

## Minutes of EXECUTIVE BOARD MEETING EB 03-11

**Date** : 5<sup>th</sup> October, 2011

**Venue** : Teleconference

**Starting Time:** 3.00 p.m. (Malaysia)

### Attendance

#### EB members

AAK - Tim Stephenson (TS)  
Conservation Intl - Tim Killeen (TK) \*  
HSBC - Paul Norton (PN) \*  
IOI - Hidde van Kersen (HvK)  
Oxfam Intl - Johan Verburg (JV)  
Rabobank – Jose den Toom (JdT) \*  
Retailers' Palm Oil Group  
- Belinda Howell (BH) \*  
Unilever - Jan Kees Vis (JKV) – Chair  
WWF - Adam Harrison (AH) \*  
FELDA - Mohd Nor Kailany (MNK) \*  
MPOA – Puvan Selvanathan (PS) \*

#### With Apologies

Sawit Watch - Abetnego Tarigan (AT)  
SIAT – Gert Vandersmissen (GV)  
Cadbury - Tony Lass (TL)

#### Alternates/advisor

Sawit Watch - Norman Jiwan (NJ)  
Advisor - M R Chandran (MC)\*  
Agathe Grossmith (AGG)

#### Secretariat Staff

Darrel Webber (DW) \*  
Salahudin Yaacob (SY) \*  
Desi Kusumadewi (DK) \*  
Anne Gabriel (AG) \*  
Chong Wei Kwang (CWK) \*  
Julia Majail (JM) \*

NBPOL – Simon Lord (SL)  
Oxfam Intl – Kate Geary (KG)  
MPOA –Jeremy Goon (JG)

#### Note:

1. \* Indicates those that attended the teleconference from a meeting room in Istana Hotel, Kuala Lumpur.
2. The Indonesian Grower Representation, Derom Bangun and Edi Suhardi were not present as the organization they represent, GAPKI, submitted their resignation from RSPO (and all related activities) on the 29<sup>th</sup> of September. The resignation took effect immediately.

Agenda 5 October 2011	Focal Person
<p><b><u>Introduction</u></b></p> <p>1 JKV reminded all of the RSPO Antitrust Laws</p> <p>2 JKV reminded all on the consensus based decision making of the Executive Board.</p> <p>3 Minutes of the previous meeting, EB 02-11, was approved</p> <p><b><u>Finance and Admin</u></b></p> <p>4. Finance Committee Updates. (see appendix 1)</p> <p>TS briefed EB on the finance committee report. Responding to a query TS further explained to PN that the budgets were only an indication and there is expectation that there will be more projects to come in the near future.</p> <p><b>Decision:</b></p> <ul style="list-style-type: none"> <li>- <b><i>Treasurer report accepted.</i></b></li> </ul> <p>5 Briefing on RSPO compliance issues (Malaysia and Indonesia).</p> <p>CWK proposed to the EB that the RSPO Secretariat Sdn. Bhd. should have a share structure that reflects 99 shares to RSPO the organisation in Switzerland and 1 share to the Secretary General.</p> <p>The issue of taxes and royalty income was also discussed. It was mooted that there should be a review of the amount of donations (from UTZ and Greenpalm) is paid to the RSPO. Some major buyers are beginning to question the rationale of returning significant amounts of money to the RSPO.</p> <p><b>Decision:</b></p> <ul style="list-style-type: none"> <li>- <b><i>The Executive board agrees with the proposal to re-structure the shareholding of the RSPO Secretariat Sdn. Bhd. as 99 shares is to be held by RSPO of Switzerland and 1 share to the Secretary General, DW.</i></b></li> <li>- <b><i>To review donation given to RSPO from UTZ and Greenpalm when there is a proper budgeting systems in place and when the various standing committees have work plans &amp; budgets in place.</i></b></li> </ul> <p><b><u>Communication and Claims</u></b></p> <p>6. Annual Communication Progress Reports Update.</p> <p>DW briefed that there was an overall improvement in submission of the report. This year 59% percent, of those required to report, submitted it. Last year it was only 46%.</p> <p>The improvement was seen in all 7 stakeholder categories. However, it is worth noting that the lowest submissions were from the Traders &amp; Processors category. Only 43% submission.</p>	<p><b>FYI</b></p> <p><b>DW/ CWK</b></p> <p><b>Secretariat/ Chairs of Standing Committees</b></p>

Of the 43% submitted, only 44% had time bound plans. This brings about a perception that there is lack of commitment to procurement of CSPO by this category.

AG informed that submissions and statistics (graphs and charts) of the Annual Communications on Progress (ACOP), submitted by member companies can viewed on the RSPO website as of 5<sup>th</sup> October 2011.

The subject of the lackadaisical attitude, of some members, towards submissions of the ACOP and the perceived lack of commitment to promote the use of Certified Sustainable Palm Oil continues to be annual affair. This was cause for concern.

The EB then proceeded to discuss, at length, on how to address the time bound plan commitments for all categories including NGOs.

**Decision:**

***The Standards and Certifications Standing Committee will conduct research to provide solutions to the following questions:***

- ***How will RSPO measure a Time bound commitment for each stakeholder category?***
- ***What should the RSPO expect from non-producer members in terms of time bound plans?***

7.

Hill & Knowlton communications contract

AG briefed the EB on the current state of play with respect to the communications contract with Hill & Knowlton (H&K).

- After long deliberations between members of the SC C&C and H&K, it was proposed that:
  - o The contract terms with H&K will remain the same until year end. During this period H&K will have to conduct fundamental activities such as the on-going media initiatives and strategic counselling in Europe, RT9.
  - o H&K conduct surveys with Wilmar and Godrej to understand the India and China markets better.

AG then asks the EB to endorse the request to maintain contracts with H&K and to proceed with an interim arrangement to ensure basic deliverables by end of 2011

**Decision:**

- ***The EB agrees to the proposal to maintain the contract with H&K until the year end AND for RSPO and H&K to agree on an interim plan to deliver on key deliverables by end 2011.***

8. **Standards and Certification**

DW provided updates on situation with GAPKI, MPOA and RSPO. The main points were:

AH/SY

AG

<p>9</p>	<ul style="list-style-type: none"> <li>- News of GAPKI withdrawal from the RSPO, the Indonesian media has remained balance in its reporting.</li> <li>- Malaysian media (only one paper) took a more negative tone.</li> </ul> <p>DW proposes to the EB that Edi Suhardi (ES) be appointed as interim EB member until the GA8. ES's interim role is to ensure that there will be nomination of Indonesian growers in time for GA.</p> <p>PJS, on behalf of MPOA, restates it's commitment in terms of membership position in RSPO. Further mentions that there is no plan of leaving the RSPO.</p> <p>PJS also confirms that MPOA has withdrawn from the NPP-WG.</p> <p><b><u>DECISION:</u></b></p> <ul style="list-style-type: none"> <li>• <b><i>Send a memo to all Indonesian members on appointment of ES as an interim representative unless there are other objections</i></b></li> <li>• <b><i>The memo should include that ES will be initiating a process to surface candidates for EB representations in time for GA8.</i></b></li> <li>• <b><i>A public announcement will follow on the above memo.</i></b></li> <li>• <b><i>AH will forward to PJS the findings of the NPP-WG to enable PJS to share it with his constituents.</i></b></li> </ul>	<p><b>DW</b></p> <p><b>DW</b></p> <p><b>AH/PJS</b></p>
<p>10</p>	<p>Accreditation Services International (ASI) accreditation audits.</p> <p>SY provided an update on the services provided by Accreditation Services International. The main points are:</p> <ul style="list-style-type: none"> <li>- ASI has been contracted to audit 12 Certification Bodies (CB) until the end of 2011</li> <li>- There is a pending finalisation of suspension of one CB (CUC) by the end of the week. This action was based on a recommendation from ASI</li> <li>- There may be one other CB who may be recommended for suspension by ASI.</li> <li>- More than 5 NC will lead to a recommendation, from ASI, for an immediate suspension.</li> </ul> <p><b><u>Trade and Traceability</u></b></p> <p>UTZ review and it's repercussions.</p> <p>HVK briefed the EB on the current review of the service provided by UTZ certified. The main points were:</p> <ul style="list-style-type: none"> <li>- External consultant was engaged to conduct the review of UTZ Certified services.</li> <li>- The Trade and Traceability Standing Committee will meet on the 6<sup>th</sup> of October to discuss the progress of this consultant. And this will lead to a draft proposal to the EB in November 2011.</li> <li>- Initial findings from the report suggests that the RSPO provide capacity to develop a proper design structure for a new platform allowing tracking of physical certified sustainable palm oil.</li> <li>- Related to the above, AH makes the requests that , the new platform should link/incorporate the RSPO Book &amp; Claim systems.</li> </ul>	<p><b>FYI</b></p>

	<p><b>Decision:</b>  <b>HVK undertakes to update the EB on the final report of the UTZ review at the next EB meeting</b></p> <p>11. <b><u>RT9 and GA8</u></b></p> <p>RT 9 overview.</p> <p>AG provided the overview of the impending RT9 to the EB. The main points were:</p> <ul style="list-style-type: none"> <li>- 595 registered individuals thus far.</li> <li>- There has been reasonable response for sponsorship. However, there is a need for some more.</li> <li>- There is sufficient number of product sponsors i.e bags, thumb drive, note book etc etc.</li> <li>- Sime Darby will be sponsoring the Keynote speaker</li> <li>- Exhibition booths are mostly taken up. 3 more unsold. One mobile exhibitor will be in the car park of the event venue.</li> </ul> <p>12.</p> <p>EB resolutions for GA8:</p> <p>a) Extra seat for Indonesian smallholders.</p> <ul style="list-style-type: none"> <li>- There was an exploratory discussion at the 2011 EB retreat, to consider allocating an extra EB seat for Indonesian. TK was tasked to explore this possibility</li> <li>- TK reports that there is difficulty in finding a legitimate representative to Indonesian small holders who could represent them in the EB seat.</li> </ul> <p><b>Decision:</b></p> <ul style="list-style-type: none"> <li>- <b><i>There will be no EB resolution for GA for this seat. The EB will try to identify individuals/organisations that can represent Indonesian small holders &amp; offer them a seat on the EB as an alternate to Felda.</i></b></li> </ul> <p>b) Extra Seat for Vertically Integrated Producers.</p> <ul style="list-style-type: none"> <li>- PJS briefed the EB on the proposed resolution (see appendix 2). The main points of the briefing were: <ul style="list-style-type: none"> <li>o Several growers have been approached to gauge their responses to wards this proposal;</li> <li>o 50 % of the people being surveyed provide positive answers.</li> </ul> </li> </ul> <p>Therefore PJS requests the EB to consider submitting this proposal as an EB Resolution at GA8.</p> <p>In response to this proposal some EB members felt that there were no clear benefits of this proposal. The other comment was this inclusion will change the balance of the EB.</p> <p><b>Decision:</b></p> <ul style="list-style-type: none"> <li>- <b><i>The EB requests that PJS, JdT and AGG conduct an offline discussion and to see if changes can be made, to ensure full support of the EB for this</i></b></li> </ul>	<p><b>HvK</b></p> <p><b>FYI</b></p> <p><b>EB</b></p> <p><b>PJS/JdT/AGG</b></p>
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***proposed. PJS will coordinate and then brief the EB on the outcomes.***

c) Resolution to have a new Vision & Mission for RSPO.  
DW reminds that a new Vision and Mission for RSPO needs to be endorsed by the GA

***Decision:***

- ***The EB requests the Secretariat to draft the EB resolution proposing the New Vision and Mission for endorsement at GA8.***

**DW**

**Grievance Cases Update**

13. Grievance cases updates

JV briefed on the status of each active grievance case in the RSPO. The main points were:

- The details of grievances remain un-posted on the RSPO website, despite being agreed to at the last EB meeting
- IJM plantations. Complainant is seeking advice on how to proceed and how to communicate with company. No action required as yet from the Grievance Panel (GP)
- A renewed interest has been generated on a subsidiary of Wilmar, PT Asiatic Persada. There is still inflowing details coming in from both sides of the debate. It is still too early for action by GP at this point.
- Golden Agri Resources (GAR) subsidiaries. One subsidiary is connected with a shooting incident. The GP recommended that GAR take this case on-board, in their general approach towards improving their conflict management at the field level. There is now a concern that it's this case has become an invisible element of a very big plan and the GP will review this.
- Golden Agri Resources. The GP is trying to review reports of their JULY progress report. It has also just received the latest quarterly report. The GP is to revert to Golden Agri Resources within the few weeks on these reports. Generally, progress seems to be fine and the next decision, in the positive scenario, would be to allow them to announce for new certifications. This is conditional upon the successful completion of the pending certification case PT IVOMAS TUNGGAL.
- There are 2 cases that the panel is trying to close but there is a need for final confirmation by the complainant, or the involved community.
- There are a number of cases (PT Tri Bakti Sarimas, Lonsum and First Resources) where the GP decided that the certification bodies would need to look at specific details at the field levels as part of the certification or surveillance audits. Or where a case related to the accreditation of the CB that was involved in the particular case. So there is an important step on an agreement of the process towards a temporary closing the case. It would however, require further, monitoring of the various audit reports.
- IOI. Both the community and IOI has agreed on an approach to mobilize the RSPO Dispute Settlement Facility in trying to resolve the matter out of court. This means that both parties will participate in professionally mediated discussions/negotiations.
- Dutapalma. There's a lot of confusion about the locations and the

	<p>ownership of those locations, previously claimed to be DUTAPALMAs. The secretariat is tasked to investigate further which companies are the real owners of those locations. Currently, the suspension of Dutapalma has been revoked.</p> <ul style="list-style-type: none"> <li>• Sime Darby (SD). It is perhaps the oldest open case on the GP list. There is gradual progress on the case. However there is some new elements to the case. Mainly arising from the recent OXFAM report (related to SD's land in Sanggau) and recent communications from a Liberian NGO &amp; the Forest Peoples Programme (relating to SD's development in Liberia).</li> <li>• Malaysian MY 4 Seasons International. Reports of fraud conducted by this company. Police reports have been made by complainants. Membership is now suspended pending termination.</li> <li>• Indonesian Sustainable Palm Oil Foundation (ISPO). There is an element of misrepresentation, related to their published statement in the RSPO website. There has been instructions to remove said statement and for ISPO to be re-evaluated for competency at the renewal of RSPO recognised HCV Assessors.</li> </ul> <p><b>Decision:</b>  <b><i>The Secretariat reminded to publish the list of grievances and related summaries on the RSPO website.</i></b></p> <p><b>AOB</b>  (note: The Chair, JKV left the meeting and handed over chairmanship to AH)</p> <p>14 GA8</p> <ul style="list-style-type: none"> <li>- TS reminded that it has always been difficult to obtain a quorum for the General Assembly. He requests that the secretariat monitor the situation of GA8 registrations closely.</li> <li>- MRC mentions that it is not within the constitution as to who can be a proxy vote for an RSPO Ordinary Member. There was a risk that non-members could enter the General Assembly and cause unnecessary havoc. It was suggested that only ordinary members be allowed to be proxy voters. TK graciously volunteered to submit a resolution to propose this.</li> </ul> <p><b>Decision:</b>  <b><i>The Secretariat must monitor closely the registrations of members, leading up to the GA8.</i></b></p> <p><b><i>A resolution should be submitted that specifies that only Ordinary Members are allowed to be proxy voters for non-attending ordinary members.</i></b></p> <p>Proposed Human Rights Working Group</p>	<p><b>DW/Secretariat</b></p> <p><b>DW/Secretariat</b></p> <p><b>TK</b></p>
15	<p>PJS has submitted a proposal to the EB to form a Human Rights Working Group (Appendix 3)</p>	

	<p>There was no major objections to this proposal except a request to further explore the details of forming such a working group</p> <p><b>Decision:</b></p> <p><b><i>PJS,NJ, MRC, JV, TK and JdT were requested to have further discussions on the details of forming the proposed Human Rights Working Group.</i></b></p>	<p><b>PJS</b></p>
<p>16</p>	<p>Media article in support of the Dutch Product Board for Margarine, Fats and Oils (MVO)</p> <p>Regarding the RSPO’s Support to MVO’s initiative requesting the EU to abolish the import duty for RSPO’s Certified Sustainable Palm Oil.</p> <p>The press release supporting the initiative was a unilateral action by the secretariat guided by several factors. The most important one was the fact that there were other initiatives, by RSPO members, to do the same in other markets.</p> <p>DW has been informed by SL that this initiative, if successful, will have a negative impact on his company and possibly others in the Rest of the World.</p> <p>SL has proposed text that could be used to remedy the situation, which the board promptly reviewed.</p> <p><b>Decision:</b></p> <p><b><i>The EB saw the MVO initiative as a way to encourage uptake for RSPO Certified Sustainable Palm Oil in a major importing region. This was in line with the Vision and Mission of the RSPO.</i></b></p> <p><b><i>The EB agreed it was the right decision at the time and proceeded to endorse RSPO’s earlier support for the MVO initiative.</i></b></p> <p><b><i>The EB thanked SL for the suggested text but declines to accept/endorse it.</i></b></p>	<p><b>FYI</b></p>
<p>17</p>	<p>Announcement of new EB member</p> <p>AGG announced that Carrefour has nominated a successor to Faisal Firdaus for the Executive Board Retailer Seat. The successor is Dani Rahadian, Sustainability Manager for Carrefour in Indonesia.</p>	<p><b>FYI</b></p>
<p>18</p>	<p>Fee Reduction Request</p> <p>NJ requests that conference fee reductions be made available to participating NGOs at RT9</p> <p><b>Decision:</b></p> <p><b><i>The EB responded positively to this request and further requests that NJ provide further details on these participants and the quantum of reduction requested.</i></b></p>	<p><b>NJ</b></p>

**Close**

## Contents

Financial results 2010/11  
Budget 2011/12 - reminder  
Principal outstanding issues



## Progress

- 2011 audit almost completed
- Draft numbers included – final audited accounts to be distributed for approval
- Estimated tax liability identified
- Progress on compliance



## Balance sheet

RM'000		30/06/2011	30/06/2010
Subscriptions due		1,318	1,153
Other receivables		1,091	1,182
Cash deposits		7,799	6,443
Deferred subscription income		(2,033)	(1,713)
Other payables		(2,540)	(2,303)
Net assets		5,635	4,762

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Roundtable on Sustainable Palm Oil

## Income statement 2010/11

	2009/2010	2010/2011	2010/11	2010/11
	Actual	Budget	Audited	July f/c
	RM'000	RM'000	RM'000	RM'000
Subscription	3,314	3,467	3,975	4,000
Royalty income	2,889	5,000	5,095	5,500
Interest from Fixed Deposit	51	28	88	80
RT Surplus	694	500	115	115
<b>Total Income</b>	<b>6,928</b>	<b>8,995</b>	<b>9,273</b>	<b>9,695</b>
KL Secretariat	707	2,465	2,400	2,290
RLO	343	500	751	440
Comms - retainer	512	753	1,367	1,200
Comms - other	9	700		100
Other costs	1,094	961	1,785	1,940
<b>Operating costs</b>	<b>2,665</b>	<b>5,379</b>	<b>6,303</b>	<b>5,970</b>
Projects	1,782	3,500	2,073	2,700
<b>Surplus</b>	<b>2,481</b>	<b>116</b>	<b>897</b>	<b>1,025</b>

2010/11 includes RM533k of bad debts, including 33 ordinary members. Proposal for terminations of membership to be separately advised.

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# Budget 2011/12

	2010/11	2011/12	2012/13	2013/14
	Audited	Budget		
	RM'000	RM'000	RM'000	RM'000
Subscription	3,975	4,800	5,760	6,912
Royalty income	5,095	8,250	12,375	18,583
Interest from Fixed Deposit	88	50	50	50
RT Surplus	115	350	350	350
<b>Total Income</b>	<b>9,273</b>	<b>13,450</b>	<b>18,535</b>	<b>25,875</b>
KL Secretariat	2,400	3,483	3,963	4,512
RILO	751	593	673	738
Comms - retainer	1,367	1,500	1,725	1,984
Comms - other		1,750	1,925	2,118
Other costs	1,785	1,713	1,744	1,797
<b>Operating costs</b>	<b>6,303</b>	<b>9,039</b>	<b>10,030</b>	<b>11,148</b>
Projects	2,073	3,866	1,817	719
<b>Surplus</b>	<b>897</b>	<b>545</b>	<b>6,689</b>	<b>14,008</b>



## Project commitments

	RM000	Budget 2011/2012	Budget 2012/2013	Budget 2013/2014
GHG		741		
Oxfam - TFS & DS		594		
HCV Assessment - Investigation Barrier		49		
Solidaridad - Smallholder Program		880	880	440
UTZ Review		57		
ASI Certification Body-Project		132		
BTC - Meetings & Ad-hoc issue		50		
REDD		300	300	300
BHCV		250		
SCCS Consultant		88		
P&C Review		500		
Royal Society scoping		225		
		<b>3,866</b>	<b>1,180</b>	<b>740</b>



## Comms budget

Comms budget		
RM'000		
H&K Retainer Fee		1,500
H&K - others such as website, helpde		350
Trademark Branding		350
Global communcation initiatives		1,050
<b>Sub Breakdown</b>		
- Global market	500	
Indonesia	200	
Malaysia	150	
Sth America	100	
Africa	100	
	105	
		3,250

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## Income statement for the 2 months ended 31 August 2011

	2 months	
	Actual	Budget
	RM' 000	RM' 000
Subs cription	740	800
Royalty income	936	1,375
Interest from Fixed Depos it	8	8
RT Surplus		58
<b>Total Income</b>	<b>1,684</b>	<b>2,242</b>
KL Secretariat	532	580
RILO	-	99
Comms - retainer	273	250
Comms - other	-	292
Other costs	494	285
<b>Operating costs</b>	<b>1,299</b>	<b>1,506</b>
Projects	173	644
<b>Surplus</b>	<b>212</b>	<b>91</b>

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# Taxation

Awaiting re-confirmation that not liable for tax in Switzerland (no problem expected)

PWC review of Malaysian tax position:

- Liable for tax due to residence
- Not liable for tax on income from ordinary members
- *Estimated* liability RM24k for 2010/11; RM241k including prior years and penalties
- Additional service tax liability on management fees RM198k for 2010/11; RM310k including prior years and penalties



## Taxation proposal

Apply to Malaysian Ministry of Finance for special exemption

Restructure shareholding in RSPO SSB to minimise service tax (subject to legal advice)



## Next steps

Compliance progress in Malaysia and Indonesia

New systems to implement – Project Horizon

New Euro and USD bank accounts

Internal control review proposed

Procedural review – new and ongoing projects



## Summary

Increasing costs, and increasing income, both as expected

Strong balance sheet, with plenty of cash

Progress with compliance and governance, but still lots to do



## Appendix 2

### **Report on Support for Creation of New VIP Category of Membership**

*This paper presents the process of outreach, the feedback to date, and a request for the EB to recommend creation of the new category to GA8 in November.*

In response to a **GA** resolution calling for '\_balance' in RSPO governance at the EB-level, a proposal was made by MPOA at EB 02-11 (July, London) to create a new category of membership for Vertically-Integrated Companies/Players (\_VIP's).

A paper outlining the attributes of potential members of this category was tabled and deliberated. In essence, a qualifying company or organization would be: (1) present in at least 3 parts of the current PO industry value chain (effectively defined as an eligibility to join at least 3 of the existing categories of membership); and (2) have operations in at least 3 geographical regions of the world (effectively defined as 3 continents). [NB - The qualification criteria can and should be allowed some tolerance at EB discretion for, say, companies with stated plans for expansion or growth even if they do not currently meet the minimum category/region numbers.]

The EB advised the proposer to reach out to potential members of this category from within the existing membership to gauge interest in such a category being created. The proposer was to report back at EB 03-11.

### **Process**

The proposer prepared a list of existing RSPO Grower members who may qualify for the new category if created. *[NB Only vertically-integrated Grower companies were considered at this stage as the proposer holds a Grower seat and it was felt that this constituency would have no objection to being contacted by the proposer. This does not however mean that the VIP category is only for Growers - vertically integrated players in and beyond downstream operations may also be potential members of this category!y is the criteria are fulfilled.]*

Grower members who were represented on the EB and had made their positions clear were not contacted. It was felt that they would anyway be able to feed into the subsequent discussion when the report was presented at EB.

The RSPO Secretariat provided contact details for the list of identified Growers.

An email was sent to the names on the list stating that: (1) this matter was being discussed at EB; (2) opinions were being solicited from potential category members; (3) this was not a call for membership to the category but an effort to gauge interest/objection; (4) these views would be presented to the EB for final decision-making on whether a recommendation to the **GA** is warranted.

A number of responses were received. All were in broadly in favour of the new category even if acknowledging that they themselves may not immediately qualify

under the criteria as they stand. The list of respondents and their responses is as follows:

ng companies were also contacted, but no response has been received as the date of this report:

	Organisation	Response
1	<b>Agropalma Grorp</b> , Brazil	"No problem, good initiative."
2	<b>New Britain Palm Oil Ltd</b> , Singapore	"We are not eligible, but we support the move"
3	<b>SIPEF Grorp</b> , Belgium	<b>"another category will probably make life more complex, but VIP's will certainly be best placed to promote and defend RSPO"</b>
4	<b>Cargill Malaysia</b>	<b>Discussing internally, will revert shortly.</b>
5	<b>Koala Lnmpnr Kepong</b> , Malaysia	"Great idea and KLK has every reason to support it."
6	<b>PT Mnsim Mas</b> , Indonesia	<b>"PT Musim Mas likes to be co-propose the resolution and add the strength of having support of a non-EB member"</b>
7	<b>PT Salim Ivomas Pratama</b> , Indonesia	"In principle we have no problem with this."

**Golden Agri-Resonrces**, Singapore  
**SIAT SA**, Belgium  
**United Plantations**, Malaysia  
**PT PP London Snamtra**, Indonesia  
**PT SMART**, Indonesia

**Lonis Dreyfus Plantation**, Singapore  
**Kulim (Malaysia)**, Malaysia  
**PT Inti Indosawit Sbnr**, Indonesia  
**PT Sawindo Kencana**, Indonesia

### **Request for Recommendation**

Based on the responses above, which show at least seven expressions of support for the category, in addition to those of the proposer and other growers present on the EB, the proposer kindly requests that the EB consider recommending the creation of the new VIP category to the GA.



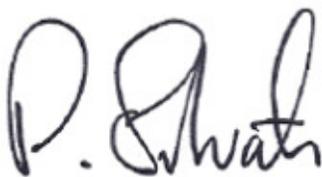
**Puvan Selvanathan**  
*Proposer*

## APPENDIX 3

### **Proposal to Create a New RSPO Human Rights Working Group**

1. Addressing Human Rights as a fundamental component for Sustainability in the Palm Oil sector is the next challenge for RSPO.
2. RSPO has demonstrated that it can effectively address environmental issues. RSPO will soon have measurable mechanisms and quantifiable guidelines for performance on compensation, remediation, GHG management and valuation of carbon stocks. However, these tools and guides respond only to HCV categories 1-3.
3. HCV categories 4-6 must have similar clarity for RSPO companies. Eco-system services (HCV4), basic needs of local people (5) and protecting cultural identity (6) are all HR concerns. To address them appropriately we require a structured and transparent process. These matters should not become a stumbling block as RSPO seeks greater legitimacy as the global arbiter of sector best practice.
4. Beyond HCV, Human Rights are core to the expansion and continued profitability of the industry. These are, respectively, to the rights of communities on land (as highlighted in the recent Oxfam 'Land Grab' report), and the availability and cost for labour in estates. Both issues are of direct business interest to plantation companies and, when inevitably linked to the moral palatability of PO products, every CGM company and other stakeholder in RSPO.
5. The broad scope of the HRWG would be:
  - a. To study and determine how Human Rights issues are impacting the sector.
  - b. To study and determine how the sector is currently responding to Human Rights issues across the value chain.
  - c. To propose appropriate actions for RSPO companies to adopt and apply to address Human Rights concerns.
  - d. To develop a roadmap for the industry on managing Human Rights issues.
6. The UN recently adopted a Framework based on 'protect, respect, and remedy' principles according to which: States have a duty to protect against HR abuses; corporations have a responsibility to respect HR; and people must have effective access to remedies. This work offers extensive guidance and could be adopted by an RSPO Human Rights Working Group as a starting point.
7. Based on the above, the proposer kindly requests that the EB consider recommending the creation of a new Human Rights Working Group to the GA.

*Prepared and Submitted by:*



**Puvan J Selvanathan**