

**Assurance Standing Committee  
6th Meeting (via Zoom)  
Minutes of Meeting**

Venue: Zoom Meeting (<https://zoom.us/j/94075510781>)

Date and time: 9 February 2021 at 4.00 pm – 5 pm KL time

**Members Attendance:**

<b>Growers</b>		
<b>Name</b>	<b>Organisation</b>	<b>Group Representation</b>
Agus Purnomo (AP) (Co-chair) <i>(absent with apology)</i>	Golden Agri Resources (GAR)	Indonesian Growers (IGC)
Lee Kuan Yee (LKY)	Kuala Lumpur Kepong (KLK) Berhad	Malaysian Growers (MPOA)
Laszlo Mathé (LM)	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 (MG) (Co-chair)	WWF Singapore	E-NGO
Paula den Hartog (PH)	Rainforest Alliance	E-NGO
Paul Wolvekamp (PW)	Both ENDS	S-NGO
Marcus Colchester (MC)	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 (KCL)	P&G	CGM (alternate)
Emily Kunen (EK) <i>(absent with apology)</i>	Nestlé	CGM
Hugo Byrnes (HB)	Royal Ahold Delhaize N.V	Retailers
Olivier Tichit (OT)	Musim Mas Holdings	P&T
Michael Zrust (MZ)	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
Aizat Affendi (AMA)	Sr. Executive, Assurance Integrity Unit

**Other Attendance:**

Name	Organisation	Role
Neil Judd (NJ)	Proforest	Lead Facilitator
Shinta Puspitasari (SP)	Proforest	Facilitation support

Item	Description	Action Points
<b>1.0</b>	<p><b>Introduction</b></p> <p>MG opened the meeting at 4.00pm and welcomed all members. He explained that the meeting was set up to review key topical issues, including the US CBP's sanctions on FGV and Sime Darby, and to provide an opportunity for a quick scan of other priority issues by members of the ASC.</p> <p>NJ welcomed TR, who is now the RSPO's Director of Assurance, from 1 January 2021.</p> <p>NJ outlined the agenda of the meeting.</p>	
<b>1.1</b>	<p><b>RSPO Antitrust Guidelines</b></p> <p>NJ reminded the members of the RSPO Antitrust Guidelines.</p>	
<b>1.2</b>	<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>	
<b>1.3</b>	<p><b>Declaration of Conflict of Interest</b></p> <p>NJ highlighted the ASC Col obligations and if ASC members feel a conflict of interest under any agenda items, they should excuse themselves in order to enable an objective discussion. No Col was declared at this meeting.</p>	
<b>1.4</b>	<p><b>Acceptance of Previous Meeting Minutes</b></p>	



	<p>NJ presented the minutes of the previous virtual meeting held on 5<sup>th</sup> November 2020.</p> <p>Member responded that he has no objection but reminded the group of two matters arising under item 3.1, that the ASC will follow up with HCVRN on the clarity of their role and contribution to ASC works. Member sought clarity on who will follow up with HCVRN and when.</p> <p>Member also reminded the group of a follow up action under item 6.1/6.2 related to a joint meeting with CP and asked when the meeting will be conducted.</p> <p>NJ responded that point 3.1 was captured in the action tracker. TR added that she will review what’s been discussed in point 3.1 before starting the discussion with HCVRN. In parallel, the Secretariat is also having a discussion with HCVRN on ALS. TR will follow up on this issue.</p> <p>On point 6.1/6.2, NJ explained that this is included in the summary of outstanding actions in the next agenda item. NJ continued that the joint meeting with CP was postponed partly to enable prioritisation of the Assurance Forum before the end of last year. TR noted the on-going bid to find a suitable date for a joint meeting with CP. The initial plan for this call is during April, after the ASC next meeting on 7<sup>th</sup> April 2021.</p> <p>Following an opportunity for further comment, NJ confirmed that the minutes of the previous meeting on 5 November had been accepted</p>	<p>The Secretariat (TR) will follow up on HCVRN role and contribution to ASC work.</p> <p>The Secretariat will follow up on possible date(s) for a joint meeting with CP in April.</p>
<p><b>1.5</b></p>	<p><b>Action tracker update</b></p> <p>NJ reminded the group that the action tracker is available to all members. It aims to capture follow ups and outstanding actions.</p> <p>NJ presented a subset of outstanding actions, including the Labour Auditing Guidance, which has not yet been piloted due to the pandemic restrictions. The Fire Hub is now due to launch in May 2021. The root cause analysis by the Secretariat is progressing, and the Secretariat will share the initial findings at the next ASC meeting on 7<sup>th</sup> April.</p> <p>Member noted the agreed plan to form a sub-group to establish a pool of experts and the plan to proceed with this. He also volunteered to support this sub-group. WM responded that the plan to form this sub-group is still on the agenda. Initially, responsibility for the independent pool of experts had rested under the IMU, but this will need to be re-thought during the restructuring process within the Assurance Division.</p> <p>TR asked to clarify the main objectives of the pool of experts. Member responded that the Secretariat recognised the need to have a network of experts, who can perform field investigations either on complaints or related auditing issues. This has been a long-standing wish.</p> <p>Member offered to pilot the Labour Auditing Guidance at their next audit</p>	<p>The Secretariat will follow up on the plan to form a sub-group of a pool of experts.</p>

	<p>visit in May 2021. The audit will be conducted by Control Union.</p> <p>Member also requested an update on CB scoring as previously discussed in this group. NJ reminded members that a sub-group has been formed to work with ASI on CB performance; a first meeting had been held to review ASI's draft SOP on CB performance analysis. ASI has now updated the document in response to comments received, and the revised document will be shared with ASC members.</p>	<p>NJ will liaise with TR to share the revised ASI SOP on CB performance analysis with ASC members.</p>
<p><b>1.6</b></p>	<p><b>Assurance Division update – restructuring</b></p> <p>TR informed the group that discussion on the new Secretariat structure is an on-going process led by the CEO. The proposed structure consists of 5 main divisions: standards, assurance, stakeholder engagement, market transformation, and technical &amp; membership.</p> <p>Under the Assurance Division, there is a Compliance sub-division which comprises the Certification and Integrity units. The other units are Risk (which is a transition from the previous IMU), Grievance and Impact &amp; MEL.</p> <p>The Grievance unit will manage the entire grievance system, including providing the complaints desk, to support and assist the CP. Additionally, it will work in other areas such as operating the Dispute Settlement Facility (DSF) and the Human Rights Defenders (HRD) protocol. The Impact &amp; MEL unit is currently housed within Assurance, but the future expectation is that this will become its own division.</p> <p>Member asked why there are two Grievance Managers for Indonesia shown on the organogram. TR responded that RSPO is deploying two managers in Indonesia because most grievances are received from Indonesia, but noted that these managers will also work on grievances received from outside Indonesia.</p>	
<p><b>2.0</b></p>	<p><b>US CBP's sanctions on FGV and Sime Darby</b></p> <p>WM shared updates from the Secretariat on its 2 members currently subject to US CBP sanctions: FGV and Sime Darby.</p> <p>On FGV, verification audits have been made with regards to CP directives since 2019 using independent certification bodies that have not been employed previously by FGV. In total, 30% of planned audits have been completed with the remaining 70% still pending due to travel restrictions by the Malaysian Government (totaling an additional 6 Management Units). The appointed verifiers have now recently completed 2 FGV complexes and a further 2 complexes will be conducted this week (9 &amp; 10 Feb 2021) in Negeri Sembilan and Johor. The final 2 complexes are located in Sabah and the date for these visits is to be confirmed. WM highlighted that even with the pandemic, the verification is still in progress.</p> <p>On Sime Darby, diagnosis is currently on-going and will be investigated further. The Secretariat is already in contact with CBP and explained to</p>	<p>The Secretariat will be in contact with Liberty Shared to review Sime Darby</p>

	<p>them how the auditing system works for RSPO and how members are checked during their certification assessment. The same conversation will be held with Liberty Shared, planned during February 2021.</p>	<p>allegations during February 2021.</p>
<p><b>2.1</b></p>	<p><b>Update and Discussion</b></p> <p>NJ added that contact has been made with HRWG and there are clear collaboration points in relation to social auditing. There will be a follow up on this in the next few weeks.</p> <p>Member shared concerns on certified operations where problems should be identified in the audit, and suggested that this is where the root cause analysis should look. He also pointed out concerns in the HRWG about Socfin, which is being certified even with concerns raised by the Risk Unit about gender-based violence. Member continued to emphasise the need for improvement of audits, which need to be informed with any existing concerns, and that somehow there is a communication problem that needs to be looked at.</p> <p>TR also recognised that there is a missing role from the Secretariat to make sure that what has been identified by internal risk assessments is properly presented to the other parties such as certification bodies. For Socfin, the Secretariat asked the CB to increase the sampling and interview sessions based on updated information and concerns. The concern has been shared with the auditors and ASI, and is part of the Secretariat's effort for better alignment with other parties.</p> <p>Member asked for access to the FGV report on which WM responded that the report is not public yet but will be finalised soon. WM will check with the CP about the transparency of the report. Member further pointed out that details of complaints are available to the public, so was surprised that the Secretariat made the FGV report private and asked justification for this.</p> <p>TR responded that this case will not be on the action tracker because it is an on-going verification audit. All progress made so far has been reported to the CP. The Secretariat can't make the final summary of the findings available until all management units have been audited as part of the overall process.</p> <p>Member raised issues on Secretariat's intervention in audit processes without sufficiently clear procedures in place, and also pointed out that certification decisions should remain the prerogative of the certification body. Member is looking forward to seeing the updated procedure on how the Secretariat will use risk-based information to guide RSPO audits.</p> <p>TR added that the Secretariat does often recommend that CBs increase sampling and interviews based on risk assessments. However, TR underlined that the final certification decision remains with the CBs.</p> <p>Member commented on CBP's unclear decision making procedure and asked for details as to why CBP reached their decisions, and how</p>	<p>NJ &amp; Co-chairs to follow up on meeting with HRWG.</p> <p>The Secretariat (TR) will share the report on FGV when finalised.</p>



	<p>companies are allowed to remediate. This potentially makes the situation difficult to manage. Member continued that isolated cases can continue to happen despite the company's best procedures and checks, and also highlighted that migrant workers are vulnerable which increases their risk of being a victim of crime. Member underlined the importance of building a stronger audit system and resolving systemic issues and not only individual cases. For example, it would be a fantastic outcome to introduce mechanisms that enable vulnerable workers to speak out to address their issues with the company or authorities.</p> <p>Member asked the Secretariat to share any lessons learned from the discussion with the CBP. TR shared the key summary of the call with CBP including the request about increasing unannounced audits. CBD also raised concerns about workers' legacy debts and recruitment fees. CBP was not aware that RSPO P&amp;C includes and adopts ILO indicators. There was also an apparent misunderstanding about RSPO's mission; CBP's initial thought was that RSPO only represents industrial sectors and protects them. RSPO has since shared all relevant documents (including the P&amp;C) and information with CBP. But there remains a lack of sharing from CBP in terms of the information on which they based their decisions.</p>	
<p><b>3.0</b></p>	<p><b>Priority scan – key ASC issues for 2021</b></p>	
<p><b>3.1</b></p>	<p><b>Open Discussion</b></p> <p>NJ noted the list of outstanding issues already submitted by an ASC member, who clarified that the list of issues is mainly procedural, and the root cause analysis can add texture and priorities (e.g. labour).</p> <p>Member also raised concerns that with only quarterly meetings, ASC will not be able to get through all the necessary work. He suggested a more agile way to distribute the work across the members, including ASC sub-groups and linkages with other groups (e.g. HRWG). This will need to be systematised.</p> <p>NJ responded that when TR shares the Assurance Division workplan, this will also reveal priorities and should be considered together with the gap analysis.</p> <p>TR highlighted the process to start the gap analysis, such that there are so many things already happening at the Secretariat with very limited resources. The Secretariat will identify and prioritise short and medium-term activities. TR also confirmed the Secretariat commitment to progress with the gap analysis and report back at the next ASC meeting.</p> <p>Member reflected on whether we can propose to have working groups sit under the ASC to help move the agenda forward. NJ proposed to discuss with the Secretariat and Co-chairs on identifying possible working groups under the ASC and will update in the next ASC meeting.</p> <p>Member reminded the group of his previous point on how to better</p>	<p>In the next ASC meeting in April 2021:</p> <ul style="list-style-type: none"> <li>- The Secretariat will share the workplan and the first result on the root cause analysis. This will identify priorities to be addressed through ASC SC and sub-groups.</li> <li>- The Secretariat, Co-chairs and NJ will identify possible working groups under the ASC.</li> </ul>



	<p>understand relationships between the ASC with other existing WGs, and whether we can help direct or prioritise workplans. Member continued to question what kind of mandate we have to interact with other WGs.</p> <p>NJ responded that the first step to follow up these points is a confirmed meeting between the ASC Co-chairs and the HRWG next week to look at ways to work together.</p>	
<p><b>4.0</b></p>	<p><b>Any Other Business</b></p> <p>WM announced that Aizat is leaving the Secretariat. All the best!</p> <p>Member asked for a clear timeline and guidance on the Decent Living Wage (DLW) for certificate holders and the CBs to avoid misunderstanding.</p>	<p>The Secretariat will provide a timeline and guidance on the Decent Living Wage (DLW) for certificate holders and the CBs.</p>
	<p><b>End of meeting</b></p> <p>The Co-Chair and NJ thanked everyone, including all the ASC members who attended the meeting, for their feedback and comments.</p> <p>The meeting adjourned at 5 pm.</p>	