

**Assurance Standing Committee
20th Meeting (via Zoom)
Minutes of Meeting**

Zoom Link: Zoom Meeting (<https://zoom.us/join/92253206641>)
Date and time: 28 Aug 2024 at 3.00 pm – 5.10 pm (GMT+8)

Members Attendance:

Growers		
Name	Organisation	Group Representation
Anita Neville (Co-chair) (AN)	Golden Agri-Resources (GAR)	Indonesian Growers (IGC)
William Siow (WS)	IOI Group	Malaysian Growers (MPOA)
Florent Robert (FR)	SIAT SA	Other Growers (RoW)
Lawrence Quarshie (LQ)	Golden Star Oil Palm Farmers Association (GSOPFA)	Smallholders Group
NGOs		
Name	Organisation	Group Representation
Kamal Prakash Seth (KS)	WWF International	E-NGO
Paul Wolvekamp (PW) <i>(absent with apology)</i>	Both ENDS	S-NGO
Marcus Colchester (MC)	Forest Peoples Programme	S-NGO
Angus MacInnes (alternate member) (AM)	Forest Peoples Programme	S-NGO
Supply Chain Sector / Downstream / Others		
Name	Organisation	Group Representation
Lee Kuan-Chun (LKC)	P&G	CGM
Olivier Tichit (OT)	Musim Mas Holdings	P&T
Michal Zrust (MZ) <i>(absent with apology)</i>	Lestari Capital	Financial Institution
Vivi Anita (alternate member) (VA)	Musim Mas Holdings	P&T

RSPO Secretariat Attendance:

Name	Position
Aryo Gustomo (AG)	Director, Assurance
Mohd Zaidee Mohd Tahir (ZT)	Head, Integrity
Freda Manan (FM)	Assistant Manager, Integrity
Haziq Ikram Rahmat (HI)	Executive, Integrity
Yulia Rossana (YR)	Executive, Assistant

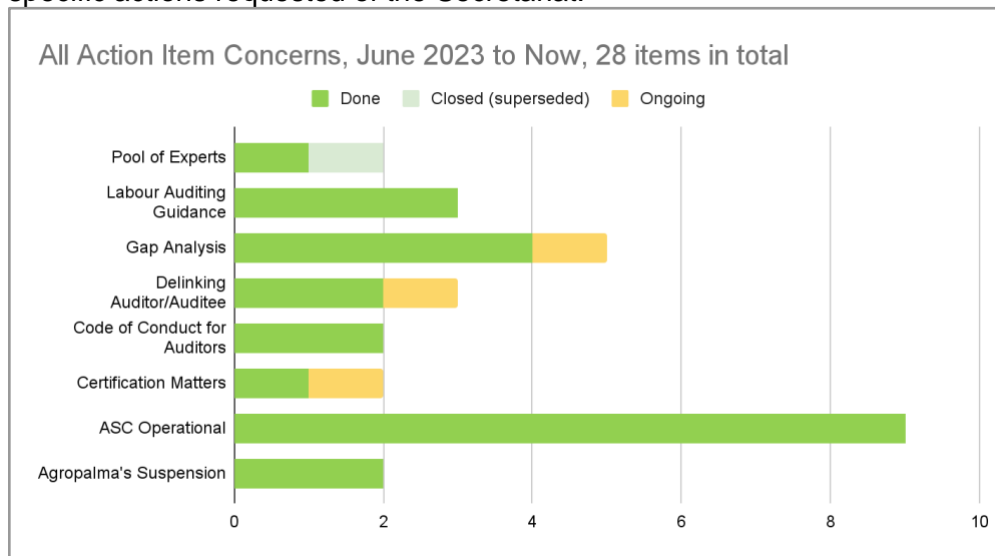
Description	Action Points
<p>1.0 Introduction</p> <p>1.1 Welcome Remarks KS welcomed the members and requested members to provide input on the different items the Secretariat is working on. ZT briefly shared the agenda of the meeting.</p> <p>1.2 RSPO Antitrust Guidelines, Consensus-Based Decision-Making, Declaration of Conflict of Interest (CoI) ZT reminded the members of the RSPO Antitrust Guidelines and the objectives of the ASC. ZT stated that the ASC follows the RSPO consensus-based decision-making process, per the ASC Terms of Reference. ZT reminded members they must declare their potential Conflict of Interest (CoI). MC and KS declared CoI in matters with the High Conservation Value Network (HCVN) and thus excluded themselves from any decisions related to topic <i>3.1 MoU between RSPO and HCVN</i>.</p> <p>1.3 Acceptance of MoM from the 29 May 2024 Meeting ZT asked for comments or feedback on the minutes from the Q2 ASC meeting on 29 May 2024. A member mentioned that no action item was decided for topic <i>2.1 Analysis of RSPO P&C CAB Performance</i> despite the ASC agreeing that ASI should increase its oversight roles to improve social auditing. ZT replied that the concern will be addressed in topic <i>2.3 Accreditation Body Performance Appraisal</i>. The ASC accepted the minutes.</p>	

2.0 For Discussion

2.1 ASC Actions to Date

Note: The latest ASC action tracker was shared as part of the Q3 meeting pack.

ZT presented an overview of the actions that resulted from every ASC meeting, as tracked by the ASC action tracker. The Secretariat has processed 182 action items, of which 147 are done, 26 have been superseded and 9 are ongoing. *Superseded* items are those replaced by newer actions in subsequent meetings. *Done* items indicate completion of specific actions requested of the Secretariat.



A summary of action items received in the past year, as categorised by their themes, shows among others:

Pool of Experts (now referred to as the “Roster of Experts” (RoE)) - 1 superseded, 1 completed action. The RoE is now integrated into the Secretariat’s strategic pillars process and a consultant may be commissioned to build the database.

Certification Matters - 1 completed, 1 ongoing action. Reasons behind delays and deviations to the Time-bound Plan will be shared after prisma goes live.

Labour Auditing Guidance (LAG) - 3 completed actions including the announcement of continued voluntary status of LAG. The first draft report is expected from Proforest in September 2024.

Delinking Auditor/Auditee - 2 completed, 1 ongoing action (to get NewForesight to share any extra findings on the conditions for the central fund model).

ASC Operations - 9 completed actions including standardising ASC decision paper format and circulating announcements for vacant ASC seats

Gap analysis - 4 completed actions including developing a framework for the review of accreditation body’s performance. 1 ongoing action which is to discuss collaboration with universities to address auditor shortage.

Code of Conduct (CoC) for Auditors - 2 completed actions including integrating the CoC into the new draft certification systems.

The other ongoing items that predate June 2023 are:

#	Task/Activities	Next step expected	Action received
76	The Secretariat will share the timeline on DLWTF toolkit development, as soon as available.	Living Wage TF approved the Terms of Reference (ToR) for the development of the Prevailing Wage Calculation (PWCP) Procedure. This ToR was endorsed by the SSC on 2 April 2024. The last meeting for the Living Wage Taskforce was on 13 June. No updates on the Prevailing Wage Digital Calculator as of now.	Apr 2021
82	HRWG to give regular update to the ASC on ongoing HRWG activities that are relevant to Assurance.	The HRSS unit has identified a few Worker Voice tools and is restarting the discussion with the identified organisations. Updates will be given to the ASC when available.	Apr 2021
110	The Secretariat to check with KSL & inform the ASC on progress of RaCP implementation review.	Updates on RaCP version 2 will be presented when available in 2024. The RaCP v2 draft is proposed to be postponed and is pending direction from the SSC. The BHCVWG is currently reviewing the necessary steps before a decision from SSC is made.	Feb 2022
113	The Secretariat to consider synergy between the HCV-HCS guidance and the CB checklist at jurisdictional level.	A complete draft of a process flow of the jurisdictional assessment tool has been submitted by HCVN in July 2024, pending review by the Jurisdictional Working Group.	Feb 2022
125	The GIS team to develop a proposal to improve the sanction mechanism for land clearings on uncertified units.	To refine once RaCP v2 is endorsed, as the mechanism relies on the same land clearing form process. The RaCP v2 draft is proposed to be postponed to allocate adequate time for gap assessment and impact evaluation.	May 2022
141	ASC's social NGO representative to share ideas for improvement on social auditing with the Secretariat.	The ASC's sNGO reps are on the interviewee list for the independent review of the Labour Auditing Guidance implementation. Marcus Colchester was interviewed by Proforest on 14 June 2024.	Dec 2022

Discussion Points

A member raised a concern about the action item on delinking (item 177) although it was concluded in the Q2 meeting that the Secretariat does not have the capacity to implement the central fund model due to the current focus being on prisma development. AG replied that this action item is to follow up with NewForesight on the additional insights on the central fund model that they may have gathered from that study. NewForesight has been contacted for further input from the study and the Secretariat will chase for their response.

A member sought confirmation about the E-NGO vacancy. The Secretariat confirmed that this is due to no response received from the person nominated by the previous member (Jonathan Escolar from Rainforest Alliance, RA) despite several attempts. The member urged the Secretariat to confirm with RA's senior management regarding the organisation's participation in the E-NGO seat considering its active past involvement in the ASC. In the chat box, a member raised an unresolved issue of RA having their membership category listed as S-NGO. AG responded that the Secretariat will raise this matter when contacting RA's senior management.

2.2 Assurance Action Plans (2024 - 2026)

Note: The full document entitled Assurance Action Plans was shared as part of the Q3 meeting pack.

AG presented the Assurance Action Plans for the 2024-2026 period, which aligns with RSPO's vision to lead global sustainability in palm oil and drive transformational change. The 2021 Assurance Gap Analysis work plans were updated to support key mission pillars better. New focus areas - Operational Enhancement, Prisma, and 2024 Standards - are designed to strengthen assurance frameworks in line with RSPO's strategic goals.

The **Assurance Action Plan** focuses on three areas:

The Secretariat to resolve matters regarding Rainforest Alliance's participation as E-NGO representative in the ASC.



<p>1. Operational Enhancement in the Assurance Division focuses on optimising daily operations to meet industry standards and improve efficiency. Key priorities include strengthening internal capacity, refining SOPs for compliance, and improving monitoring of accreditation and certification bodies. Efforts also involve engaging the broader sector to ensure the division maintains its commitment to delivering credible and effective assurance processes.</p> <p>2. prisma (RSPO’s new certification, trade, and traceability system) Development focuses on modular requirements with a phased implementation by the end of 2024. It enhances data stewardship and sustainability services through real-time certification and traceability dashboards. Developed in collaboration with the Digital Transformation Unit, prisma strengthens assurance frameworks and aligns with global standards, including Regulation on Deforestation-Free Products (EUDR). Key deliverables include developing critical and non-critical modules, reviewing HCV/HCS management, and fully implementing remote concession monitoring to improve compliance infrastructure.</p> <p>3. 2024 Standards and Certification Systems Review & Development is a key focus for the Assurance Division to ensure robust, aligned assurance processes. It includes endorsing and implementing new standards, conducting pilot tests, sector-wide engagement, enhanced training, and reviewing labour assessment guidelines. The RSPO website will announce that the Assurance Action Plans will replace the previous Assurance Gap Analysis Progress Report. The Secretariat will provide a progress update at the first ASC meeting each year.</p> <p>Discussion points A member sought clarification on the plan to conduct needs analysis for guidance documents upon endorsement of the new P&C standard (page 10 of the full document) whether the timeline (Q4 2025) refers to the completion of the needs analysis or the guidance document. AG replied that this is a timeline for the completion of the needs analysis which will ascertain the necessity of a guidance document. The member asked if the timeline could be brought forward to Q2 2025, ideally with the guidance ready before the end of the new P&C’s transition period, instead of after, to better assist CBs and growers with the interpretations. AG mentioned that this earlier deadline can be discussed with the standards team because there could be changes to the P&C during the transition period. Another member mentioned that this may be better discussed at the Steering Group level as per the plan for the transition period by Yen Hun Sung, (Director, Standards & Sustainability). A member asked about the timeline for the new Supply Chain Certification Standard (SCC) review and the Shared Responsibility (SR) rules (for which non-grower members will be held accountable for the same level of standards as the grower members). AG replied that the start of the SCC review will be Q1 2025, but the end date is yet to be confirmed, suggesting that this is better raised at an SSC (Standards Standing Committee) meeting. A member requested elaboration on the review for enforcing NPP compliance</p>	<p>The Secretariat to discuss with Standards Division whether the timeline for guidance needs analysis can be brought forward so that any guidance document(s) can be ready before the end of the transition period for the new P&C.</p>
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(page 10) as they did not know much about this before, and the timeline showed that the activity's completion was imminent in Q4 2024. AG explained that this has to do with enforcing AB's oversight of CB's verification of NPP compliance. This resulted from the gap identified through the Assurance Gap Analysis. ASI (Assurance Services International) was requested to come up with a clear oversight mechanism, including incorporating certain accreditation elements on the NPP verification by CBs. This and other matters relating to RSPO-ASI collaboration will be discussed in a meeting in Q4 2024.

A member asked if there is any relevant update for the ASC from the BHCVWG meeting that took place in July. ZT said there is none but shared that according to the Climate Change Unit, RaCP v2 is undergoing an internal analysis with endorsement expected in June 2025. The member clarified that their concern was about the risk of the BHCVWG members' input not being considered during the P&C review process. ZT replied that he would consult the Biodiversity Unit to confirm whether or not BHCVWG input was taken into account in the P&C review.

The Secretariat to confirm with the Biodiversity Unit whether input from BHCVWG was taken into account in the P&C review.

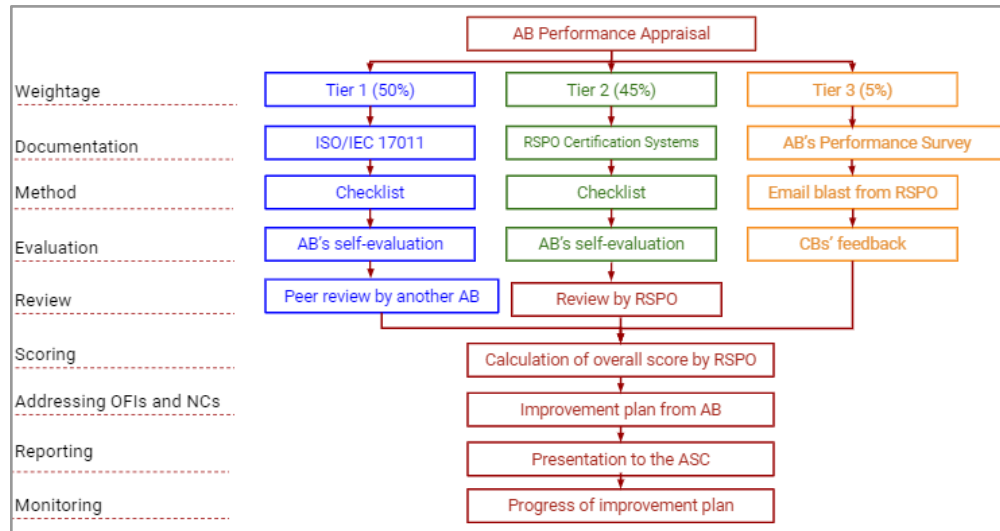
2.3 Accreditation Body Performance Appraisal

Note: The full document entitled Draft 1 of the RSPO Accreditation Body Performance Appraisal was shared as part of the Q3 meeting pack.

AG presented the progress of the procedure's development:

In the Q1 2024 ASC meeting, a draft framework for the RSPO Accreditation Body Performance Appraisal was presented. The Secretariat has revised the framework and prepared a detailed procedure for discussion. The appraisal aims to ensure the accreditation body has the necessary competence and delivers results, maintaining confidence in the certificates and reports issued by accredited certification bodies.

The new framework is structured as follows:



The weightage of each tier would be as follows:

Tier 1 Evaluation	Tier 2 Evaluation	Tier 3 Evaluation	Overall Score
<p>Accounts for 50%</p> <p>Final Weighted Score = (Total Score / Maximum Total Score) x 50</p> <p>Example: (55 / 80) x 50 = 34% contribution to overall appraisal</p>	<p>Accounts for 45%</p> <p>Final Weighted Score = (Total Score / Maximum Total Score) x 45</p> <p>Example: (35 / 50) x 45 = 32% contribution to overall appraisal</p>	<p>Accounts for 5%</p> <p>Final Weighted Score = [Sum of all Scores / (Total Number of Responses x Maximum Likert Score)] x 5</p> <p>Example: [120 / (30 x 5)] = 0.8 x 5 = 4% contribution to overall appraisal</p>	<p>Based on the examples, the overall score for the sample appraisal would be:</p> <p>Tier 1 (34%) + Tier 2 (32%) + Tier 3 (4%) = 70% (Meet Expectations)</p>

Scores from the three tiers would be combined and categorised as one of three:

- Exceed Expectations: Total score >80%
- Meet Expectations: Total score between 50-80%
- Below Expectations: Total score <50%

Once the appraisal process is complete, the Secretariat would share the results with the AB, with feedback on performance. The AB would then have to submit an improvement plan with timelines to address any non-compliances (NCs) and opportunities for improvement (OFIs), which would then be presented along with the appraisal’s results to the ASC. The ASC may recommend strengthening the improvement plan and this would be communicated back to the AB. The Secretariat would then conduct annual monitoring of progress on the improvement plan, through an annual report submitted by the AB to RSPO. If the AB scores as Below Expectations (<50%) for two consecutive cycles the Secretariat may recommend the termination of the AB’s services, which would be brought forward to the ASC for approval to escalate to the Board of Governors (BoG).

The current proposed timeline for the AB Performance Appraisal process spans 9 months, quantised by months: To start, Tier 1 and Tier 2’s self-evaluation phase would take the first 3 months. Tier 3’s completion of the survey by CBs starts with month 3, taking up the whole month. Tier 1’s AB peer review and Tier 2’s RSPO Reviewer phase would occur in month 4, followed by both Tier 1 and Tier 2’s review by RSPO Directors in month 5. Calculation of the AB’s overall score happens in month 6, followed by months 7 and 8 allocated for the development and RSPO review of the AB’s improvement plan. Month 9 is when the performance review and improvement plan is presented to the ASC, after which, the AB is required to submit an annual progress report to be monitored by the Secretariat until the next cycle.

This process would be **conducted once every five years**, which aligns with the renewal of the contract between RSPO and the AB. The frequency of five years is further justified by having to allocate time to find a peer reviewer and for the improvement plan monitoring, and because compliance with standards and certification systems typically remains stable over that duration. A special appraisal is to be conducted if serious issues arise between scheduled appraisals, the criteria for which would be determined by the ASC.

Discussion points



<p>A member commented that for the appraisal method to effectively assist RSPO in assessing the AB's performance, the terms in the service agreement need to be clear and AB is given the right scope, method and resources to carry out their tasks effectively. The member suggested building into the improvement plan any necessary revisions to the method of work or other norms in the RSPO's system, based on the findings of the appraisal. Another member agreed that this should be a 360 review, which also serves to assess areas of improvement for RSPO.</p> <p>Another member opined that the recommendation for termination after two cycles (ten years) of performing Below Expectations is too lenient, especially considering RSPO has stricter rules for members or CB's termination. The member also expressed that criteria for special appraisals need to be elaborated. AG replied that the Secretariat can incorporate relevant clauses from the service agreement which could lead to the special appraisals. AG added that the total of 10 years of Below Expectations performance for termination was recommended considering that the ASC can still raise the necessity for special appraisals, and that the Secretariat will be monitoring the ABs' fulfillment of the improvement plan. In the chat box, a member suggested a mid-term review, which may not have to be as comprehensive as the full appraisal. The member requested the Secretariat to propose a mechanism for a mid-term review in addition to the full appraisal.</p> <p>A member also recommended the review to commence at a suitable time so that it is not concluded right at the end of a contract tenure, to allow RSPO some time to explore options. Another member reminded the ASC about the limited number of ABs available and how RSPO is only working with one AB which is also engaged by many other scheme owners. Another member requested the Secretariat to discuss with the CEO about raising the issue of increasing AB capacity at the ISEAL Alliance Governance meeting to create awareness and encourage discussion within the ISEAL network as this is not something that RSPO can solve on its own.</p> <p>In the chat box, a member questioned the high level of self-assessment in the AB appraisal system, in addition to the AB nominating the CBs for the survey. This does not project enough credibility.</p>	<p>The Secretariat to revise the draft AB Performance Appraisal based on the ASC's feedback including: 360 review for any required improvements for RSPO and a mid-term review process in addition to the full appraisal (every 5 years).</p> <p>The Secretariat to raise the AB capacity issue to the CEO for discussion at the ISEAL Alliance.</p>
<p>3.0 Any Other Business</p> <p>3.1 MoU between RSPO and HCVN</p> <p>AG informed that a Memorandum of Understanding (MoU) between RSPO and HCVN is being drafted. The main rationales are:</p> <p><u>Framework for ongoing collaboration:</u> provide a flexible framework to formalise collaboration, enabling both organisations to continue discussions and refine processes without committing to specific terms too early.</p> <p><u>Commitment to Shared Goals:</u> By signing the MoU, RSPO and HCVN show their commitment to sustainability and conservation, laying the groundwork for future detailed agreements after process optimisations are developed.</p> <p><u>Facilitating process alignment:</u> align HCVN's methodologies with RSPO's certification framework, paving the way for more efficient processes in a</p>	

<p>future formal agreement. Potential collaborations with the HCVN identified are:</p> <ul style="list-style-type: none"> ● Alignment of HCV Identification with the RSPO Certification Process ● Joint Development of Assessment Protocols ● Streamlining Management and Monitoring of HCV Areas ● Harmonisation of Auditing Practices ● Integrated Training and Capacity Building Programmes ● Collaborative Data Sharing and Reporting ● Joint Resolution of Non-Compliance Issues ● Synergistic Policy Development ● Enhanced Stakeholder Engagement ● Mutual Support in Accreditation and Recognition <p>Discussion points</p> <p>A member said that while the MoU is a good strategy, RSPO also has a working agreement with HCVN so the scope needs to be clear especially for data sharing and reporting, as data is a sensitive matter. Another member suggested that this MoU could be an opportunity to clarify HCVN’s role in the “no-deforestation” requirement which is based on the integrated HCV-HCS approach for compliance with the P&C, the jurisdictional approach and so on, in view of the involvement of another organisation (HCSA) in it. This becomes more important as RSPO transitions to the new P&C. Another member questioned whether the Secretariat would share the draft MoU for the ASC’s feedback. AG and ZT conveyed that these concerns will be discussed with the Standards Division.</p> <p>3.2 Physical ASC Q4 Meeting at RT2024 - Logistics</p> <p>FM took the opportunity to confirm logistics for the physical ASC meeting in Q4 2024:</p> <ul style="list-style-type: none"> ● Possible timing (Bangkok time, GMT+7) <ul style="list-style-type: none"> ○ Sunday, 10 Nov, 4pm to 7pm ○ Monday, 11 Nov, 9am to 12pm ● Possible venue - due to limited availability at Amari Bangkok, the meeting can take place at one of these nearby hotels <ul style="list-style-type: none"> ○ Vela Dhi Glow Pratunam (250m from Amari) ○ Centre Point Hotel Pratunam (450m from Amari) ● Side meetings <ul style="list-style-type: none"> ○ Assurance Clinic - Sunday, 10 Nov, 9am to 12pm ○ Growers caucus - Sunday, 10 Nov, 9am to 12pm ○ BoG meeting - Thursday, 14 Nov, 9am to 4pm ○ Others? <p>The full programme for RT 2024 can be viewed here.</p> <p>Discussion points</p> <p>A quick expected attendance survey showed that all ASC members are expecting to be able to attend except AM and LQ (in addition to PW, and MZ who are absent from the meeting). The majority preferred Sunday, 10</p>	<p>The Secretariat to share the ASC's comments regarding the MoU with HCVN with the Standards Division.</p> <p>The Secretariat to send a calendar invite for the Q4 ASC Meeting in Bangkok. (Action completed: A calendar invite & Zoom link have been shared for a hybrid meeting on Sunday, 10 Nov 2024, 5pm to 8pm (GMT+7) at Novotel Bangkok - exact venue will be</p>
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<p>November, 4pm - 7pm, pending confirmation regarding the ISH Linking & Learning session and other meeting arrangements.</p>	<p>confirmed in the calendar invite)</p>
<p>3.3 Other matters</p> <ul style="list-style-type: none"> • Online approval of draft RSPO Certification Systems 2024 by the ASC - FM shared that the draft will be sent via email on the week of 16 September 2024. 10 days will be allocated for the ASC's comments and/or approval. Standards Division aims to present it to the BoG on 8 October 2024. <i>Note: Standards Division shared that there has been further revision to the timeline for the draft RSPO Certification Systems 2024. This topic will be discussed in the Q4 ASC Physical Meeting on 10 Nov 2024.</i> • Malaysian Grower: Replacement of alternate member - WS informed that MPOA has appointed Lee Swee Yin from SD Guthrie as an alternate member to represent Malaysian Growers in the ASC to replace Wan Kasim from FGV. There was no objection to this. <p>No additional matters were raised.</p>	<p>The Secretariat to proceed with the appointment of Lee Swee Yin from SD Guthrie as an alternate member for the Malaysian grower seat in the ASC. (Action completed: Appointment finalised on 9 Sept 2024)</p>
<p>End of meeting AN gave the closing words of the meeting. The meeting adjourned at 5.10 pm.</p>	