

RSPO | Roundtable on
Sustainable Palm Oil

GA 19

19TH GENERAL ASSEMBLY
OF RSPO MEMBERS
| DRAFT MINUTES



Document Title : Draft Minutes Roundtable on Sustainable Palm Oil 19th General Assembly (GA19)

Date : 1 December 2022

Format: Hybrid

Venue : Shangri-la Hotel, Kuala Lumpur, Malaysia

Start time : 3:00 PM MYT (GMT+8)

Chairperson : Anne Rosenbarger, RSPO Board of Governors Co-Chair

Moderator : Ruben Brunsveld, RSPO Deputy Director Europe, Middle East and Africa (EMEA)

Speakers : Anne Rosenbarger
Tim Stephenson, RSPO Board of Governors Vice-Chair and Treasurer

Participants : 111 Ordinary Members in attendance
RSPO Secretariat
Observers

ROUNDTABLE ON SUSTAINABLE PALM OIL 19TH GENERAL ASSEMBLY (GA19)

1 December 2022

AGENDA

- 1 Members' roll call
- 2 Opening address and report by the Chairperson
- 3 Confirmation of the minutes for the 18th General Assembly (GA18) held on 2 December 2021
- 4 Presentation of the Treasurer's Report and the RSPO financial statements for the year ended 30 June 2022 by the Treasurer, Tim Stephenson
- 5 Voting for the proposed resolutions and announcement of the results

Resolution GA19-1

To receive and adopt the Treasurer's Report and the RSPO's financial statement for the year ended 30 June 2022.

Resolution GA19-2a

To confirm the appointment of Ernst and Young as the auditors of the RSPO for the financial year ending 30 June 2023.

Resolution GA19-2b

RSPO prioritises jurisdictional approach to accelerate the transformation of sustainable palm oil standards, the inclusion of independent smallholders and engagement with local communities.

Resolution GA19-2c

Resolution to amend the RSPO Code of Conduct.

- 6 Voting for the Board of Governors election and announcement of the results
- 7 Any other business
- 8 Closing of GA19

Annex 1 - Attendance and Voters List

1 MEMBERS' ROLL CALL

The moderator of GA19, Ruben Brunsveld, RSPO Deputy Director of EMEA welcomed RSPO members to the 19th General Assembly of RSPO Members (GA19), held on 1 December 2022 at Shangri-La Hotel Kuala Lumpur, Malaysia.

Ruben shared housekeeping rules and reminded the virtual and physical participants that simultaneous interpretations are available for English, Bahasa Indonesia, French, Spanish and Thai. He then welcomed Anne Rosenbarger, Co-Chair of the RSPO Board of Governors, to deliver her opening address and updates on the RSPO.

2 OPENING ADDRESS AND CO-CHAIR REPORT BY ANNE ROSENBERGER, CO-CHAIR OF RSPO BOARD OF GOVERNORS

Anne Rosenbarger started the Co-Chair Report with updates on past resolutions.

PAST GA RESOLUTIONS

GA10-6g (November 2013): Transparency in plantation concession boundaries

Since this resolution was adopted at GA10 in 2013, publication of concession maps of members for Malaysia and Rest of the World have been available on GeoRSPO except for Indonesia. RSPO and Indonesian Grower Caucus (IGC) have agreed on a proposal to comply with map publication requirements by providing maps in alternative format (other than shapefiles) and a solution to digitise the maps, which will be presented to the BoG for endorsement.

GA13-6e (November 2016): Protecting human rights defenders, whistleblowers, complainants and community spokespersons

The RSPO HRD Policy was developed and endorsed by the BoG in Sep 2018. It was followed with procedures and guidelines for implementing the new policy. After a year's implementation (Jan 2019 - Jan 2020), Front Line Defenders (FLD) was engaged to review and report on the effectiveness of the implementation. The final report was shared with the HRWG in Aug 2020.

GA15-6d (November 2018): Discouraging RSPO members subject to complaints from avoiding their obligations by divestment or withdrawing their membership

Resolution 6D Task Force was formed and this issue was discussed in great detail over the course of two years. As a result, the following recommendations were made.

- Amendments to the RSPO Complaints and Appeals Procedures and the RSPO Membership Rules
- To publish names of companies who have divested their operations with ongoing complaints or members choosing to withdraw from RSPO membership in the course of an active complaint.

The recommendations were endorsed by the BoG in June 2022, and to be implemented only after the review of the Complaints and Appeals Procedures (CAP) and the Grievance System.

GA18-2b (December 2021): Strengthening the Code of Conduct to clarify that it embraces all stages of the supply chain, in particular refineries

The Shared Responsibility Working Group and proponents of the resolution agreed on the amendments to the relevant clause of the RSPO Code of Conduct. The Standards Standing Committee and Board of Governors have endorsed the amendments and it is now tabled at GA19 for approval in Resolution GA19-2b.

GA18-2c (December 2021): Enhancing the robustness of the RSPO Mass Balance model to accelerate uptake of Certified Sustainable Palm Oil

An independent study was conducted and completed to explore how the robustness of the MB model can be enhanced both at the plantation and the supply chain level, acknowledging its role as an intermediary to drive overall uptake of CSPO.

The findings and recommendations have been reported, however, more data and references are required to substantiate the findings and also the need to expand the analysis on the potential impact of the recommendations made.

GA18-2d (December 2021): Resolution to review and amend the Remediation and Compensation Procedure (RaCP) process as applied to scheme smallholders

A reprieve of RaCP on scheme smallholders has been implemented, while the RaCP is being reviewed.

The suspension of RaCP for scheme smallholders can only be applied if it has been determined that there is land clearing after November 2005 without prior HCV assessment on agroforest and/or any forested areas to develop oil palm plantings. In order to issue a suspension on RaCP, these elements must be adhered to:

- Disclosure of land clearing must be submitted to the RSPO Secretariat
- Land use change analysis (LUCA) must have been submitted to the RSPO Secretariat, independent review completed and the final conservation liability and/or remediation established.

The reprieve applies to the issue of compensating for the final conservation liability that is associated with the area for scheme smallholders. On the matter of environmental remediation, best management practices (BMP) for riparian and peat management and relevant soil conservation practices must still be adhered to in accordance with RSPO's P&C.

The period of reprieve shall be from December 2021 (date of the adoption of the Resolution) to the point where Remediation and Compensation options can be developed for independent and scheme smallholders, or until any other decisions that may be announced by the RSPO.

A clear process flow has been prepared for all parties to understand how the reprieve is to be implemented and currently being reviewed by BHCVWG.

Anne continued with updates from the Standing Committees.

UPDATES FROM STANDING COMMITTEE (SC)

Standard Standing Committee (SSC)

National Interpretation (NI) of the 2018 Principles and Criteria (P&C) and Local/National Interpretation (LI/NI) of the 2019 Independent Smallholder (ISH) Standard were concluded early this year, with a total of 17 NIs and 2 LI/NIs of ISH Standard endorsed.

In 2022, the following documents were endorsed by the BoG:

- RSPO Management System Requirements for Group Certification of FFB Production (Revised, 2022)
- RSPO Rules on Market Communication and Claims (Revised, 2022)

Assurance Standing Committee (ASC)

Key approvals and activities of the ASC are:

- Risk Alert has been established and shared among the CBs and Accreditation Bodies for them to look at and verify during the audit. Specific issues/cases found from public domain or from trusted resources were collected, analysed, and concluded in the Risk Alert by regions relating to, labour practices and social issues in the plantation, environmental pollution, potential deforestation activities, etc.
- Implemented improvements on LUCA and RaCP processes to address backlog issues.
- A capacity building programme including Interpretation Forums for CBs, Accreditation Bodies, and members have been implemented to improve understanding of RSPO Standard and requirements held in different regions.

Market Development Standing Committee

The MDSC had oversight over the revision of the RSPO Rules on Market Communication and Claims through the Outreach Working Group. The new Rules have been published and socialised since October 2022.

Smallholder Standing Committee (SHSC)

The appointment of two SHSC members, Pak Narno and Rukaiyah Rafik as the members in the Board of Governors from 2021. This is the first time that the seat is represented by an actual smallholder. The new RSPO Smallholder Support Fund (RSSF) Governance Policy was endorsed by the BoG in June 2022 and it is aligned with the RSPO Smallholder Strategy which includes support for the Livelihood project, apart from the Certification project and One-off Audit cost. During the year the SHSC supervised the RSPO ISH Standard implementation and applicability, and the SH Strategy implementation.

Finally, Anne shared some updates from the different divisions within the Secretariat.

UPDATES FROM THE DIFFERENT DIVISION WITHIN THE SECRETARIAT

Membership

As of 31 Oct 2022, RSPO membership reached 5,447 members from 99 countries/territories. We welcomed a total of 550 new members during the period with 196 Ordinary members, 341 Associate members and 13 Affiliate members. The oil palm grower sector grew by 25% and recorded the highest growth for the past 10 years. New members are mainly from the Smallholder subsector.

Standards

Five-year revision cycle of RSPO Principles and Criteria 2018 and ISH Standard 2019 initiated in March 2022. The Standards Review Task Force was established with 3 Technical Committees (TCs).

Draft 1 of the revised Standards (P&C and ISH) was produced for public consultation running from 1 Nov to 31 Dec 2022. Physical consultation workshops have been planned at 11 locations covering key producing countries in Southeast Asia, Africa and Latin America.

The Compensation Task Force 2 has produced the first Draft of the RaCP Ver. 2 (Growers). Some of the enhancements include improved important terminologies, integrated peat remediation requirements and self-assessment matrix for social liability section.

The Greenhouse Gas Working Group 2 (GHGWG-2) was established in August 2022 with the objective to revise the methodology for the PalmGHG, and to conduct a comparative study based on existing initiatives in measuring downstream emissions for the palm oil sector that will be used to report operational emissions. It is supported by two subgroups for a duration of one year looking into upstream and downstream emission scope.

Second submission of the peat inventory was announced and the reporting period is from 6 November 2022 to 5 November 2023.

Assurance

Risk Alert has been established and shared among the CBs and Accreditation Bodies for them to look at and verify during the audit.

Implemented improvements on LUCA and RaCP processes to address backlog issues.

A capacity building programme has been implemented to improve understanding of RSPO Standard and requirements held in different regions.

Working closely with standing committees and working groups to oversee the review and periodic update of system documents.

Market Transformation

The Market Transformation division grew to 19 members of staff, focusing on increasing supply and demand in India, China, Malaysia, Indonesia, Europe, Africa, North America, and Latin America.

The Shared Responsibility (SR) Unit falls under this division and operates globally. The SRWG is now on track with measuring performance, development of a verification manual, raising awareness, and introducing sanctions and incentives.

Supply of CSPO continued to grow from an actual production volume of 14.5 mil MT (December 2021) to 15 mil MT (up to September 2022). Throughout the year, CSPO consumption was steady around 90%. CSPKO demand actually outstripped supply and the Oleo Task Force and the BoG are looking into ways to increase CSPKO supply.

Hosted two Sustainable Palm Oil Dialogues; one in Europe and one in India. The European event attracted more than 250 people and a new Sustainable Palm Oil Manifesto was signed during the event in October.

In China, the 6th RSPO Forum and the CSPOA meeting was attended by approximately 100 market players and stakeholders.

The first RSPO Inter-American conference will take place on 30-31 May 2023 in Miami, Florida.

Stakeholder Engagement and Communications

The Stakeholder Engagement & Communications Division is focusing on enhancing RSPO's image and reputation through integrated communications and engagement activities. While some of the key personnel is still being recruited, a number of activities were performed to support these goals:

The new RSPO website rspo.org was launched with a stringent narrative, clear audience journey as well as improved navigation and searchability.

In light of the upcoming EU legislations on deforestation, forced labour and corporate social responsibility the RSPO Secretariat has launched an integrated public affairs and outreach campaign to address some of the most pressing challenges for members and communicate the benefits of certified sustainable palm oil. The team in Europe and the US are closely following the proposed legislations while ensuring alignment with members.

Smallholders

A total of 79 ISH groups with over 26,000 farmers covering about 80,000 ha has been certified since December 2021, an increase of 23% of certified ISH groups. First certified smallholders group in Ghana, Sierra Leone and Mexico. Total RSPO credits sales from 46 ISH groups has reached more than USD3 million as of June 2022.

Regional Engagement Highlights:

- Indonesia: MoU was signed between RSPO and Jambi provincial and district government to collaborate on certifying smallholders under ISPO and RSPO, in May 2022.
- Thailand: Dialogue initiative on Jurisdictional Approach (JA) with Surat Thani province as the RSPO-JA in district level model of Thailand in August 2022, targeting two pilot districts in Phanom and Tha Chana.

There are currently 23 active RSSF projects.

ISH Standard Implementation

- Active roadshows and outreach on ISH Standard has been conducted physically and virtually in all regions, and a Global ISH Dialogue for sharing of experiences.
- ISH Standard NI for Indonesia was adopted in February 2022.
- Independent Smallholder Best Management Practices (BMPs) for existing oil palm cultivation on peat and Interpretation of internal audit requirements for ISH were adopted this year.
- On-going projects include the Simplified FPIC and HCV-HCS simplified approach.
- ISH Standard Independent Review Study - incorporated for Standard review.

On SH Livelihood Programme - a pool of Master Trainers have been added to the Smallholder Trainer Academy (STA) and the first series of STA Virtual Master Training were conducted in September 2022 with physical training to follow in Indonesia, Africa and Latin America in local languages.

ISH Certification Growth:

- A total of 79 independent smallholders (ISH) groups with over 26,000 farmers covering about 80,000 ha has been certified since December 2021, recording an increase of 23% of certified ISH groups.
- First certified smallholders group in Ghana, Sierra Leone and Mexico.
- Total RSPO credits sales from 46 ISH groups has reached more than USD 3 million as of June 2022.

Impact and Monitoring, Evaluation and Learning (MEL)

- ACOP 2021 reporting cycle completed with the highest response rate recorded at 89.0%. Including Late Submissions, ACOP 2021 response rate remains highest recorded at 94.1%.
- New RSPO Impact Framework introduced, with an initial set of 7 Impact Themes and 15 Impact Indicators. RSPO Impact Framework used in Impact Report 2022, launched 29 November 2022 alongside RT2022.
- Project to revise the RSPO Theory of Change with a goal of simplification and ease-of-use for communication kicked-off in July 2022. First draft of revised RSPO Theory of Change to be released in Q1 2023. A workshop involving Secretariat leadership and interested Board members is planned following the release of the draft revised Theory of Change prior to publication.
- A revised Monitoring, Evaluation and Learning (MEL) framework will be produced after the revised Theory of Change is published, to expand and refine the new RSPO Impact Framework.
- In cooperation with Assurance, IMEL has started a digitisation and digitalisation drive focused on data architecture and streamlining. Initial phase focuses on digitising historical P&C audit reports to better report certification trends and to generate a risk matrix/heat map by indicator compliance. This will be developed more fully into an integrated digital certification platform that is part of an overall Digital Framework.
- RSPO has maintained its ISO 9001 certification, following successful completion of external audit in September 2022.

Complaints

- As at 31.10.2022, the RSPO Complaints System has formally received a total 178 complete complaints. Out of this, 150 complaints (i.e. 84.27%) are closed.
- As at 31.10.2022, the average number of working days for the closure of complaints (following the implementation of the Complaints and Appeals Procedures 2017) is at 270 working days.
- At present, there are 10 CP members serving on the panel. Members who are interested in supporting the Complaints Panel's work are also encouraged to apply to be on the panel.
- The Complaints and Appeals Procedures (CAP) and Grievance System review is ongoing.

Eleanor Spencer of Zoological Society of London: I have a question on behalf of some of the proponents of Resolution GA18-2c from last year, which was in the report. You mentioned in the updates that a study has been commissioned by the RSPO to look further into this. We are interested to know whether there's any clarity on a timeline for progressing with this, and whether the RSPO can provide any assurance that the roadmap for implementing this will be developed in 2023.

Joseph D'Cruz, RSPO CEO: The draft report is currently being reviewed by the market development steering committee, and will also be consulted with the other relevant governance bodies before it's finalised. In terms of an action plan, based on the guidance for MDSC and others, will be on what further steps need to be taken, recognising that the development of a robust mass balance model is very critical for many of our stakeholders within the sector. Obviously, it's something that will also play into the review of the supply chain certification standard, which will also take place next year.

Lee Jwee Tat (JT) of Standard Chartered Bank: I think I may have missed the shared responsibility update. Do we have some information on the improvement in numbers of uptake? I understand that we are still at 64% uptake for CSPO. So, is the shared responsibility helping us to bridge it to 100%? And if not, what else can we do collectively to promote this?

Daphne Hameeteman of Wilmar International Limited: The uptake depends on many things. And just to be absolutely clear, the uptake of RSPO is calculated on the first buyer or the first buyer purchase. Many things happen nowadays; for instance, people walk away from palm altogether, and that doesn't help you in your uptake number. So, it's very difficult to say, we now have shared responsibility and immediately all the uptake will go up. I think what is very important is that RSPO is going to monitor what has happened actually per membership, and how people are increasing yes or no. But there are more factors in implementing that number, and that is, for instance, if people go out of palm, if first buyers lose palm customers, etc. So, it's very difficult to make a one-to-one distinction here, but I think more data will give us more insights in due time.

Lee Jwee Tat (JT) of Standard Chartered Bank: I understand that there's a resolution preventing growers from walking away from a complaint or to divest. So, is there something similar for downstream CGM retailer members who walk away from buying palm oil?

Anne Rosenbarger, RSPO BoG Co-Chair: There is no similar mechanism, JT.

Lee Jwee Tat (JT) of Standard Chartered Bank: I think we need to review the types of complaints that come in, which focus on the upstream, to bring some attention to the rest of the supply chain, so that we can really make CSPO the norm.

Tulio Dias Brito of Agropalma Brazil: Just jumping on board on JT's comment. Can we somehow start to monitor in a separate way? For example, having the consumption from CGM companies separated from processors and traders, in the sense that if there is demand, processors and traders will buy more from the mills. Do we have this kind of data? Can we put it publicly?

Joseph D'Cruz, RSPO CEO: I believe we do have some data of this sort in our ACOP report. Let me confirm with our team and see whether it's possible to be able to disaggregate this and share it. Recognising I think, overall, from the Secretariat's point of view, from my point of view, we do need to invest in much better data analytics on the patterns of trade within the sector, so that we can have more informed conversations about where we have opportunities to increase uptake and to increase our marketing efforts. This is something that I mentioned in my opening – building more economic and trade analysis, which will be prioritised next year.

Anne Rosenbarger, RSPO BoG Co-Chair: And it is within the thematic areas and the Impact Report on market transformation. I think there are also some starting indicators there to be further built out upon. So, I think it's a good avenue to follow that up through.

Maznah of PM Haze: I would like to find out – are there any plans to increase the RSPO label awareness? You mentioned just now from the Comms Division report of the activities in enhancing the RSPO's image and activities, but what are the plans moving forward to improve further the awareness of the RSPO label?

Joseph D'Cruz, RSPO CEO: Yes, as we have indicated, we've just started a new review of our branding, which for us is the foundation on which we then develop our stronger marketing brand positioning advocacy process, including looking at how we can make a stronger case for both on-pack and off-pack use of the label and the trademark. This is certainly something that we see as a priority.

Online comment:

Proponents of the resolution from last year, comments on behalf of Natura &Co Holding S.A, L'Oreal, ZSL (Zoological Society of London) and other proponents of the resolution voted last year on a revision of the mass balance model to integrate minimum guarantees on transparency and legality on conventional volumes: Due to the coming EU regulation on due diligence, forced labour and deforestation-free products, we would like to stress the importance to design a roadmap for implementation in 2023 in order to reinforce the robustness of the MB model following the study commissioned by the RSPO.

Anne reminded the participants that they are always welcome to reach out to any of the Board members to follow up on any of the points raised. They can do that any time and are not just restricted to this arena. She then proceeded to welcome Tim to deliver the Treasurer's Report and the RSPO's Financial Statements. She also reminded the participants that they can read the report on the GA website.

3 CONFIRMATION OF THE MINUTES FOR THE 18TH GENERAL ASSEMBLY (GA18) HELD ON 2 DECEMBER 2021

Anne Rosenbarger welcomed all members and thanked everyone for joining the meeting. She also reminded them of the RSPO Antitrust Guidelines and informed them that the GA has reached the quorum to proceed. There were a total of 105 participants with 93 participants attending the GA in person while 12 participants attended the meeting virtually. She then added that there were 84 advance votes received, with total voting members reaching 189.

Anne then moved on to the next agenda and tabled the draft minutes of GA18 held on 2 December 2021 to the members for their approval. It was noted that there were no questions or comments raised by the members pertaining to the draft minutes.

Tim Stephenson, Vice Chair/Treasurer of the RSPO BoG, proposed that the said minutes be confirmed and Harjinder Kler of HUTAN – Kinabatangan Orang-utan Conservation Programme (KOCP), seconded the motion.

Anne then declared that the minutes of GA18 was hereby approved

4 PRESENTATION OF THE TREASURER'S REPORT BY TIM STEPHENSON

Tim Stephenson presented the Treasurer's Report and the RSPO's Financial Statements for the year ended 30 June 2022, including the budget for the current financial year 2023.

He thanked all the members of the Finance Committee for their work during the year. The Finance Committee currently comprises Tim Stephenson (Treasurer, AAK), Karen Yu (BoG, Rabobank), Joseph D'Cruz (RSPO Chief Executive Officer) and Patrick Chia (RSPO Chief Financial Officer). Tim informed that Karen will be retiring as a governor this week; hence, the committee will be looking for more members from the Board of Governors at the Board meeting tomorrow.

The Terms of Reference for the Finance Committee included the oversight of financial reporting, financial controls, financial planning and compliance. It will also start to look at an investment strategy that was raised at the 18th General Assembly last year.

The organisational structure of RSPO remained unchanged. It is still registered in Zurich, Switzerland, and the Secretariat is registered in Malaysia. RSPO has a number of different branch offices and regional representative offices around the world. In fact, RSPO has employees or contractors in 18 different countries now, although not a statutory representation in each.

The day-to-day management of the financial affair was delegated to the CEO and the CFO. Tim thanked the Finance team particularly Patrick Chia and Eileen Ho for managing the finances well during the particular year.

Tim reassured the members that the RSPO's financial position continued to be strong, despite the world entering a difficult economic period. RSPO has another surplus, which is even higher than the previous year. It has a strong balance sheet, comfortable level of reserves and a clean audit report from Ernst & Young who stated that the accounts provided a true and fair view.

Statement of Income and Expenditure

- RSPO registered a strong surplus of RM24.8 million, which is higher than RM17.5 million in 2021
- There was a strong increase in income to RM73.4 million, an increase of about 25% from RM58.8 million in 2021.
- A total of 28% of the income was derived from subscription fees and almost all the rest was contributed by segregated, mass balance or credit trading.
- Physical income grew significantly from RM30 million to RM40 million last year, which indicated an increase in demand.
- Operating costs had also increased, which was related to increased staffing. The headcount is now 147, including 21 on consultancy contracts. About 76% of operating costs was related to staff, 20% was professional fees, and other costs were 4%.
- Project costs for the year were more or less the same as the previous year.
- In terms of divisional costs, the biggest areas of expenditure were Assurance and Stakeholder Engagement and Communications.

Statement of Assets, Liabilities and Funds

- The net assets for the year ended 30 June 2022 was recorded at RM79.9 million, as compared to RM58.8 million of the previous year.
- Net subscriptions due have reduced from RM1.7 million to RM1.1 million.
- Cash and bank balances of RM82.5 million were inclusive of fixed deposits.

Statement of Cash Flow

- A net cash flow of RM16.2 million from operating activities was recorded.

Statement of Changes in Equity

- The Net Assets for the year ended 30 June 2022 was recorded at RM79.9 million, which comprised RM55.6 million of the members fund, as compared to RM39.0 million for the year ended 30 June 2021.
- The policy was to maintain a minimum of six months operating costs as reserves, and RSPO is well in excess of that at the moment.

Budget for the financial year 2023

- The budget for the financial year 2023 was approved by the Board in June 2022.
- Income was budgeted with an increase of 3% to RM75.8 million with a significant increase in admin and operating costs as staff are expected to increase in the Secretariat.
- As with the increase in operating costs, there was also an increase in divisional operating costs.

In summary:

The RSPO financial model continues to be effective.

RSPO has a good surplus again and maintains a very strong financial position.

Plan to invest surplus funds with a new investment policy, which is scheduled to be implemented in H2FY23, based on:

- strong governance
- cautious approach to investment

Lee Jwee Tat (JT) of Standard Chartered Bank: RSPO has lost a few more experienced staff. Shouldn't RSPO invest in the secretariat staff, starting with perhaps a salary benchmark exercise, so that we ensure they are properly paid? Otherwise, we keep losing people. We cannot deliver the RSPO's objectives if we keep losing these experienced managers.

Joseph D'Cruz, RSPO CEO: Thank you very much for your comment. We have an extremely committed and capable team of staff. Having said that, the salary benchmarking exercise is actually part of the HR strategy that we've developed and will be initiated in the first quarter of next year. We have put a lot of effort into ensuring that we attract a very high calibre of staff. And while it's true that there has been significant turnover in the Secretariat over the last couple of years, as CEO, I give you my complete assurance that we have a team that is capable of delivering the vision and ambition that all of you as members of the RSPO expect of us. So, thank you for your support.

Online comment:

Mars Incorporated: Will the investment strategy focus on green and socially responsible companies and projects?

Tim Stephenson, RSPO BoG Vice Chair/Treasurer: I think our investment strategy should be green and socially responsible, and we need to make sure that we use our funds going forward in that way, which I'm sure we will. In terms of the investments we make, we need to take advice from our investment managers, but due to the nature of our organisation, it would be wrong if we didn't conduct our investments in that direction. But we haven't gone through that yet with the Board. So we have to go through it with the Board and develop that policy with our advisors and then report back to the General Assembly next year.

Marcus Colchester of Forest Peoples Programme: I was quite impressed by the surplus we enjoy. And I was wondering if we could think about subsidising or lowering the cost of membership for local NGOs, CBOs, trade unions and smallholder organisations from producer countries, so that they can have a stronger presence in our organisation. That will be something that we should consider as a Board. That's just a comment, as I felt it very strongly looking at our surplus.

Tim Stephenson, RSPO BoG Vice Chair/Treasurer: I think there is already some differential in terms of membership fees. That is certainly something we can look at again.

Member: When it comes to green initiative, are you planning to create a library for emission factors? Are net zero and SBTi the bare minimum in the coming days for all the raw materials that are coming from PO and PKO-based? Are we planning to allocate some resources in that particular sector?

Joseph D'Cruz, RSPO CEO: Just to clarify, do you mean to invest in the calculation of emissions factors of various PO and PKO products?

Member: Yes, and that library is available on the website so it becomes easier for all the members.

Joseph D'Cruz, RSPO CEO: To clarify, this would not be a part of the investment strategy that Tim is talking about. It would be a part of the operational budget of the RSPO Secretariat. We are now with our climate change team, looking at what we need to do on net zero and GHG, and we'll be very happy to take that suggestion into consideration.

Marcus Colchester of Forest Peoples Programme: I would like to propose that we record our profound gratitude for the services that our treasurer has given and continues to give to the RSPO to look after our finances. It's a demanding work and Tim deserves our thanks. And so do the rest of the committee and finance staff.

Online comment:

Hap Seng Plantations Holdings Berhad: There are high expenses on staff costs as per the Treasurer's Report, but the response from the Secretariat on members' queries on RSPO P&C and supply chain certification matters does not meet the expectation. They are slow in response and do not always provide a direct reply to the questions asked, which has an effect on members' CSPO sales decision-making.

Joseph D'Cruz, RSPO CEO: Thank you very much for that feedback. We know that we are in a constant process of improvement. We will certainly take careful attention of that. The increase in staff numbers has been quite recent. And on behalf of the leadership of the Secretariat, I would like to say we are making extensive efforts to make sure that we are more responsive to members, and thank you again for the important feedback you provided.

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 2022.

Resolution GA19-1	Weighted Voted Results	
To receive and adopt the Treasurer's Report and the RSPO's financial statement for the year ended 30 June 2022.	For	96.92
	Against	0.46
	Spoilt	2.62

The Resolution GA19-1 was approved.

5 VOTING FOR THE PROPOSED RESOLUTIONS AND ANNOUNCEMENT OF THE RESULTS

GA19 was the RSPO's first in-person GA since 2019 and first ever 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 as follows:

a. Resolution GA19-2a

Resolution GA19-2a	Weighted Voted Results	
To confirm the appointment of Ernst and Young as the auditors of the RSPO for the financial year ending 30 June 2023.	For	94.50
	Against	1.14
	Spoilt	4.36


The Resolution GA19-2a was approved.

b. Resolution GA19-2b

The Resolution GA19-2b was presented by Narno Sayoto Irontiko from Asosiasi Petani Sawit Swadaya Amanah.

Lee Jwee Tat (JT) of Standard Chartered Bank: I think the initiative is a good one, but my main concern is a jurisdictional approach is a legal requirement, as I understand it, but RSPO is a voluntary organisation. So, I see a natural contradiction there. Secondly, I am not sure if RSPO is able to really persuade local governments to adopt RSPO standards because if they wanted to, they would not have come up with ISPO. So, if the approach is to make ISPO look like RSPO, I think we are going to run into quite a bit of resistance. If the intent is to make RSPO look more like ISPO, then I think that is an open invitation for criticism. So, I am not sure how this can happen on the ground because it has already been tried since 2018, and I do not think it is due to a lack of effort that is not progressing. I think there is a lot of collaboration or rather support coming from the local authorities that is lacking for a reason, and I do not think it is because RSPO did not try enough. My worry is we might be setting RSPO up for failure, or making RSPO to try and convene players such as local governments, who may not be interested in RSPO in the first place. So, how do we deliver this plan? I think RSPO is already supporting independent smallholders in many ways. We saw all the certification of the independent smallholders on day one, so I am not sure if more can be done. Of course more can be done, but perhaps not through jurisdictional approach.

Narno Sayoto Irontiko of Asosiasi Petani Sawit Swadaya Amanah: Please accept my apology as the translation was breaking. To me, the jurisdictional approach is important because it will support and drive RSPO to make sustainable palm oil the norm. As for the independent smallholders, the jurisdictional approach will allow mobilisation of smallholders and bring them into RSPO certification.



Marcus Colchester of Forest Peoples Programme: JT, you bring out some of the key or very relevant dilemmas that are facing the jurisdictional approach. But those of you who attended the side meeting on the jurisdictional approach trials, which are already underway on the first day of the roundtable, would have heard from the local governments on the ground the remarkable progress that they are already making in this approach. They are dealing with this question of the local regulations and looking for ways to overcome those problems. So, I would like to encourage you to give more room for this to be tried out before you declare it impossible because I think they are making remarkable progress. And you can see that the RSPO standard is already having an influence on what is happening on the ground.

Lee Jwee Tat (JT) of Standard Chartered Bank: If we are making remarkable progress, why do we need this resolution to bring new energy? I mean, there is contradiction right there. I was trying very hard to pin down the Sabah government. Which standards are you applying? RSPO or MSPO? Or something else? Because if it is not RSPO, I am not sure what RSPO can do to help. I am quite confused by this whole JA, and how do you expect RSPO to play government or to provide the push to the local government. I think RSPO has enough issues to handle internally. I just do not think we want to spend time on an initiative that may not deliver what we are trying to achieve.

Joseph D’Cruz, RSPO CEO: Thanks, JT. Just to clarify a couple of points you raised. We are well aware that developing an effective model for jurisdictional approach is complex. It takes a lot of effort. There has been a lot of progress made on the ground, not just in Sabah (which you may be familiar with). Work has also been done in partnership with Kaleka in Indonesia, with Wild Asia in various regions, etc. We also recognise that within the systems and structures of the RSPO, we need to place greater attention on how we ensure that we create the right enabling environment for these initiatives to continue; and on that basis, I certainly welcome this resolution. And I will give you a couple of reasons why. First of all, and coming to your question about the legal requirement, to be clear, we are not ever anticipating that RSPO is going to legally regulate actions in a jurisdiction, but that a jurisdictional approach forms a partnership with the local jurisdiction to ensure that the way in which land use is managed in that jurisdiction, complements and supports RSPO or other certification schemes. For example, we can lift the focus or the scale of our land use management or deforestation regulations, our RaCP compensation to a landscape level, rather than unit of certification level, to better optimise how conservation management can then be complementary with, for instance, smallholder production in those landscapes. And on your specific question about the complementarity with national standards; first of all, of course, it is not only in Indonesia that we are doing this. And secondly, as we’ve talked about in various instances, for instance, in the collaboration that we have developed in Jambi province, we see initiatives that encourage producers in the landscape, particularly smallholders, to develop in a way that’s compliant with national schemes, as well as RSPO being complementary, so we can develop a jurisdictional approach that encourages, for example, a large number of smallholders in a landscape to become certified according to national scheme, but also that makes it easier for them to then become RSPO compliant. That is certainly a win. And I would like to add in terms of responses from local authorities, beyond what is already established in places like Sabah and Indonesia. One of the reasons why there is a clear impetus for us to develop a model for this is because we are getting formal requests from local authorities, for instance, in Thailand (in Surat Thani province) and in Edo State in Nigeria, to work with them to roll out RSPO certification at the landscape level. So we, as RSPO, need to be able to come up with a model for how we do that in a way that is compliant with our rules and regulations. We’re not in any way under emphasising the effort it is going to take to be able to develop a model like this.


From my point of view, I do see this requiring significant continuous effort over a period of time. And in that respect, I think the resolution that the proponents have put forward, encouraging us to make that investment, is something that is very critical to RSPO's future.

Lee Jwee Tat (JT) of Standard Chartered Bank: Just two comments. I think if the invitation is coming from the local governments, by all means we can support this. But the way I understand the resolution, it actually expects RSPO to be in the driver's seat. So, I am a bit worried about the way it is being expressed. The second thing is, I think RSPO needs to first focus on our own members, in the sense that in terms of P&C, are the growers getting themselves certified, and in terms of shared responsibilities, are CGM actually buying. So, I think there are important problems that we need to first tackle before we want to take a half finish, if I may be so blunt, to try and spread the word when we may need to spend more time to get our house in order. I just do not think we want to be distracted, especially in 2023, we have a new P&C, and my questions on certification systems have not been answered. So, I do appreciate that RSPO has that intent, but right now, if I try to think of who should shoulder this, I would rather use those people for RSPO's own initiatives.

Anne Rosenbarger, RSPO BoG Co-Chair: Just to clarify one point on this though. The jurisdictional approach and the programmes are currently already incorporated into our strategy. And I think this resolution is not asking for a new initiative to be kicked off. It is around how we prioritise jurisdictional approach and kind of elevating that prioritisation. So, I just want to clarify that jurisdiction is already kind of a core piece of our strategy as well.

Kamal Prakash Seth of WWF: I am speaking on behalf of WWF and we are one of the proponents of this resolution for a very strong reason. And JT, I would love to debate this with you later on and to get to know each other more, but the reasons WWF want to see this as well is because the answer lies in the question itself of RSPO's market share, and for someone like me who is managing markets in India or China and working with smallholders in India, if you go to the local government and the farmers, they will ask – will I get a premium if I am certified against the local standard or the national standard? The answer is not really. The market is not willing to give you a premium for that. So, RSPO's national interpretation or the local interpretation is the mechanism that needs to be scaled up at the jurisdictional level to make sure that farmers receive the incentives through the RSPO's market system. This resolution is asking for more resourcing for the jurisdictional approach strategy, which is already in the Theory of Change and the strategy of the RSPO. It is not asking for anything radically different. We are just saying that more resources (human resources, financial resources), regional colleagues and organisations should work together. If ten organisations speak to a local government, of course, the local government is more likely to put their resources behind it compared to just one representative from one organisation doing it. So, it is a multi stakeholder approach. I encourage everyone to support it. We fully support it. It is not a new strategy. It is about resourcing, and there is a resolution about more resourcing for this strategy to work more effectively.

Rukaiyah Rafik of Gapoktan Tanjung Sehati: It is clear that we, as RSPO, need to prioritise the jurisdictional approach. And I agree that RSPO needs to focus on its members. However, we cannot only work within our home. If we understand that sustainability is important, then we need to spread it to other people, including the government. Pak Narno said that one of the challenges for independent smallholder is legality issue, in particular land legality.



If independent smallholders need to implement this standard, we need to engage with the government. And secondly, sustainability is not only for palm oil; and we who understand about the sustainability of palm oil, should transfer this to all commodities. And as members of RSPO who understand about sustainability, we have this obligation as individual and as institution to transform and involve the government. I am happy that JD has engaged with the Thailand government, and we hope that in the future, there will be a massive movement. Five million farmers to be included and local smallholders should be involved. When we were involved in RSPO in 2004, which was almost 20 years ago, everyone said it is impossible for independent smallholders to implement the standard for sustainable palm oil. But now, based on the report from Anne, you can see that a total of 26,000 independent smallholders have already been certified. It means it is not impossible to engage with the government. We need to move together.

Martin Huxtable of Unilever: I cannot resist to comment because we are working in jurisdictional approaches landscapes across India, Malaysia and Indonesia, and we work with Kaleka in Kalimantan, WWF and Sabah Conservancy, and Conservation International in North Sumatra. In all of these landscapes and jurisdictional approaches, we are driving in a responsible production, protection and restoration of ecosystems, and central to that and all of those jurisdictional approaches, is for instance, RSPO certification. And it is really awkward actually, that we are driving this but we do not have an RSPO strategy on a jurisdictional approach. So it is a fundamental shared responsibility of RSPO to get stuck in and be able to work with us in a coherent strategy in jurisdictions and landscapes. We can talk about resourcing and things like that, but we have to acknowledge that there is still a massive job to be done with smallholders in landscapes and jurisdictions. But to be honest, for crying out loud, we need to get on with it, and jurisdictional approaches are a fundamental way of accelerating that and scaling that. So, I really hope that people will also start to see the fundamental business case and social and environmental case for doing this.

Lee Jwee Tat (JT) of Standard Chartered Bank: Ibu Uki's comment exactly confirmed my fears. RSPO is unable to create legality or to resolve legality issues for smallholders. So, it is going to be a challenge. That is one. Two, Ibu Uki now wants to go beyond palm oil. So how about this scenario in the jurisdiction – the smallholders are also planting, let's say trees, in a peat area. That is a red line for RSPO. So, what do we do now? That is why I am concerned about going down this route, not because I do not support it, but I think we should be very aware of RSPO's limitation however we want to push this. And to WWF comments that maybe the local smallholders will start to get their premiums; I think if our CGM members are actually buying or certified palm oil, we will get the premium. But right now, some of the brands are still resisting putting the RSPO logo on their products. So, I am not sure why we are going on and on about trying to promote sustainable palm oil beyond RSPO when our own members are not actually fulfilling basic shared responsibility. I do not want us to be distracted. So, to all the proponents of this resolution, please consider what is your shared responsibility, what is the percentage of your uptake, and how many of your products can actually carry the RSPO logo. And then we can have a separate conversation about trying to go beyond RSPO.

Anne Rosenbarger, RSPO BoG Co-Chair: Thanks, JT. I think you have touched on a few issues there, some of which I think would arguably be beyond the scope of the jurisdictional approach. But on the challenges specifically that you have raised on the jurisdictional approach, I would also really encourage you to think about participating in the Jurisdictional Approach Working Group if you were to provide some strategy.

Lee Jwee Tat (JT) of Standard Chartered Bank: Sorry, the financial institutions sector does not have enough members. That is my other fear. The resolution asks the members to support a working group. So, I hope everyone who voted yes, is prepared and going to join the working group, because I personally do not have any more time nor capacity to support another working group.

Anne Rosenbarger, RSPO BoG Co-Chair: Please do consider forums as well to provide the input, not just at the GA. I think it is good that we are considering that throughout the year and being involved in these discussions throughout the year because there are a lot of folks who are working hard behind the scenes that are kind of more in the weeds on the nuance of all of this. So, it is good to make sure that we are exploring all of those avenues to have those discussions.

Resolution GA19-2b	Weighted Voted Results	
RSPO prioritises jurisdictional approach to accelerate the transformation of sustainable palm oil standards, the inclusion of independent smallholders and engagement with local communities.	For	89.25
	Against	7.39
	Spoilt	3.36

The Resolution GA19-2b was approved.

c. Resolution GA19-2c

Resolution GA19-2c was proposed by the RSPO Board of Governors. The resolution was presented by Anne Rosenbarger, RSPO BoG Co-Chair.

Resolution GA19-2c	Weighted Voted Results	
Resolution to amend the RSPO Code of Conduct.	For	89.91
	Against	3.40
	Spoilt	6.69

The Resolution GA19-2c was approved.

6 VOTING FOR THE BOARD OF GOVERNORS ELECTIONS 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 GA19. However, there was no election for banks and investors' seats, as the BoG members were not available for re-election, and the BoG did not receive any other nominations. In addition, the interim Board of Governor members for the Oil Palm Growers - Malaysia and Social NGOs seats were also up for approval.

1. Oil Palm Growers – Rest of the World

The two-year term of Agroamerica Tropical Oil Holding Corp., represented by the principal Jose 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 John Clendon 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	Agroamerica Tropical Oil Holding Corp. , Jose Roberto Montenegro Baide	SIPEF Group , Sander van den Ende, Univanich Palm Oil Public Company Limited , John Clendon, Olam Group Limited , Quentin Meunier	11	2

The Chairperson confirmed for the minute that the Principal representing Agroamerica Tropical Oil Holding Corp. and the Alternate representing SIPEF Group, Univanich Palm Oil Public Company Limited and Olam Group Limited were elected as Board of Governor members.

2. Oil Palm Growers – Malaysia

During the year Surina binti Ismail (MPOA) was appointed as the interim Alternate to principal member Carl Bek-Nielsen (MPOA) which requires approval.

Membership Sector	Elected/Approved		Voting Results	
	Principal	Alternate	For	Abstain
Oil Palm Growers – Malaysia		MPOA , Surina binti Ismail	8	2

The Chairperson confirmed for the minute that Surina binti Ismail representing MPOA's appointment as the Alternate to the Principal member Carl Bek-Nielsen was approved.

3. 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 Viswaat Chemicals Limited, represented by the principal nominee Ramakant Dubey and the alternate nominee being Jignesh Dave.

Membership Sector	Elected/Approved		Voting Results	
	Principal	Alternate	For	Abstain
Processors and/or Traders	AAK AB , Tim Stephenson	Cargill Incorporated, Laila Wilfred	32	8
	Viswaat Chemicals Limited , Ramakant Dubey	Viswaat Chemicals Limited , Jignesh Dave.	9	

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

4. Consumer Goods Manufacturers

The Procter & Gamble Company, represented by the principal Lee Kuan-Chun and the alternate member being Ferrero Trading Lux S.A. represented by the alternate Mario Abreu, the two-year term of which expired was 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	24	-

The Chairperson confirmed for the minute 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
Retailer	Retailers' Palm Oil Group , Julian Walker-Palin		8	1

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

6. Environmental or Nature Conservation Organisation

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 (KOCP) 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
Environmental or Nature Conservation Organisation	WWF International , Kamal Prakash Seth	HUTAN – Kinabatangan Orang-utan Conservation Programme (KOCP) , Harjinder Kler	17	2

The Chairperson confirmed for the minute that the Principal representing WWF International and the Alternate representing Hutan - Kinabatangan Orang-utan Conservation Programme (KOCP) were elected as Board of Governor members.

7. Social or Developmental Organisation

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
Social or Developmental Organisation	Both ENDS, Paul Wolvekamp	Federasi Serikat Buruh Kehutanan, Perkebunan dan Pertanian Serikat Buruh Sejahtera Indonesia (Hukatan), Nursanna Marpaung	8	-

The Chairperson confirmed for the minute 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.

During the year Bernadinus Steni Sugiarto representing Yayasan Lembaga Penelitian Kaleka Indonesia (Kaleka) was appointed as the interim Alternate to the Principal member Marcus Colchester (Forest Peoples Programme) which requires approval.

Membership Sector	Elected/Approved		Voting Results	
	Principal	Alternate	For	Abstain
Social or Developmental Organisation		Yayasan Lembaga Penelitian Kaleka Indonesia (Kaleka), Bernadinus Steni Sugiarto	8	-

The Chairperson confirmed for the minute that the appointment of Bernadinus Steni Sugiarto representing Yayasan Lembaga Penelitian Kaleka Indonesia (Kaleka) as the Alternate to the Principal member Marcus Colchester Forest Peoples Programme was approved.

7 ANY OTHER BUSINESS

There were no further questions or comments.

8 CLOSING OF GA

The Chairperson thanked all participants for joining GA19 and officially closed GA19 at 5:31 PM (MYT).

ANNEX 1 - ATTENDANCE AND VOTERS LIST

ORDINARY MEMBERS ATTENDANCE LIST FOR HYBRID GA19

1	Oil Palm Growers	52
2	Processors and/or Traders	20
3	Consumer Goods Manufacturers	12
4	Retailers	-
5	Banks and Investors	3
6	Environmental or Conservation Organisation	13
7	Social or Developmental Organisation	11

ORDINARY MEMBERS VOTERS AND PROXY LIST

1	Oil Palm Growers	79
2	Processors and/or Traders	54
3	Consumer Goods Manufacturers	27
4	Retailers	10
5	Banks and Investors	4
6	Environmental or Conservation Organisation	21
7	Social or Developmental Organisation	11