

Minutes of Meeting

Roundtable on Sustainable Palm Oil (RSPO)

Board of Governors (BoG) 04-24 Meeting

Date : 14 November 2024 (Thursday)

Start & End Time : 8.30 AM - 5.30 PM (THA)

Venue : Amari Hotel Bangkok and Zoom Platform

ATTENDANCE	
SUBSTANTIVE MEMBERS	ALTERNATE MEMBERS
<p>Anne Rosenbarger (AR) (Co-chair) WRI Jose Roberto Montenegro (JM) (Co-chair) AGROCARIBE Tim Stephenson (TS), AAK Marcus Colchester (MC), FPP Paul Wolvekamp (PW), BOTH ENDS Julian Walker-Palin (JWP), RPOG Martin Huxtable (MH), UNILEVER Ku Kok Peng (KKP), MPOA Olivier Tichit (OT), MUSIM MAS Lee Kuan-Chun (LKC), P&G Kamal Seth (KS), WWF INTERNATIONAL Lee Jwee Tat (JT) STANDARD CHARTERED BANK Anita Neville (AN), GOLDEN AGRI RESOURCES</p> <p>ADVISORS Prof. Bungaran Saragih (BS) Mr Mavath R Chandran(MR)</p>	<p>Eleonor Spencer (ES), ZSL Sander Van den Ende (SVE), SIPEF Bernadinus Steni (BS), KALEKA Laila Wilfred (LW), CARGILL Nursanna Marpaung (NM), HUKATAN Rukaiyah Rafik (RR), KPTSL Dr Surina Ismail (SI), MPOA Quentin Meunier (QM), OLAM Sougata Niyogi (SN), GODREJ AGROVET LIMITED Dr Mohd Fadhil Hasan (MFH), PT. INTI INDOSAWIT SUBUR Harry Brock (HB), UNIVANICH Lawrence K Quarshie (LKQ), GSOPP Pedro Seijas Cardenas (PSC), APROMAN</p> <p><u>VIRTUAL ATTENDANCE</u> Mario Abreu (MA), FERRERO</p>
SECRETARIAT	LANGUAGE INTERPRETERS
<p>Joseph D'Cruz (JD),(CEO) Nikki Gee, (CSDTO) Yen Hun Sung (HS), Director, Standards & Sustainability Kenny Lee, Senior Manager Rahmat Shah Putra, Special Officer to CEO</p> <p><u>VIRTUAL ATTENDANCE</u> Irene Low, Executive Assistant to CEO</p>	<p>Irma Nurhayati Sony Novian</p>
ABSENT WITH APOLOGIES	
<p>Narno Sayoto Irontiko (NSI), APSSA Imogen Jamie (IJ), STANDARD CHARTERED BANK Harjinder Kler (HK), HUTAN - KOCP</p>	

NO	ITEM	ACTION BY
1.0	<p>Introduction</p> <p>1.1 Introduction and Opening Remarks</p> <p>Anne welcomed attendees, both in-person and online and requested for the new elected members, Lawrence K Quarshie and Pedro Seijas Cardenas to introduce themselves.</p> <p>1.2 RSPO Antitrust Caution, Quorum, and Conflict of Interest</p> <p>Anne reviewed antitrust guidelines and reminded members about conflict of interest declarations.</p> <p>1.3 Approval of Agenda</p> <p>Anne introduced the agenda and opened the floor for remarks or adjustments. No objections or additional remarks on the proposed agenda items. Paul proposed for the approval of the agenda and seconded by Ku.</p>	<p>Information</p> <p>Information</p> <p>Decision</p>
2.0	<p>Approval of Minutes of Meeting</p> <p>2.1 BoG 03-24</p> <p>Tim highlighted an issue in the finance section where the balance sheet was incorrectly described as negative, which could imply insolvency. Suggested revising it to indicate that only the income statement would go negative.</p> <p>Meeting minutes were approved incorporating the identified corrections, proposed by Marcus and seconded by Kuan-Chun.</p> <p>2.2 BoG 8 October 2024</p> <p>Eleonor requested her name to be added under “absent with apologies”.</p> <p>Meeting minutes were approved incorporating the identified addition, proposed by Tim and seconded by Jose Roberto.</p>	<p>Decision</p> <p>Decision</p>
3.0	<p>Actions Arising from Previous Meeting</p> <p>Kuan-Chun highlighted the urgency of including non-certified data in mass balance systems to address industry needs. He noted its potential alignment with the EUDR (“European Union Deforestation Regulation”) timeline and suggested prioritizing this effort.</p>	<p>Information</p>

	<p>JD responded, confirming the plan to implement phase two of Prisma (January–June 2025), including: Conventional volume tracking and Full digitization of the audit process. He also acknowledged the importance of addressing non-certified data as part of this timeline.</p> <p>Tim asked about updates on pricing transparency, specifically if progress was being made regarding insights and legal implications.</p> <p>JD explained ongoing efforts, including the exploration of collaboration with external organizations for pricing data sourcing and to ensure compliance with antitrust laws.</p>	
4.0	<p>RemCom Committee Update by RemCom Chair</p> <p>Anne highlighted that Harjinder Kler is absent with apologies. She then announced approval of salary increases and bonuses for RSPO staff for the year. She also encouraged board members to volunteer to join or chair the RemCom to strengthen the committee's governance and functionality.</p>	Information
5.0	<p>Roundtable (RT) 2024/ General Assembly (GA) 21 Takeaways</p> <p>1. Reflections on GA21</p> <p>Olivier and Anita raised concerns about low voting participation at the GA, highlighting issues of representativity and noting thin representation in some member categories. Anita and Tim suggested rethinking membership engagement, emphasizing the need for innovative methods to sustain member interest and participation.</p> <p>Dr. Surina suggested enhancing the introduction of new board contenders during the election process, extending beyond the pre-distributed documents, to boost engagement in the elections.</p> <p>2. Reflections on RT 2024</p> <p>Olivier, Anita and Marcus praised the smooth organization of the RT but suggested incorporating debate elements to foster a robust exchange of ideas. Anita emphasized the need for innovation through disagreement and discussion. Anita appreciated the effort behind the panels but encouraged fostering more dynamic discussions to inspire innovation through diverse viewpoints. Mr. Chandran highlighted the potential for better spontaneity in panel discussions and proposed enhanced facilitation along with clear takeaway summaries to maximize impact</p> <p>Kamal proposed integrating youth engagement to address talent shortages.</p> <p>Paul recommended reconsidering RT location choices to increase participation and diversity, emphasizing sharper engagement topics.</p> <p>Rukaiyah pointed out low smallholder participation due to high RT costs and language</p>	<p>Information</p> <p>Information</p>

barriers in resolutions. Proposed subsidized fees and translations for smallholders.

Eleonor highlighted the need for glossary terms and formats to ease participation for newcomers.

Laila noted strong government participation, which is vital for sustainability initiatives.

Martin suggested showcasing the Secretariat's achievements more prominently.

Dr Surina highlighted the need for extended Q&A sessions to foster interactivity and engagement.

Jose Roberto highlighted that this RT had the largest delegation from Latin America, marking a positive trend in engagement from that region. He emphasized this as a sign of growing representation.

JD expressed appreciation for the feedback provided by Board Members, acknowledging its value in improving future events. He noted that the Secretariat had delegated more responsibilities to team members for this RT, which may have contributed to the scripted feel of some sessions as teams took a cautious approach to ensure success. Addressing feedback about the lack of dynamism, JD suggested using regional events as platforms for innovation and debate, with lessons applied to the RT. However, he emphasized the importance of avoiding overly contentious debates at the RT to maintain a constructive atmosphere.

JD confirmed plans to revisit GA processes to ensure compliance with Swiss legal requirements while exploring ways to make the GA more interactive and engaging. He also recognized the need for improvement in the Secretariat's proactive outreach to members and committed to enhancing these efforts. Finally, he addressed the challenges of hosting events in Latin America or other regions due to cost implications but expressed openness to exploring opportunities in markets like China or India to boost engagement.

6.0	<p>Secretariat Update by CEO</p> <p>1. Regulatory Developments</p> <p>JD began with updates on regulatory developments, focusing on the anticipated decision from the European Parliament regarding the European Union Deforestation Regulation (“EUDR”). He assured the Board that RSPO systems are being prepared to support compliance, with an emphasis on internal processes and engagement with national authorities. He also highlighted ongoing tracking of European green claims legislation, the German Supply Chain Act, and U.S. forced labor laws.</p> <p>2. Digital Transition</p> <p>Addressing the transition to Prisma, JD acknowledged delays caused by disagreements with Rainforest Alliance and set a new launch target of 31 January 2025. He emphasized the importance of data cleanup and validation from members to ensure the system's integrity.</p> <p>3. MSPO Collaboration</p> <p>JD mentioned re-engaging with MSPO’s new CEO regarding the MOU between RSPO and MSPO.</p> <p>4. Membership Restrictions</p> <p>JD updated the members that financial institutions are increasingly unwilling to process transactions involving countries under international sanctions, such as Iran, North Korea, and Russia. This creates operational challenges for RSPO and increasing legal risks of engaging with members in these jurisdictions. JD mentioned that RSPO is conducting a broader analysis of the issue and will present findings to the board. If membership restrictions are deemed necessary, JD suggested preparing a decision paper for board approval and potentially the GA.</p> <p>Action Points : The Secretariat to prepare a decision paper for the Board on the potential implementation of membership restrictions for sanctioned countries or other recommended measures to address this issue.</p> <p>5. GA Resolutions Implementation</p> <p>Kamal pointed out that updates on the implementation of GA resolutions, which were once a regular agenda item in Board meetings, are no longer being provided. He expressed concern that this could cause members to lose track of progress. Kamal emphasized the importance of providing regular updates, specifically on the smallholder and mid-sized grower incentives resolution, and recommended reinstating progress reports as a standing item on the Board meeting agenda.</p> <p>JD confirmed that a Terms of Reference (ToR) will be developed to establish a committee or body to address matters related to the smallholder and mid-sized grower incentives resolution that was approved at the GA. The ToR will be shared with the Board for review and approval.</p>	<p>Information</p> <p>Information</p> <p>Information</p> <p>Secretariat</p> <p>Secretariat</p>
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	<p>Action Points : The Secretariat to develop a ToR to establish a committee or body to address matters related to the smallholder and mid-sized grower incentives resolution approved at the GA.</p> <p>6. JA Resourcing</p> <p>Kamal highlighted insufficient resourcing for the JA process and urged stronger state government involvement. He also expressed his concern over the feasibility of meeting the 2030 JA certification target, with only 27% progress to date. He suggested a need for structured, long-term resourcing to achieve JA ambitions.</p> <p>JD acknowledged resourcing challenges for JA pilots, particularly in Sabah, and reiterated the need for stronger government support. He also stated RSPO lacks the mandate and resources to provide additional funding requested by the Sabah JA working group. JD pointed out that while RSPO has historically funded JA pilots.</p> <p>Kamal suggested that future resource allocation decisions on this matter should be referred to the Finance Subcommittee to weigh trade-offs.</p> <p>7. EUDR Compliance</p> <p>Kuan-Chun highlighted the importance of pairing modular standards with the Prisma system to address regulatory requirements like EUDR.</p> <p>Tim cautioned against guaranteeing compliance to avoid liability risks.</p> <p>JD agreed on the need for modular standards and clear communication regarding EUDR. He reiterated that RSPO new standards cannot guarantee regulatory compliance but supports members with tools for due diligence.</p> <p>8. Institutional Fundings</p> <p>Anita proposed seeking institutional funding for targeted, programmatic initiatives such as JA and auditor training. She suggested that institutional donors could play a significant role in supporting these broader initiatives, particularly those aligned with a just transition agenda. She recommended reserving membership fees to fund RSPO's core operations.</p> <p>JD highlighted ongoing efforts to strengthen ties with development agencies, the UN, and other institutional donors. However, he cautioned about the administrative burdens associated with managing small institutional grants, including sourcing, monitoring, and reporting, as well as balancing the costs and capacity required to handle these grants. He recommended prioritizing larger, programmatic funding opportunities to enhance efficiency and optimize resource allocation.</p>	<p>Information</p> <p>Information</p> <p>Information</p>
7.0	<p>Grievance/ Complaints/ CP</p> <p>The agenda opened with a presentation by Henry Barlow and Lim Sian Choo, providing updates on complaint handling and case progress. Additional details can be found in the</p>	<p>Information</p>

attached slide presentation in Boardbook 04-24.

Marcus emphasized the urgency of the CAP review. He also highlighted issues with accessibility and communities' understanding of the complaints process and grievance system. He urged for more actionable outcomes from the CAP review to address systemic challenges.

Lim Sian Choo responded by confirming the CAP review's completion, with public consultation set for January. The delay was explained as necessary to prioritize P&C approvals. Adjustments include strengthening RSPO's pre-grievance resolution capabilities and introducing mechanisms to address issues early.

Marcus highlighted that RSPO must prepare for the unique challenges that JA might present in complaint management. He mentioned raising this issue within the JAWG and was pleased it was also discussed in the GA.

Paul praised the RSPO Secretariat for selecting an excellent consultant to guide the CAP review process. Paul underlined the importance of collaboration between the Complaints Panel, Secretariat, and stakeholders to address systemic issues effectively.

Nursanna emphasized the importance of making the grievance mechanism more accessible, noting that many conflicts remain unresolved due to communities' lack of awareness or ability to navigate the system. She advocated for localized grievance resolution, professional mediation, and stronger post-conflict monitoring.

Olivier raised a question about the complaints submitted in 2024, seeking to understand how many were deemed not receivable or dismissed. He asked for clarification on the total number of complaints submitted, how many were accepted into the system, and the reasons behind the dismissal of others.

Lim Sian Choo explained that approximately 30 cases had been dismissed due to incomplete information. The Secretariat had reached out to complainants for additional details, but in many instances, there was no response. In such cases, the Secretariat had no choice but to dismiss the complaints. Lim Sian Choo emphasized that efforts are being made to improve communication and ensure complainants provide the necessary information for their cases to proceed.

JT proposed using Growers' liaison officers to raise awareness through step-by-step training and informal community engagement.

Martin called for RSPO's grievance system to serve as an industry benchmark/best practice, addressing systemic issues like land rights beyond its jurisdiction. He raised concerns about unresolved land rights issues in the supply chain, which affect mass balance and RSPO's overall credibility.

Kuan-Chun suggested using data analytics to demonstrate the system's impact on industry compliance and transformation.

Anne concluded by acknowledging the insightful comments from the co-chairs and other participants. She expressed her appreciation for the discussions, which raised important points regarding the improvement of the RSPO grievance system and its

	<p>broader impact on the industry. Anne recognized the value of continuing to strengthen the system and ensuring it addresses issues beyond RSPO's direct jurisdiction. She emphasized the need for further brainstorming and collaboration on the scope and applicability of the system, particularly in terms of scaling its impact.</p>	
8.0	<p>Reflections & Lessons Learned on The Standards Review Process</p> <p>Anne emphasized the importance of reviewing the standards review process moving forward. She recommended that the process be managed by an independent third party to ensure neutrality and credibility while highlighting the SSC's critical role in managing and overseeing the process.</p> <p>Olivier mentioned that SSC recognized the urgency of reviewing the standards review mechanism task during its recent meeting. He also acknowledged the potential burden on the Secretariat due to overlapping priorities, such as national interpretations and supply chain document reviews.</p> <p>Marcus highlighted the need for broad stakeholder engagement beyond RSPO members in developing the ToR, including external parties who provide feedback during public consultations.</p> <p>Kuan-Chun recommended adopting a modular approach to streamline the review process while maintaining alignment between standards, certification, auditing, and assurance systems.</p> <p>Rukaiyah proposed creating dedicated spaces for smallholders to engage in the review process effectively. She raised concerns about limited smallholder participation in the task force, with only two representatives.</p> <p>Olivier acknowledged Rukaiyah's concern and agreed that smallholders were underrepresented in the process.</p> <p>JT suggested leveraging the Prisma tool to consolidate data from certification audits and provide clearer insights to task force members. He also mentioned inconsistent taskforce participation, where representatives varied across meetings, leading to unproductive discussions.</p> <p>Steni observed declining participation of NGOs, particularly social NGOs, and women in consultation processes. He suggested tracking and ensuring equal stakeholder representation in meetings.</p> <p>Dr Surina emphasized the importance of grower involvement, as they are the primary implementers of the standards.</p> <p>Marcus noted difficulties for smallholders and NGOs to engage meaningfully due to lack of preparation or access to information. He also highlighted the disparity between formal compliance with consultation procedures and actual engagement outcomes.</p>	Information

9.0	Governance Review	Decision
	<p>Anita began by presenting the proposed structure for the new RSPO governance and seeking approval from the BoG members. This approval would enable the steering committee to proceed with preparing key documents, including terms of reference and workflows, to support the effective operationalization of RSPO governance. For further details, refer to the governance review slides in the Boardbook 04-24 (page 25).</p> <p>JT highlighted a risk of circular reporting, where elected BoG members that sit in the SC report to the ExCo, which then reports back to the BoG. Anita acknowledged the risk, but explained that elected BoG members in the SC ensure alignment between SC and BoG on strategic and policy matters. The SC reporting to the ExCo streamlines SC's recommendations with available resources, while independent ExCo members provide critical expertise and feedback.</p> <p>Marcus expressed support for the proposed structure but emphasized the importance of establishing a direct reporting line between the CEO and the BoG. He also highlighted the need for clear selection criteria for ExCo members and recommended periodic reviews to assess the structure's effectiveness. Anita agreed with Marcus and confirmed that a direct reporting line from the CEO to the BoG would be added to the organizational chart. However, she noted that the practical dynamics might differ from what is shown on paper. She also emphasized that independent ExCo members would be chosen based on specific competencies needed to address gaps. She also mentioned drafting job descriptions for independent ExCo members based on specific competencies.</p> <p>Dr. Surina emphasized the need for more diverse representation in the SCs and ExCo, beyond BoG members, to engage a broader membership, provided the sectors are adequately represented. Anne replied that consensus on this matter had already been reached, confirming that the ExCo will consist of a mix of elected members and external professionals serving as independent members, with an independent chair who will be compensated. Dr Surina also asked whether BoG members lacking specific expertise (e.g., finance) should participate in ExCo and suggested allowing representatives from their respective organizations (e.g., finance experts) to sit on ExCo instead of the board members themselves. She raised concerns about the same individuals being involved across multiple governance roles. Anita emphasized the importance of maintaining a connection between SCs and BoG to ensure strategic alignment which was strongly expressed by the Malaysian growers. She clarified that only two BoG members would participate in SCs (one as a co-chair), with the rest of the SC composed of broader membership representation. She explained that the ExCo was designed to address the lack of specific competencies (e.g., finance, HR) on the BoG and Independent ExCo members would fill these gaps to ensure a well-rounded committee. She agreed on the need to engage new and younger members but proposed that this issue be addressed separately as part of a broader conversation on membership engagement and capacity-building initiatives.</p> <p>Kuan-Chun sought clarification on how the BoG, with its strategic oversight, would connect with the SCs and their work plans, which are approved by the ExCo. Anita explained SC would draft their work plans and resource needs. ExCo, in consultation with the Secretariat, would review these work plans to ensure they align with available</p>	

resources. Once refined, these work plans would be sent to the BoG for final approval. Additionally, SCs would provide directional input to the BoG on their strategic priorities for the year to ensure alignment at the planning stage.

Kamal suggested a two-year transition period to evaluate and refine the new structure. Anita agreed, noting the importance of gradual adaptation.

Paul expressed his agreement with this proposed structure. He emphasized the RemCom should balance strategic and operational roles. He also highlighted the need for continued board involvement in CEO compensation decisions. Anita proposed renaming RemCom and expanding its scope to include human resources, talent development and performance management. Anita agreed to have some systematic and clear process to ensure board oversight of CEO compensation and will include this in the ToR.

Nursana questioned if four ExCo meetings per year would be sufficient to support the CEO. Anita clarified that the CEO would have regular informal touchpoints with the ExCo chair and members outside formal meetings.

Martin asked if external professionals in ExCo would be paid and Anita confirmed that only the chairperson would be paid, and the budget allows for this.

JT questioned the sequence of events following this meeting and asked what the plan would be if the ExCo chairperson were hired, but the resolution was voted down during the GA. Anne responded by suggesting that key elements reflecting Board decisions and strategy should be included in the resolution. However, she emphasized the need to be cautious about proceeding with hiring or setting things up before receiving approval.

Ku clarified that Malaysian growers supported the direct reporting line between the SC and BoG. However, he urged for broader multi-stakeholder, country and regional representation beyond Board Members for the SCs, ensuring a balance between operational efficiency and inclusivity. Anne suggested addressing this issue by reviewing the steering group structure during the next P&C review. Anita proposed exploring structures for the standing committees, leveraging from regional meetings covering key areas like assurance, market development, standards, and smallholders. She suggested the Governance Review Steering Committee focus on enhancing engagement and incorporating this into the terms of reference.

Anne stressed the need for clarity on the process, timeline, and sequence. She suggested the subgroup review the components, prioritize what to include in the resolution, outline next steps, and align with the timelines.

Tim stressed the importance of clearly defining the TORs for ExCo to ensure its independence and effective functioning. He cautioned against presenting the governance structure as a "trial period" to the members. Anne discussed the resolution and necessary statutory changes, proposing a review mechanism similar to the PNCs, with an implementation period and feedback process for reflection without major disruptions. She suggested a more comprehensive review every five years to assess governance effectiveness, distinguishing between minor adjustments and deeper evaluations.

	<p>Rukaiyah highlighted the need to deep dive into the code of conduct for SC co-chairs. Anne suggested this to be addressed as part of SSC functioning and governance, which goes beyond the current structure.</p> <p>Decision : Anne proposed moving forward with the governance structure, and consensus was reached with no opposition.</p> <p>Anita thanked the Governance Review Steering Committee and Secretariat for their efforts.</p> <p>Action Points :</p> <ol style="list-style-type: none"> 1. Clarify the process, timeline, and sequence for implementing the governance review, prioritizing components for the resolution leading up to the GA vote. 2. Develop clear Terms of Reference for the ExCo, SCs, WG and other governance elements to define roles, responsibilities, workflows, etc. This also to ensure ExCo's independence and operational scope are balanced with BoG oversight, and establish a direct reporting line from CEO to BoG. 3. Draft job descriptions for independent ExCo members based on required competencies. 4. Plan the selection process for ExCo members from the BoG and independent members. 5. Review the code of conduct for SC co-chairs to ensure alignment with RSPO principles. 6. Enhance broader participation and regional representation in SCs and WGs. Explore standing committee structures by leveraging regional meetings, improving engagement, and incorporating these elements into the ToR. 7. Review and expand the scope of some committees (e.g., RemCom) to include HR, talent development, and CEO compensation oversight by BoG in the ToR. 8. Plan processes to monitor, evaluate, and enhance the performance of the new governance structure following the two-year transition period and its full implementation. 	<p>Governance Review Steering Committee & Secretariat</p>
10.0	<p>Prisma</p> <p>This agenda began with a presentation from Nikki Gee to provide a brief overview of Prisma's progress, highlighting challenges such as data migration delays and emphasizing the readiness for a soft launch in December. The slide presentation can be found on page 50 of Boardbook 04-24.</p> <p>Olivier confirmed the postponement of the Prisma launch, noting that a subgroup of the Board had been consulted and advised proceeding with the delay.</p>	<p>Information</p>

Anne clarified that a formal Board decision was not required, as this was an informational announcement rather than a decision paper.

JT raised concerns about the operational readiness for Prisma's cutover. He asked if RSPO had sufficient staff in place to handle the transition and whether the necessary team and resources were ready.

Nikki confirmed that a team is in place but expressed that having a larger team would be ideal. Some parts of the operations, such as trade management, are currently outsourced to AgriTrade, with plans to build internal capacity throughout the year.

JT inquired if the budget accounted for these resources and asked for confirmation on this aspect.

Nikki and Tim confirmed that the budget includes necessary provisions for the current year, including outsourcing and internal staff recruitment.

Kuan-Chun highlighted a potential inconsistency on RA's refusal to assume liability or provide a service guarantee for the migration activities and RSPO's expectation for RA to meet specific migration requirements and timelines. He then asked for clarification on how these two points align and whether RSPO has a contingency plan if RA fails to meet expectations.

Nikki responded RSPO has already outlined the critical data it requires from RA for the cutover, particularly members' opening stock and credit balances. RA has been informed of the "bare minimum" expectations to meet data accuracy and timeliness. RSPO has a manual contingency plan in place to address potential gaps or failures in RA's data migration.

Ku asked if RA's claim for compensation and early termination is valid.

JD clarified that RSPO has no financial liability to RA under the terms of the contract. The contract includes provisions for data transfer upon termination, but it lacks specific requirements regarding data format or quality. He further stated that RA's claims of early termination are unfounded, as due notice was provided.

Dr. Surina asked about implications of new standards for audits and how the transition will be handled.

HS responded the transition to the 2024 standards begins November 2025 but the National Interpretation (NI) processes can start earlier, with Indonesia and Malaysia showing interest in beginning the NI process soon. RSPO plans to finalize the annexes by March and the audit module specification by June, allowing development to begin in Prisma by July 2025. Interim measures will be in place for audits, using CSV uploads until the full audit module is ready for use with Prisma. Training for stakeholders is integrated into Prisma development plans.

Anne acknowledged the positive feedback on Prisma's socialization and outreach efforts.

	<p>Olivier reiterated unresolved issues with unsold certified PK credits and suggested revisiting the proposal for mills to sell PK credits instead of crushers, as the current system limits market participation and creates inefficiencies.</p> <p>JD proposed resubmitting the MDSE's past proposal on PK credits to the board, ensuring that sustained objections are accompanied by rationale and next steps to avoid stalemates. He recommended framing the discussion to address previous objections and ensure that any updated proposal includes all relevant contextual information.</p> <p>Action Points : Revisit the MDSC's past proposal regarding PK credits to be resubmitted to the BoG.</p> <p>11.4 Smallholders SC</p> <p>Kuan-Chun and Rukaiyah mentioned demand for smallholder credits is declining, and credit prices are dropping, raising concerns about the long-term sustainability of smallholder support.</p> <p>JD suggested transitioning mature smallholder groups to the physical supply chain to free up the credit market for newer entrants. To also attract new buyers and co-financing to support smallholder certifications.</p> <p>SSC identified the need to review the smallholder strategy document, focusing on livelihood improvements, certification scaling and market mechanisms to increase buyer demand and credit uptake.</p> <p>Action Points : Prepare a proposal for the Board to review the Smallholder Strategy Document, ensuring it also covers Linking Independent Smallholders to Market. The review must align with the MDSC and the Market Transformation Unit to maintain consistency.</p> <p>11.5 Assurance SC</p> <p>Kamal began the update by highlighting three key points: auditor shortages, performance metrics, and labor auditing guidance. He noted that ASI will implement a five-year plan aligned with RSPO's goals, which will be monitored through semi-annual reviews by the ASC.</p> <p>JD acknowledged the concern on auditor shortages and proposed that Prisma could help address this by providing consistent audit templates and easier onboarding for new auditors.</p> <p>Marcus asked about the auditability of FPIC and why stakeholders have varying views on its implementation. He suggested organizing discussions to align stakeholder perspectives.</p> <p>JD agreed with Marcus, emphasizing the need to engage social NGOs and other stakeholders to create a unified understanding of FPIC auditability.</p>	<p>SSC</p> <p>Information</p>
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	<p>11.6 Shared Responsibility WG</p> <p>Julian raised concerns about setting unrealistic targets, particularly for retailers and consumer goods manufacturers, emphasizing the need for achievable goals to maintain credibility. He stressed the importance of aligning targets with market capacity, noting the burden already carried by saturated regions like Europe and North America. While robust goals are desirable, he called for realistic pathways to achieve them and sought the board's guidance on the 2024 targets for clearer direction.</p> <p>Kamal supported Julian's call for a strategic discussion and stressed the need to review the SR framework after five years. However, he proposed retaining the current targets (2% for processors and traders, 12% for retailers and CGMs) for the final year while beginning a broader evaluation of the framework.</p> <p>Anne expressed that she was not particularly concerned about the exact percentage targets. Instead, she emphasized focusing on whether the SR framework is creating the right incentives to drive progress. She mentioned that the priority is understanding why uptake remains low and whether the framework effectively motivates compliance, rather than fixating on setting ambitious or reduced targets.</p> <p>Ku emphasized the importance of identifying and addressing the root causes of low uptake rather than focusing solely on overall percentages. Ku proposed creating targeted work plans to address these challenges and encouraged pragmatic solutions, sticking to the existing five-year plan while conducting a detailed review of the framework.</p> <p>Martin agreed on the need for a framework review, emphasizing accountability for underperforming companies. He suggested stricter measures, like cumulative targets or removing persistently non-compliant members, and criticized the lack of regional breakdowns, pointing out key gaps in uptake.</p> <p>The board reached a consensus on the need for a comprehensive review of the SR framework, focusing on both its methodology and strategic impact. They agreed that the emphasis should shift from merely setting targets to understanding the root causes of non-compliance and finding effective solutions.</p> <p>Action Points : Conduct comprehensive review of the SR framework.</p> <p>11.7 Standards SC</p> <p>Olivier shared that the implementation of the new P&C has significantly increased the SSC's workload, requiring additional input and participation. He also highlighted upcoming vacancies in social NGO representation, noting that two seats will require proactive recruitment due to term limits.</p>	<p>Information</p> <p>SRWG</p>
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	<p>gradually, starting with less rigorous requirements before moving up to full compliance. This would provide more accessible pathways without compromising the integrity of RSPO standards.</p> <p>3. Consumer Goods Certification Data</p> <p>Martin highlighted that processors and traders are reporting under the consumer goods category, creating a data mismatch. This incorrectly attributes volumes of uncertified palm oil to consumer goods manufacturers, leading to misunderstandings.</p> <p>JD acknowledged the data discrepancy and agreed that RSPO should correct this issue by improving reporting frameworks to accurately reflect certification volumes.</p> <p>4. Coordination for BoG Meeting Scheduling</p> <p>RSPO to prevent overlapping meeting schedules in the future as requested by Marcus.</p>	<p>Information</p> <p>Information</p>
13.0	Meeting adjourned at 5.20 pm	