing them in as they could appear to disruptive and problematic.</p> <p>We will later have an email decision on this matter within the next two weeks as there is no quorum at the present moment. Meanwhile, there is recommendation from the board members here in allowing them to become our member and hold them to their highest standard of the code of conduct.</p> <p>The Board thanked AH for his exceptional contribution to the RSPO, as a Board member and as ad hoc chair for the day.</p>	
	<p>Meeting adjourned at 3.40 pm. END OF DAY 2, 11 NOVEMBER 2016</p>	