



# GA21 DRAFT MINUTES

Document Title: Draft Minutes  
Roundtable on Sustainable Palm Oil  
21st General Assembly (GA21)

Date: 13 November 2024

Format: Hybrid

Venue: Amari Bangkok, Thailand

Start time: 3:00 PM (GMT+7)

Chairperson: José Roberto Montenegro Baide, RSPO Board of Governors  
Co-Chair

Speakers: José Roberto Montenegro Baide  
Tim Stephenson, RSPO Board of Governors Vice-Chair and  
Treasurer

Participants: 121 Ordinary Members in attendance  
RSPO Secretariat  
Observers

# ROUNDTABLE ON SUSTAINABLE PALM OIL

## 21ST GENERAL ASSEMBLY (GA21)

13 November 2024

### AGENDA

1. Members' roll call
2. Opening address and report by the Chairperson
3. Confirmation of the minutes for the 20th General Assembly (GA20) held on 22 November 2023

**Minutes:** GA20 Draft Minutes

**Attendance List:** GA20 Attendance List

4. Presentation of the Treasurer's Report and the RSPO financial statements for the year ended 30 June 2024 by the Treasurer, Tim Stephenson
5. Voting for the proposed resolutions and announcements of the results

#### **Resolution GA21-1**

To receive and adopt the Treasurer's Report and the RSPO's financial statements for the year ended 30 June 2024.

#### **Resolution GA21-2a**

To confirm the appointment of Ernst and Young as the auditors of the RSPO for the financial year ending 30 June 2025.

#### **Resolution GA21-2b**

Adoption of the Revised 2024 RSPO Principles and Criteria and 2024 RSPO Independent Smallholder (ISH) Standard for the Production of Sustainable Palm Oil and Palm Oil Products.

#### **Resolution GA21-2c**

Resolution to Amend the RSPO Statutes and the Code of Conduct for Members to include Jurisdictional Member as a new Membership Category.

#### **Resolution GA21-2d**

Develop a Mechanism to Incentivise Medium-sized Growers and Smallholders.

6. Voting for the Board of Governors election and announcements of the results
7. Any other business
8. Closing of GA21

Annex 1 – Attendance and Voters List

## **1. MEMBERS' ROLL CALL**

The 21st General Assembly of RSPO Members (GA21) was convened on 13 November 2024 at Amari Bangkok, Thailand. Joseph D'Cruz, CEO of RSPO, extended a warm welcome to all RSPO Members present before handing over to José Roberto Montenegro Baide, Co-Chair of the RSPO Board of Governors, to chair the GA21.

José Roberto Montenegro Baide welcomed all Members and expressed his gratitude for their participation before proceeding to confirm the quorum for the Assembly. A total of 59 advance votes were received, with 113 physical and 8 virtual attendees present, recording a total of 161 voting Members.

The Chairperson provided several housekeeping reminders to ensure a smooth and productive meeting. He emphasised key aspects, including the availability of simultaneous interpretation in Bahasa Indonesia, French, Spanish, and Thai; the guidelines for the Q&A session; the RSPO Anti-Trust Statement; and the voting procedures. Members were courteously reminded to adhere to these guidelines to ensure an efficient and orderly General Assembly.

To ensure Members were aligned on the topics to be covered, José Roberto Montenegro Baide reviewed the agenda for GA21, highlighting the key items to be discussed.

## **2. OPENING ADDRESS AND CO-CHAIR REPORT BY JOSÉ ROBERTO MONTENEGRO BAIDE, CO-CHAIR OF THE RSPO BOARD OF GOVERNORS**

José Roberto Montenegro Baide began the Co-Chair's Report by providing comprehensive updates on resolutions adopted in previous meetings.

### **PAST GA RESOLUTIONS:**

#### **GA13-6e (November, 2016): Protecting Human Rights Defenders, Whistleblowers, Complainants and Community Spokespersons**

The RSPO Policy on the Protection of Human Rights Defenders, Whistleblowers, Complainants and Community Spokespersons was adopted by the BoG on 24 September 2018. The current policy is in the process of revision, with a draft expected to be completed for consultation and review by March 2025.

#### **GA18-2c (December, 2021): Enhancing the Robustness of the RSPO Mass Balance Model to Accelerate Uptake of Certified Sustainable Palm Oil**

The conclusions of the study on the Robustness of the RSPO Mass Balance model have been analysed and assessed. Relevant points and recommendations for

The conclusions of the study on the Robustness of the RSPO Mass Balance model have been analysed and assessed. Relevant points and recommendations for enhancing the RSPO Mass Balance model will be incorporated in the upcoming RSPO Supply Chain Certification (SCC) Standard review, which is scheduled to begin in Q1 2025.

#### **GA18-2d (December, 2021): Resolution to Review and Amend the Remediation and Compensation Procedure (RaCP) Process as Applied to Scheme Smallholders**

The development of RaCP v2 (version 2) is ongoing, with specific focus and particular care on application to scheme and independent smallholders in recognition of the subject of this resolution. A draft of RaCP v2 is expected to be completed for public consultation in Q1 2025. The existing interim measures will continue to apply until RaCP v2 has been approved and endorsed for implementation.

#### **GA19-2b (December, 2022): RSPO Prioritises Jurisdictional Approach to Accelerate the Transformation of Sustainable Palm Oil Standards, the Inclusion of Independent Smallholders and Engagement with Local Communities**

In response to Resolution GA19-2b, the RSPO Secretariat has implemented key adjustments to prioritise the Jurisdictional Approach (JA) programme, aiming to accelerate the shift towards more sustainable palm oil production, increase smallholder inclusion, and enhance the engagement of local communities.

This year, the Secretariat strengthened collaboration with the local governments of Sabah, Malaysia and Seruyan, Indonesia, as well as the national government of Ecuador, organising workshops to assess the progress of RSPO JA pilot programmes. As a result, all three pilots have developed work plans to achieve Step 2 of the Jurisdictional Approach. It is important to highlight the participation of multiple stakeholders and RSPO Members in these RSPO-organised workshops.

Additionally, the Secretariat has made progress in developing the technical tools necessary for jurisdictional certification, including assessments for HCV-HCS, RaCP, and ICS, among others.

Regarding resources for advancing the jurisdictional programme, the RSPO CEO has tasked the technical team with supporting the Standards team to ensure more effective implementation of the jurisdictional approach programme.

## **GA20-2b (November, 2023): Creating a RSPO Membership Category to Further the Development of RSPO Jurisdictional Approach for Certification**

A resolution to amend Statutes and Code of Conduct to include Jurisdictional Member as a new membership category has been submitted for approval at this GA.

### **UPDATES FROM STANDING COMMITTEE (SC)**

#### **Standard Standing Committee (SSC)**

The following are key highlights from Standards Standing Committee (SSC):

- **P&C and ISH Standards Review**  
The 2024 RSPO Principles and Criteria (P&C) and Independent Smallholder (ISH) Standards were endorsed by the SSC on 3 October 2024, and a resolution for their adoption is now tabled at this General Assembly. During the 12-month transition period before the standards take effect, the SSC will finalise the process for any procedural updates and will commission an independent review of the standards review process to assess potential limitations in the current approach.
- **From the Jurisdictional Working Group (JWG)**  
The Ecuador JA Pilot is set to complete Step 1 of the JA Piloting Framework, while Sabah and Seruyan are progressing toward Step 2. Resolution GA21-2c has been proposed for adoption at this General Assembly to establish an RSPO Membership category for Jurisdictional Entities (JE), in line with Resolution GA20-2b adopted at the 20th RSPO General Assembly in November 2023.
- **From the Greenhouse Gases Working Group 2 (GHGWG2)**  
PalmGHG v5 calculator specifications have been finalised to align with GHG Protocol standards. Pilot testing will soon begin, followed by development in *prisma*. PalmGHG v5 is expected to be completed for implementation and use by June 2025.

#### **Assurance Standing Committee (ASC)**

The following are key highlights from the Assurance Standing Committee (ASC):

- **De-linking Study Result**  
Most stakeholders are not in favour of de-linking, but if implemented, it should be done through a central fund. The Secretariat is currently exploring the mechanism for the central fund model for future consideration.
- **Independent Review of Labour Auditing Guidance**  
The review aims to evaluate how the guidance aligns with current best practices, supports the implementation of Principle 6 of the P&C, and assess the feasibility of making it mandatory. Final report will be presented to the

ASC in November 2024. The next actions will be determined based on the findings and recommendations.

- **Accreditation Body Performance Appraisal Framework**

The appraisal aims to verify that the Accreditation Body possesses the requisite competence and consistency in delivering credible results. A three-tier evaluation is proposed against ISO 17011, RSPO's certification systems and survey on Accreditation Body's clients. The Secretariat will revise the draft procedure based on the ASC's comments and plan for a pilot in 2025.

- **The Auditor Code of Conduct**

The intention is to establish a clear framework of professional, ethical, and operational standards that auditors must adhere to when performing RSPO audits. The code was developed in consultation with the ASC and has been included in the latest draft of the revised certification systems.

### **Market Development Standing Committee (MDSC)**

The following are key highlights from the Market Development Standing Committee (MDSC):

The main focus of the MDSC over the last year was on regional market transformation strategies with dedicated sessions on Africa and Asia to discuss the state of play, barriers, and levers in these markets. The MDSC discussed relevant upcoming legislation (EUDR, Corporate Sustainability Due Diligence Directive (CSDDD), Green Claims, Forest Act).

In September, the new Shared Responsibility (SR) scorecard was published on the website based on the information from ACOP 2023 and the SR policies reported in the RSPO Member profiles. The SR Unit also published new sectoral guidelines that explain how organisations can comply with the Shared Responsibility requirements.

### **Smallholder Standing Committee (SHSC)**

The following are key highlights from the Smallholder Standing Committee (SHSC):

The Smallholder representation on the Board of Governors (BoG) has been strengthened by adding two Alternate members, giving the Smallholder (Grower) sub-sector one Principal member and three Alternate members. This aims to enhance regional representation and amplify the voice of smallholders within the RSPO. The newly appointed interim Alternate members are Mr. Lawrence Quarshie from Ghana and Mr. Pedro Seijas from Peru, who will be up for approval later in the GA proceedings.

This year, the SHSC also supported the successful completion of the gap analysis between the ISH standard and the EUDR requirements. Based on the results of this study, the Smallholder Unit applied for the ISEAL Innovation Fund to secure financing for a new study aimed at providing solutions to help smallholders address the issue of interrupted supply chains for certified palm oil products.

Finally, José Roberto Montenegro Baide shared some updates from the different divisions within the Secretariat.

## **UPDATES FROM THE DIFFERENT DIVISION WITHIN THE SECRETARIAT**

### **Membership**

As of October 2024, RSPO's total membership reached 6,054 members, reflecting an increase of 330 members compared to October 2023. This growth is driven by the continued expansion of the Ordinary Membership and Associates categories, which saw notable growth in sectors such as Oil Palm Growers, Processors and Traders (P&T), and Consumer Goods Manufacturers (CGM), highlighting the increasing global demand for sustainable palm oil production.

### **Standards and Impact and Monitoring, Evaluation and Learning (IMEL)**

- **Revised RSPO Theory of Change (ToC)**

The revised (ToC) was published on 30 September 2024 in three formats; the full table design, the simplified circular design, and an interactive microsite that more clearly depicts the interconnected, interlinked pathways to expected change and intended impact.

#### **RSPO Impact Report 2024 (IR2024)**

IR2024 was launched at RT2024. The Impact Framework used in IR2024 has been refined to align with the revised ToC, with 21 Impact Indicators under 9 Impact Themes (which correspond to the 9 Long-Term Outcomes of the revised ToC).

- **ACOP 2023**

ACOP 2023 response rate was 92.3% (95.7% including late submissions), the second-highest response level ever. In 2023, the production, sourcing and downstream consumption of CSPO continued to grow despite challenging market conditions (+4.3%, +9.5% and +7.2%, respectively). The tightness in the CSPKO market generally eased in 2023, and has eased further in 2024.

## Assurance

Assurance division is working closely with ASC to discuss several key topics e.g. de-linking results, review of labour auditing guidance, Accreditation Body performance appraisal framework, and also Assurance action long term plan.

In addition, the Assurance division works closely with RSPO Strategy & Digital Transformation on the development of *prisma*, including the Transition phase and training for CB, Auditors, Accreditation body, and also members.

## Market Transformation

The Market Transformation division continues to engage with stakeholders in our key markets with the goal to increase the membership, CSPO and CSPKO uptake, and build awareness around Shared Responsibility. Actual production of CSPO was estimated to be at 13.7 MMT in August 2024 of which 10.6 MMT was sold as RSPO certified.

The new SR Scorecard of 2023, including the improved methodology, sectoral guidance, and FAQ, was published on the RSPO Website. The SR Toolkit was shared with members who scored 8.5 and above (116 members). The SR Excellence award notification was sent to members who scored 9.5 and above (57 members).

## Communications

- **20th Anniversary**

An integrated communications campaign was launched to mark RSPO's 20th Anniversary, featuring a series of over 20 Member insights and testimonials, including most of the Founding Members; and the launch of RSPO's own podcast channel, The Palm Pod, which has seen two pilot episodes air so far. The Anniversary campaign will conclude at RT2024.

- **RT2024**

Themed Partners for the Next 20, RT2024 was conceived as a call for actors to ramp up investments and partnerships in innovation. This year event saw participation from over 880 attendance. Communications around RT2024 have focused on RSPO Standards adoption; launch of the revised Theory of Change. We would like to acknowledge this year's RT sponsors and they are: SD Guthrie, Musim Mas, P&G, GAR, FGV, PT BIA, Godrej, AchieveNow, UOB, Yili, GGC, and Univanich.

José Roberto Montenegro Baide thanked the sponsors for their support.

## Technical and Smallholders

- SH Unit:
  - The certification of Independent Smallholder groups has gained significant momentum over the past year. The certified area of independent smallholders increased by 36%, from 94,998 hectares to 129,605 hectares between June 2023 and June 2024. The number of certified smallholder groups also grew from 90 to 118 during the same period.
  - The total production of certified FFB from Independent smallholder groups reached 1.8 million tons as of June 2024. Physical sales of certified FFB for the period from July 2023 to June 2024, based on shipment announcements made by the ISH groups, amounted to 516,000 tons.
  - Additionally, independent smallholder credit sales recorded a 21.6% increase compared to last year, rising from \$6.5 million to nearly \$8 million during the same reporting period. These incentives go directly to certified independent smallholder groups.
- Technical Assistance Unit:
  - The Technical Assistance Unit has focused on the development of the RSPO Learning Center, which consists of two components aimed at scaling support for RSPO Members on their certification journey. The first project involves the development of a Learning Management System for training P&C and ISH lead auditors. The second component focuses on the relaunch of the RSPO Sustainability College, which will host relevant technical information related to RSPO certification. The RSPO Learning Center is expected to be up and running by June 2025.

## Strategy and Digital Transformation

System development for *prisma's* Phase 1 is progressing well, with 18 of the planned modules and submodules on track. *prisma's* overall readiness is at 90%, with trade management at 85% and training materials at 80% completion. The Audit Module's full release is projected for mid-2025, with interim measures in place to ensure uninterrupted certification operations via a hybrid approach.

An initial review of cybersecurity and legal matters has been completed, with further measures planned for the end of November to finalise terms of use and data protection policies.

Training and change management efforts have been steadily progressing, with a solid foundation established since September. Both online and physical training sessions for members began in October and are ongoing through November and December. Currently, 31% of active system users have participated in training, with

an anticipated minimum coverage of approximately 80% of system users by December 2024.

## **CEO Office**

- **Complaints Unit**

- As at 30 September 2024, the Complaints System has received a total of 212 complete complaints out of which 194 (91.51%) are closed. The average number of working days for closure of Complaints following the implementation of the RSPO Complaints and Appeals Procedures 2017 is 323 working days (i.e. less than one and half calendar years). This is an improvement from the average of 726 working days (i.e. more than two and half calendar years) prior to the implementation of the Complaints and Appeals Procedures 2017.

- **Government Affairs Unit**

- RSPO is advancing collaboration discussions with MSPO in Malaysia, has been highlighted as a key initiative in Thailand's IGNITE Agriculture Hub roadmap, and is actively engaging with India's Agriculture Ministry on sustainability initiatives. Additionally, RSPO is working closely with the Ministry of Agriculture on ISH e-registration in Indonesia.
- We are also closely monitoring EU legislation and Green Claims developments while continuing our engagement with EU bodies, NCAs, and the US ILAB on child and forced labor issues in palm products.

## **UPDATES ON BOARD GOVERNANCE REVIEW**

### **Governance Review**

Over the past year, the Board of Governors has undertaken a detailed review of our governance arrangements to identify ways to make our Board and subsidiary bodies more effective and efficient. A number of issues have been identified in the structure, capacities and processes of the Board, and the Board is currently discussing a proposal to make BoG decision-making more streamlined and efficient, while maintaining proper multistakeholder oversight of the RSPO's activities. We hope to agree on this proposal at our upcoming Board meeting, so that detailed planning and implementation can commence in the coming year.

### **3. CONFIRMATION OF THE MINUTES FOR THE 20TH GENERAL ASSEMBLY (GA20) HELD ON 22 NOVEMBER 2023**

José Roberto Montenegro Baide tabled the draft minutes of GA20 held on 22 November 2023 to the members for approval and invited members to comment or ask questions. It was noted that there were no questions or comments received. Anne Rosenbarger proposed the confirmation of the minutes, and Olivier Tichit seconded the motion.

José Roberto Montenegro Baide declared that the minutes of GA20 were hereby approved.

### **4. PRESENTATION OF THE TREASURER'S REPORT AND THE RSPO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 BY THE TREASURER, TIM STEPHENSON**

Tim Stephenson presented the Treasurer's Report and the RSPO's Financial Statements for the year ended 30 June 2024, including the budget for the current financial year 2025.

He expressed that it had been his pleasure to chair the Finance Committee and to be the Treasurer of the RSPO for the last 20 years.

Tim began his presentation by highlighting key points from the report. He assured members that they can have confidence in the financial position of RSPO. As RSPO continues to grow as an organisation, he noted that significant investments have been made over the past year and the current year in digitisation, particularly through the *prisma* system, which was mentioned earlier by the Chairperson. He reaffirmed that RSPO remains in a financially sound position.

Tim shared that the income statement and balance sheet for RSPO were presented on a consolidated basis, meaning they reflect the financial position of the group as a whole. He clarified that the financial statements cover the year ended 30 June 2024.

Tim presented the organisational structure of RSPO, noting that it remains unchanged and is still registered in Zurich, Switzerland, as a not-for-profit organisation. RSPO Secretariat Sdn Bhd is a subsidiary of RSPO and employs the majority of staff in Malaysia. RSPO Secretariat Sdn Bhd has two subsidiary companies, PT RSPO Secretariat Indonesia and RSPO Secretariat North America LLC, as well as branches and representative offices in the United Kingdom, Netherlands, Colombia and China, and has individuals in 17 countries as a whole.

Tim introduced the current Finance Committee. It was noted that the members of the Finance Committee remains unchanged, providing a degree of continuity that has been helpful over the past year. The Finance Committee's duties and responsibilities remain unchanged, which include providing oversight of financial reporting risks and controls, planning and budgeting, ensuring regulatory

compliance, and guiding the investment strategy. The new investment policy was announced last year and is being implemented by a third-party management.

Tim said that RSPO is fortunate as a multi-stakeholder organisation to be in a strong financial position. He reported that RSPO had a smaller surplus before tax this year. He noted that, for a not-for-profit organisation, this is not necessarily a negative outcome. Despite the surplus, there is net cash outflow for the year due to significant expenditures during the year. However, he assured that the organisation maintains a strong balance sheet and a comfortable level of reserves in accordance with its policy.

### **Statement of Income and Expenditure**

Tim reported that RSPO received a clean audit report from Ernst and Young, and that the financial statements present a true and fair view of the result for the year and its financial position as of 30 June 2024.

RSPO recorded a smaller surplus than the previous year, with all figures reported in ringgit. The surplus before tax was approximately RM1.1 million, broadly in line with the budget. While costs increased significantly, where the operating costs rose by around 22% to RM 56 million, they remained mostly within budget. Income grew by 7% compared to the prior year, reaching RM78 million, while project costs decreased slightly. Overall, RSPO maintained a good balance of income and achieved a smaller surplus.

Tim highlighted the balance between different income streams, noting that subscription fees remain at their original rate from around 20 years ago, accounting for approximately 30% of total income. Contributions from physical trading make up 51%, while credit trades contribute 16%. RSPO received slightly more income from interest and other sources this year, partly due to the investment policy. A small net investment gain of just over RM1 million was realised, alongside income from interest term deposits and bonds. Income is affected by foreign exchange rates, as trading income is in USD and subscription income is in Euros, while reporting is done in Ringgit.

Operating costs for the year increased by approximately 22%. At least 71% of these costs relate to staffing and employees, reflecting the growing demands on the Secretariat. RSPO currently employs just over 170 staff members, which, as noted by Teoh Cheng Hai recently, represents a significant increase compared to 20 years ago. The rise in staff costs is due to the addition of 18 employees during the year, salary adjustments following benchmarking exercises, and the setup costs of *prisma*.

Project costs for the year are included in the financial statements but are not directly comparable to the prior year due to changes in categorisation. However, the

figures provide an indication of the areas where divisional costs were incurred, with the highest expenditures attributed to Assurance, followed by Market Transformation and Standard Development.

### **Statement of Assets and Liabilities**

Tim reiterated that RSPO maintains a strong financial position, providing confidence in its future financial capacity. There are a few changes, including RM5 million in intangible assets, representing costs incurred up to 30 June 2024 for *prisma*, with further expenditure expected during the current year. USD10 million was transferred to a third-party investment manager as we implement the investment policy. Combined with cash and bank balances, RSPO held approximately RM79 million in cash and equivalents as of 30 June 2024, compared to RM89 million in the previous year. This represents a reduction of RM10 million in liquid assets. Total net assets decreased from RM80 million to RM76 million.

### **Statement of Cash Flow**

Tim presented the cash flow summary to explain the movement of cash during the year. There is a surplus before tax of RM1.1 million. In addition, RM5 million was spent on the development of *prisma*, RM1.6 million was drawn for the Smallholder Fund, and RM2.6 million for the Special Projects Fund. There was also further capital expenditure on various items and other financing activities. In total, these activities resulted in a cash outflow of RM10 million for the year. Tim noted that this level of spending was anticipated and manageable, given the organisation's surplus and healthy reserves. However, financial caution should be exercised moving forward.

### **Statement of Changes in Equity**

The net assets for the year ended 30 June 2024 was recorded at RM76 million, which comprised of RM54 million of the Members' Fund having decreased due to a transfer to the Smallholders Fund during the year. The Smallholders Fund now holds RM10.7 million, while the Special Projects Fund holds RM3.6 million. There are existing commitments of RM6 million within the Smallholders Fund and RM4.6 million within the Special Projects Fund, indicating that further transfers, particularly to Special Projects may be required moving forward.

Both the Smallholders and Special Projects Funds were originally established when RSPO had a significant surplus and aimed to allocate those funds meaningfully. However, as the costs associated with these funds have become recurring, and given the reducing surplus, there is a need to reconsider how these

funds are managed. Rather than maintaining them separately and assume the funds are available, it was suggested to incorporate the cost into the broader forecasting, budgeting, and financial planning with the rest of the Members' Fund.

The Currency Translation Reserve shows a positive balance of RM8.5 million. There have been significant fluctuations in the USD/Ringgit exchange rate since 30 June, which has materially impacted the value of this reserve in the management accounts. It was noted that this volatility presents challenges for financial reporting.

## **Budget for the Financial Year 2025**

Tim presented the budget for the financial year 2025. It was noted that while the budget is formally presented as a resolution each year at the General Assembly, it is typically prepared around April or May and approved by the Board in June, at which point nearly half of the financial year has already passed. Nonetheless, the budget provides a useful indication of planned use of funds.

RSPO is investing in the *prisma* platform which will replace PalmTrace to digitise RSPO's certification processes and this requires a total investment of USD5 million from RSPO cash reserves. At the same time, there is plan to bring CSPO trade management in-house from PalmTrace through *prisma*. This transition will introduce a new income sources for RSPO, along with associated costs, including setup expenses which will be incur during the first year. These additional first-year costs are offset by a one-off cash flow and accounting gain from trading income. This represents a significant change in the operations of RSPO, involving a degree of increased financial risk. However, the risk is mitigated through appropriate preparation and RSPO's continued high levels of reserves.

Tim summarised the budget for the year, noting significant increases in both income and operating costs. A substantial portion of this increase is attributed to the transition of trade management to *prisma*, along with additional staffing costs as the organisation plans to increase headcount to 190 during the year. Despite these increases, the budget reflects a small projected surplus. The first quarter saw a notable rise in income, even prior to the transition to *prisma*, which resulted in a healthy surplus for that period. There is confidence in achieving the budget targeted for the year, which is a positive and encouraging sign.

Within the budget, project costs are expected to follow a similar pattern to the previous year. The highest allocation remains with Assurance, followed by Market Transformation, and with an increase in Strategic & Secretariat Projects. The rise in Strategic & Secretariat Projects's budget partly reflects anticipated costs associated with the governance review, as previously mentioned by José Roberto Montenegro Baide.

### In Summary:

- RSPO's financial position remains robust, enabling independent operations without reliance on third-party funding, which is highly valuable to RSPO.
- As RSPO transitions to *prisma*, it will become less dependent on third-party administrative support, which is a good step towards greater control over its operations.
- Given the significant changes, close monitoring of income, expenditure, and cash flow will continue to ensure a strong financial foundation, with appropriate oversight from the Board.

Tim concluded by expressing gratitude to Patrick Chia and Eileen Ho, and the entire finance team at RSPO for their continued excellent work. Appreciation was also expressed to fellow members of the Finance Committee for their time and effort throughout the year. Members were then invited to support the resolutions to approve the audited financial accounts and the budget, followed by a note of thanks to all.

The Chairperson thanked Tim for his presentation and invited questions from the floor.

There was no questions from the floor.

The members then proceeded with the voting to receive and adopt the Treasurer's Report and RSPO's financial statement for the year ended 30 June 2024.

| Resolution GA21-1                                                                                                | Weighted Voted Results (%) |       |
|------------------------------------------------------------------------------------------------------------------|----------------------------|-------|
| To receive and adopt the Treasurer's Report and the RSPO's financial statements for the year ended 30 June 2024. | For                        | 96.84 |
|                                                                                                                  | Against                    | 1.23  |
|                                                                                                                  | Abstain                    | 1.93  |

The Resolution GA21-1 was approved.

## 5. VOTING FOR THE PROPOSED RESOLUTIONS AND ANNOUNCEMENT OF THE RESULTS

The GA21 meeting was a hybrid meeting which featured a combination of physical attendance and live streaming of the meeting. All decisions in the respective resolutions and Board of Governors elections were voted on via advance e-voting and paperless live e-voting (physical and virtual) at the physical meeting.

The e-voting and live voting results were announced as follows:

**a. Resolution GA21-2a**

| <b>Resolution GA21-2a</b>                                                                                             | <b>Weighted Voted Results (%)</b> |       |
|-----------------------------------------------------------------------------------------------------------------------|-----------------------------------|-------|
| To confirm the appointment of Ernst and Young as the auditors of the RSPO for the financial year ending 30 June 2025. | For                               | 95.76 |
|                                                                                                                       | Against                           | 0.44  |
|                                                                                                                       | Abstain                           | 3.80  |

The Resolution GA21-2a was approved.

**b. Resolution GA21-2b**

The Resolution GA21-2b proposed by the RSPO Board of Governors was presented by the co-chair, Anne Rosenbarger from World Resources Institute (WRI).

| <b>Resolution GA21-2b</b>                                                                                                                                                        | <b>Weighted Voted Results (%)</b> |       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-------|
| Adoption of the Revised 2024 RSPO Principles and Criteria and 2024 RSPO Independent Smallholder (ISH) Standard for the Production of Sustainable Palm Oil and Palm Oil Products. | For                               | 96.18 |
|                                                                                                                                                                                  | Against                           | 2.74  |
|                                                                                                                                                                                  | Abstain                           | 1.08  |

The Resolution GA21-2b was approved.

**c. Resolution GA21-2c**

The Resolution GA21-2c proposed by the RSPO Board of Governors was presented by the co-chair, Anne Rosenbarger from World Resources Institute (WRI).

**Hendi Hidayat of Golden Agri-Resources Ltd:** I have a question to clarify the Jurisdictional Entity itself. If we have a category defined as a multi-stakeholder organisation, how would that be certified under the RSPO certification process? Some people refer to this as jurisdictional certification, so I would like to understand how a multi-stakeholder organisation like this can be certified. Secondly, I want to clarify something related to the previous General Assembly. That resolution, as I understand it, was focused on independent smallholders. Do you think that this new Jurisdictional Entity is only about independent smallholders? In my discussions with stakeholders involved in the jurisdictional approach, they have indicated that the certification should cover more than just independent smallholders. It should also include the entire value chain, from smallholders and growers to refineries within the jurisdiction. That seems to be a different direction from the previous resolution. Also, since this is still considered a pilot project, I believe any decisions made by the General Assembly or RSPO should not impact the existing organisational structure.

This is my suggestion. If we are introducing a new category that does not have a clearly defined position within our current structure, we already have Ordinary and Affiliate members, then I think this could have a significant impact on the organisation.

**Olivier Tichit of Musim Mas Holdings Pte. Ltd.:** Thank you, Hendi. I'll respond to the question with two key points. First, it is important to clarify that the resolution is about introducing a new membership category for jurisdictional entities. This is separated from the concept of jurisdictional certification. We need to be very clear about the purpose of the resolution, which is solely focused on creating a new membership category. Regarding the question about certification at the jurisdictional level, I believe that discussion is premature at this stage. Currently, the process for jurisdictional approaches, whether in terms of entities or certification, is still in its early stages. It is something under consideration but not yet established. There is still significant work to be done to define how certification at the jurisdictional level could work, and to fully understand the purpose of the jurisdictional approach itself. At the moment, a few pilot initiatives are underway, and they are primarily focused on the entity level, not certification. To date, there is no standard in place for jurisdictional certification. To reiterate, the resolution currently being considered is strictly about the creation of a new membership category, not the certification of that category.

**Andrew Aeria of Persatuan Pemangkin Kesedaran Sosial Kuching (PEMANGKIN):** I am unclear earlier like Bapak Hendi. It is unclear to me how accepting a Jurisdictional Entity as a member would work in relation to certification. This seems like a difficult situation, particularly because it's not clear how certification would apply across all multi-stakeholders involved. It feels like we are moving ahead with establishing a membership category without having a clear understanding of how certification would work. If certification is not granted, who would be responsible? Would it be the government, private entities, or someone else? What defines success or failure in that context? There remains a great deal of uncertainty for me, and I am somewhat hesitant at this point like Bapak Hendi. Thank you.

**Olivier Tichit of Musim Mas Holdings Pte. Ltd.:** Thank you for raising this question. I would like to reemphasise that, at the moment, we are focusing solely on the creation of a membership category. We are not considering certified members at this point. RSPO has been working on jurisdictional approaches for quite some time, and the benefits of this work are clear. However, one of the challenges has been that implementing a jurisdictional approach requires the formation of a

Jurisdictional Entity, which typically involves a group of stakeholders capable of managing a jurisdiction, including possibly government bodies. In the various pilot projects, this has included participation from governments at different levels: national, provincial, state levels in Malaysia, and the Kabupaten level in Indonesia. We have to find a way to introduce them and recognise these entities and their contributions to the RSPO. This is why the resolution proposes the creation of a membership category for Jurisdictional Entities. To be very clear, this resolution is not about certification. It does not propose any amendment to the certification process. Sorry, I see your hand is still raised. Would you like to add to your question? Please go ahead.

**Andrew Aeria of Persatuan Pemangkin Kesedaran Sosial Kuching (PEMANGKIN):** Thank you. I understand the clarification, but I believe there is still a connection between certification and membership in this context. Because in Malaysia, states do not subscribe to the RSPO standards; instead, they follow the MSPO standards. Among social NGOs in Malaysia, there is a significant concern about the gap between these two standards. If state-level entities only recognise MSPO and not RSPO, how do we bridge that gap? I assume a similar situation exists in Indonesia. This raises a certification-related question. If we accept Jurisdictional Entities as members now, but then face certification challenges later, what would be the purpose of creating this membership category? I acknowledge that there is a possibility to work through this issue over time, but it remains a concern. Thank you.

**Olivier Tichit of Musim Mas Holdings Pte. Ltd.:** Thank you for raising your concern. I must reiterate that the resolution is focused solely on the creation of a new membership category. It does not involve any changes to the certification system under the RSPO standards. It is about how to include groups that have formed Jurisdictional Entities, and are working at the landscape or jurisdictional level. It is not, at this stage, about changing the certification requirements or scope of certification of the RSPO. To be clear, the resolution is exclusively about establishing a membership category for Jurisdictional Entities, and it has nothing to do with certification at this stage. Thank you.

**Paul Wolvekamp of BOTH ENDS:** Firstly, I am very pleased to see questions being raised from the floor, as that is exactly what the General Assembly is for, scrutinising. Using this question as a framework for further explanation, it is a positive sign that the Sabah government acknowledge and embrace RSPO as the standard through which the jurisdictional approach will further progress. I understand the question raised, and I believe there is a reason to raise the question.

However, in the case of Sabah, that is quite a unique situation so far in Malaysia, where a state has embraced RSPO as the standard on which to work. Thank you.

**Lanash Thanda of BC INITIATIVE SDN. BHD.:** Thank you, Paul and Olivier, for the clarification. My question relates to the grievance process. If this new membership category is approved, does that mean these members will be subject to the grievance procedures? How would the grievance process be addressed within a multi-stakeholder group, assuming the membership is based on the multi-stakeholder grouping?

**Anne Rosenbarger of World Resources Institute (WRI):** Just to clarify, the question is: if a grievance were raised against a member in this new membership category?

**Lanash Thanda of BC INITIATIVE SDN. BHD.:** Yes.

**Anne Rosenbarger of World Resources Institute (WRI):** Okay.

**Joseph D'Cruz , RSPO CEO:** Thank you for the question. As you know, and I think this is echoing what Olivier said a moment ago about the purpose of this initial resolution. This is one of the steps we are putting in place as we work through a viable model for a jurisdictional approach, which may at some point in the future reach the threshold certification, but we are certainly nowhere close to that yet. In terms of your question, Lanash, about grievance mechanisms, my interpretation of this, if the General Assembly approves it, that a Jurisdictional Entity accepted as an RSPO Member under the conditions of the Jurisdictional Entity membership category would be subject to the use of the grievance mechanism, in so far as that applies to that membership category. Meaning, for what they commit to do as an RSPO Member. So to extract what you are saying, and I do not want to prejudge what the grievance system would do, I do not think we are in a position to say that they are then accountable for the certification conduct of individual members within that landscape. Because that is not the purpose of the membership category. I hope that serves to clarify and thank you for the question.

| <b>Resolution GA21-2c</b>                                                                                                                | <b>Weighted Voted Results (%)</b> |       |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-------|
| Resolution to Amend the RSPO Statutes and the Code of Conduct for Members to include Jurisdictional Member as a new Membership Category. | For                               | 79.04 |
|                                                                                                                                          | Against                           | 13.63 |
|                                                                                                                                          | Abstain                           | 7.33  |

The Resolution GA21-2c was approved.

d. Resolution GA21-2d

The Resolution GA21-2d was presented by Max Donysius from WWF Malaysia.

**Lee Jwee Tat (JT) of Standard Chartered Bank:** Could you give me an example of a stakeholder who should be included in this taskforce, but who has not been involved in your work with smallholders or medium growers?

**Kamal Prakash Seth of WWF International:** There is currently no one in the taskforce because the taskforce has not yet been established. The RSPO first needs to develop the terms of reference in order to formally create the taskforce.

**Lee Jwee Tat (JT) of Standard Chartered Bank:** No, I understand. I'm just asking, what would be an example of a stakeholder you believe should be included in this taskforce?

**Kamal Prakash Seth of WWF International:** Thanks for clarifying, JT. So, in the true spirit of RSPO, obviously we would encourage representation from all seven membership categories, as much as possible, because every other standing committee, working groups should have financial institutions, banks, retailers, CGMs as much as the growers. So, it should be a true reflection of RSPO where all seven membership categories are included.

**Lee Jwee Tat (JT) of Standard Chartered Bank:** Right, so you are not considering going beyond the seven stakeholder groups. I am asking this question because I believe the seven stakeholder groups have already tried to find a solution in various ways, perhaps not in the format of a taskforce, but through other efforts. My concern is that we may end up simply looking to each other for answers, without finding a new way forward.

**Kamal Prakash Seth of WWF International:** I think if the Jurisdiction Entity resolution is approved, we will have another category, and this would bring in the government and the non-typical stakeholders. However, we would welcome your advice on this. We are open to input and can incorporate suggestions into the terms of reference, particularly regarding whether it should be seven categories or be beyond that. We are also open to ideas on how the terms of reference for creating this taskforce should be developed.

**Lee Jwee Tat (JT) of Standard Chartered Bank:** Apologies, let me rephrase. I'm just concerned that we may be trying to find a solution strictly within the RSPO framework, when perhaps the solution lies outside of it. I say this because the RSPO framework has largely been designed for companies of a certain scale, those with the resources to pay for certification, undergo audits, and so on and then we tend to treat smallholders, especially independent smallholders quite differently. The in-betweens get a little bit lost.

**Kamal Prakash Seth of WWF International:** As mentioned, I am more than happy that this discussion happens in the taskforce and therefore, whether the answer lies within or outside the RSPO framework, this should be thoroughly deliberated within the taskforce. These are exactly the kinds of conversations that need to happen. To be honest, I felt that many of these concerns fall on deaf ears. It is no secret that independent smallholder credit demand is going down, and the medium-sized growers do not wish to recertify because they do not see the benefits. So absolutely, these are the discussions that need to happen. If the answers were already clear, this resolution would not be necessary. This is because the concerns have fallen on deaf ears for years, and we hope the committee will take the time to discuss on them. Thank you.

| Resolution GA21-2d                                                        | Weighted Voted Results (%) |       |
|---------------------------------------------------------------------------|----------------------------|-------|
| Develop a Mechanism to Incentivise Medium-sized Growers and Smallholders. | For                        | 82.19 |
|                                                                           | Against                    | 15.51 |
|                                                                           | Abstain                    | 2.30  |

The Resolution GA21-2d was approved.

## 6. VOTING FOR THE BOARD OF GOVERNORS ELECTION AND ANNOUNCEMENT OF THE RESULTS

The next item was the election of the Board of Governors (BoG). There were six (6) BoG seats available for election at GA21. There was no election for the Banks & Investor and Retailer seats as there were no nominations received for the vacant seats. In addition, the interim Board of Governor members for the Oil Palm Growers Smallholders seat was up for approval.

### 1. Oil Palm Growers Rest of the World

The two-year term of Foresta Foods Corporation, represented by the Principal José Roberto Montenegro Baide and the Alternate members being SIPEF Group represented by the Alternate Sander van den Ende, Univanich Palm Oil Public Company Limited represented by the Alternate Harry Thomas Brock and Olam Group Limited represented by the Alternate Quentin Meunier expires and is available for re-election.

There were no other nominations received.

| Membership Sector                    | Elected/ Approved                                        |                                                                                                                                                  | Voting Results |         |
|--------------------------------------|----------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------|
|                                      | Principal                                                | Alternate                                                                                                                                        | For            | Abstain |
| Oil Palm Growers – Rest of the World | Foresta Foods Corporation, José Roberto Montenegro Baide | SIPEF Group, Sander van den Ende<br><br>Univanich Palm Oil Public Company Limited, Harry Thomas Brock<br><br>Olam Group Limited, Quentin Meunier | 8              | -       |

The Chairperson confirmed for the minutes that the Principal representing Foresta Foods Corporation and the Alternates representing SIPEF Group, Univanich Palm Oil Public Company Limited and Olam Group Limited were elected as Board of Governor members.

## 2. Oil Palm Growers Smallholders

During the year, Rukaiyah Rafik representing KOPERASI PRODUSEN TANJUNG SEHATI LESTARI, Lawrence Kwame Quarshie representing Golden Star Oil Palm Farmers Association - Wassa Ateiku, and Pedro Seijas representing ASOCIACIÓN DE PRODUCTORES MONTE ALEGRE NESHUYA - APROMAN were appointed as the interim Alternate members to Principal member Narno Sayoto Irontiko (Asosiasi Petani Sawit Swadaya Amanah) are up for approval.

| Membership Sector               | Elected/ Approved                                           |                                                                                  | Voting Results |         |
|---------------------------------|-------------------------------------------------------------|----------------------------------------------------------------------------------|----------------|---------|
|                                 | Principal                                                   | Alternate                                                                        | For            | Abstain |
| Oil Palm Growers – Smallholders | Asosiasi Petani Sawit Swadaya Amanah, Narno Sayoto Irontiko | KOPERASI PRODUSEN TANJUNG SEHATI LESTARI, Rukaiyah Rafik                         | 25             | 2       |
|                                 |                                                             | Golden Star Oil Palm Farmers Association - Wassa Ateiku, Lawrence Kwame Quarshie |                |         |
|                                 |                                                             | ASOCIACIÓN DE PRODUCTORES MONTE ALEGRE NESHUYA - APROMAN, Pedro Seijas           |                |         |

The Chairperson confirmed for the minutes that the appointment of Rukaiyah Rafik representing KOPERASI PRODUSEN TANJUNG SEHATI LESTARI, Lawrence Kwame Quarshie representing Golden Star Oil Palm Farmers Association - Wassa Ateiku, and Pedro Seijas representing ASOCIACIÓN DE PRODUCTORES MONTE ALEGRE NESHUYA - APROMAN appointment as the Alternate to the Principal member Narno Sayoto Irontiko (Asosiasi Petani Sawit Swadaya Amanah) is approved.

### 3. Palm Oil Processors and/ or Traders

The two-year term of AAK AB, represented by the Principal Tim Stephenson and the Alternate Laila Wilfred (Cargill Incorporated), expires and is available for re-election.

One other nomination was received from Galaxy Surfactants Ltd, represented by the Principal nominee Harshal P. Thakare and the Alternate nominee being Pankaj Narvekar.

| Membership Sector                   | Elected/ Approved                          |                                         | Voting Results |         |
|-------------------------------------|--------------------------------------------|-----------------------------------------|----------------|---------|
|                                     | Principal                                  | Alternate                               | For            | Abstain |
| Palm Oil Processors and/ or Traders | AAK AB, Tim Stephenson                     | Cargill Incorporated, Laila Wilfred     | 29             | 4       |
|                                     | Galaxy Surfactants Ltd, Harshal P. Thakare | Galaxy Surfactants Ltd, Pankaj Narvekar | 16             |         |

The Chairperson confirmed for the minutes that the Principal representing AAK AB and the Alternate representing Cargill Incorporated were elected as Board of Governor members.

### 4. Consumer Goods Manufacturers

The two year team of The Procter & Gamble Company, represented by the Principal Lee Kuan-Chun and the Alternate Mario Abreu (Ferrero Trading Lux S.A.) expires and is available for re-election.

There were no other nominations received.

| Membership Sector            | Elected/ Approved                           |                                       | Voting Results |         |
|------------------------------|---------------------------------------------|---------------------------------------|----------------|---------|
|                              | Principal                                   | Alternate                             | For            | Abstain |
| Consumer Goods Manufacturers | The Procter & Gamble Company, Lee Kuan-Chun | Ferrero Trading Lux S.A., Mario Abreu | 14             | 3       |

The Chairperson confirmed for the minutes that the Principal representing The Procter & Gamble Company and the Alternate representing Ferrero Trading Lux S.A. were elected as Board of Governor members.

## 5. Retailers

The two year team of The Retailers' Palm Oil Group, represented by the Principal Julian Walker-Palin and the Alternate being vacant expires and is available for re-election.

There were no other nominations received.

| Membership Sector | Elected/ Approved                                         |           | Voting Results |         |
|-------------------|-----------------------------------------------------------|-----------|----------------|---------|
|                   | Principal                                                 | Alternate | For            | Abstain |
| <b>Retailers</b>  | <b>The Retailers' Palm Oil Group, Julian Walker-Palin</b> |           | 4              | 1       |

The Chairperson confirmed for the minutes that the Principal representing The Retailers' Palm Oil Group was elected as Board of Governor members.

## 6. Environmental or Nature Conservation Organisations (Non Governmental Organisations)

The two-year term of WWF International, represented by the Principal Kamal Prakash Seth and the Alternate member being HUTAN – Kinabatangan Orang-utan Conservation Programme represented by the Alternate Harjinder Kler expires and is available for re-election.

There were no other nominations received.

| Membership Sector                                                                          | Elected/ Approved                            |                                                                               | Voting Results |         |
|--------------------------------------------------------------------------------------------|----------------------------------------------|-------------------------------------------------------------------------------|----------------|---------|
|                                                                                            | Principal                                    | Alternate                                                                     | For            | Abstain |
| <b>Environmental or Nature Conservation Organisations (Non Governmental Organisations)</b> | <b>WWF International, Kamal Prakash Seth</b> | <b>HUTAN – Kinabatangan Orang-utan Conservation Programme, Harjinder Kler</b> | 12             | 0       |

The Chairperson confirmed for the minutes that the Principal representing WWF International and the Alternate representing HUTAN – Kinabatangan Orang-utan Conservation Programme were elected as Board of Governor members.

## 7. Social or Development Organisations (Non Governmental Organisations)

The two-year term of Both ENDS, represented by the Principal Paul Wolvekamp and the Alternate member being Federasi Serikat Buruh Kehutanan, Perkebunan dan Pertanian Serikat Buruh Sejahtera Indonesia (Hukatan) represented by the Alternate Nursanna Marpaung expires and is available for re-election.

There were no other nominations received.

| Membership Sector                                                                        | Elected/ Approved                   |                                                                                                                                     | Voting Results |         |
|------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|----------------|---------|
|                                                                                          | Principal                           | Alternate                                                                                                                           | For            | Abstain |
| <b>Social or Development Conservation Organisations (Non Governmental Organisations)</b> | <b>Both ENDS,</b><br>Paul Wolvekamp | <b>Federasi Serikat Buruh Kehutanan, Perkebunan dan Pertanian Serikat Buruh Sejahtera Indonesia (Hukatan),</b><br>Nursanna Marpaung | 9              | -       |

The Chairperson confirmed for the minutes that the Principal representing Both ENDS and the Alternate representing Federasi Serikat Buruh Kehutanan, Perkebunan dan Pertanian Serikat Buruh Sejahtera Indonesia (Hukatan) were elected as Board of Governor members.

## 6. ANY OTHER BUSINESS (AOB)

There were no further questions of comments.

## 7. CLOSING OF GA

The Chairperson thanked all participants for joining GA21 and officially closed GA21 at approximately 5:15 PM Bangkok time (GMT+07).

## **ANNEX 1 – ATTENDANCE AND VOTERS LIST**

### **ORDINARY MEMBERS ATTENDANCE LIST FOR HYBRID GA21**

|   |                                            |    |
|---|--------------------------------------------|----|
| 1 | Oil Palm Growers                           | 61 |
| 2 | Processors and/ or Traders                 | 21 |
| 3 | Consumer Goods Manufacturers               | 10 |
| 4 | Retailers                                  | 2  |
| 5 | Banks and Investors                        | 2  |
| 6 | Environmental or Conservation Organisation | 13 |
| 7 | Social or Developmental Organisation       | 12 |

### **ORDINARY MEMBERS VOTERS AND PROXY LIST**

|   |                                            |    |
|---|--------------------------------------------|----|
| 1 | Oil Palm Growers                           | 66 |
| 2 | Processors and/ or Traders                 | 55 |
| 3 | Consumer Goods Manufacturers               | 19 |
| 4 | Retailers                                  | 12 |
| 5 | Banks and Investors                        | 4  |
| 6 | Environmental or Conservation Organisation | 13 |
| 7 | Social or Developmental Organisation       | 12 |