

## **Contents**

<b>1.0 Background</b>	<b>2</b>
<b>2.0 Objectives</b>	<b>2</b>
<b>3.0 Mandate</b>	<b>4</b>
<b>4.0 Structure and Composition of the ASC</b>	<b>5</b>
<b>5.0 Meeting</b>	<b>6</b>
<b>6.0 Role of RSPO Secretariat</b>	<b>7</b>
<b>7.0 Retirement Criteria/Reselection of inactive ASC Members</b>	<b>7</b>
<b>8.0 Management</b>	<b>7</b>
<b>Annex</b>	<b>9</b>
<b>Appendix 1: Assurance Standing Committee (ASC) Code of Conduct</b>	<b>11</b>

## **1.0 Background**

In 2018, the RSPO Board of Governors (BoG) endorsed RSPO's Theory of Change (ToC) with the overall vision of making sustainable palm oil the norm.

In March 2019, the RSPO BoG subsequently endorsed the RSPO Governance Review for 'Reorganisation of Standing Committees, Task Forces and Working Groups'.

The continual expansion of the RSPO, in membership, activities, global receptivity, and issues it has to deal with, needs an increasing degree of distributed management for it to keep pace. The way RSPO endeavours to achieve this is through an efficient and robust operating structure which consists of the RSPO BoG, Standing Committees, Working Groups, Sub-Groups and Task Forces. Standing Committees are established on a permanent basis to analyse issues within their areas of jurisdiction and make recommendations to the BoG. Standing Committees also help the BoG monitor and evaluate organisational performance in relation to its areas of responsibility.

This paper outlines the intent of establishing the Assurance Standing Committee (ASC) by the RSPO. *This committee shall replace the previous function of Assurance Task Force, which has now ceased upon endorsement of the RSPO Governance Review.*

## **2.0 Objectives**

The objectives of the ASC are to provide the direction and contribute to the RSPO standard settings, via a Terms of Reference (ToR) and work programmes of the RSPO Secretariat. It includes, but is not limited to, the development and/or revision of normative and relevant guidance documents related to the following:

- Credible certification, verification and grievance
- Ensuring Certification Bodies (CBs) are fit for purpose
- Developing social auditing capacity
- Ensuring the quality and consistency of audits
- Ensuring Fresh Fruit Bunch (FFB) legality and traceability
- Ensuring shared responsibility

The resolution requests the Secretariat, acting in coordination with members and in accordance with ISEAL Alliance procedures, to deliver the following:

- Develop clear, mandatory guidelines on the minimum acceptable quality of HCV assessments;
- Develop clear, mandatory guidelines on assessments of Free, Prior and Informed Consent (FPIC) in the New Planting Procedure (NPP);
- Develop and institute a transparent and robust system for monitoring the quality of assessments;
- Monitor the quality and performance of Auditors and pursue suspensions or sanctions against underperforming or persistent offenders;

- Monitor RSPO members' adherence to required procedures and report all members that omit to submit NPP notifications before clearing lands to the Complaints Panel.

The objectives of the ASC are to identify all necessary actions to ensure robust assessment, verification and certification against the RSPO standard (Principles and Criteria and Supply Chain Standards); to identify the relevant stakeholders required to deliver these actions; and to deliver the outputs which are located in Annex.

### **3.0 Mandate**

The mandate of the ASC is as follows:

- To oversee and provide the necessary recommendations and/or guidance during the development process of any relevant RSPO standards and/or guidances;
- To ensure the development of RSPO standards and guidance complies to the appropriate procedures and best practices, including but not limited to compliance with the ISEAL Alliance Standards and the RSPO Standard Operating Procedure for Standard Setting and Review;
- To make the decision throughout the development process of the RSPO standards and relevant and/or associated documents;
- To ensure that all due process (i.e. balanced representation of stakeholders in the Working Group(s)/Task Force(s), RSPO Code of Conduct, the principles of the Theory of Change, compliance to ISEAL Standards etc.) are respected and adhered to;
- To approve relevant RSPO document(s) for BoG endorsement.

In principle, all normative documents will require the endorsement of the BoG, whereas informative documents (including, but not limited to guidance documents, tools, procedures, etc.) may be decided at the discretion of the ASC. Notwithstanding the above, the ASC shall have the discretion to decide whether any document shall be put forth to the BoG for endorsement and/or to recommend BoG to bring it to the General Assembly (GA) for adoption.

The ASC may create Working Groups and Task Forces to undertake specific assignments within its areas of responsibility, or may take responsibility that is assigned to them for Working Groups or Task Forces created by a BoG decision or a GA decision or resolution.

Unless otherwise specified, the mandate of all Working Groups shall be up to two (2) years, at which time it shall be reviewed by the ASC.

Task Forces will generally be formed to specific, measurable and time-limited objectives, including a date for winding-up of their work. Task Forces that are established as part of, or in response to, GA resolutions should be assigned a timetable for their work that allows for reporting back to the following year's GA. Membership of Task Forces may be weighted more towards technical knowledge of the topic under discussion than broad stakeholder involvement.

Once an ASC has formed or been assigned responsibility for a Working Group or Task Force, it shall define its terms of reference (using the generic procedures in this document except where there is a pressing need to vary them). The ASC shall also appoint the Chair or co-Chairs of the Working Group or Task Force, and shall instruct the Working Group or Task Force on its reporting requirements (including frequency and content).

#### **4.0 Structure and Composition of the ASC**

The ASC is a sub-group of the BoG. The BoG, at its sole discretion, may propose changes to the composition of the ASC to serve RSPO and its objectives.

The ASC shall comprise of RSPO members only. Membership in the ASC is institutional rather than individual; change in employment status must be reflected in the composition of the Committee.

The BoG shall appoint the Chair of the ASC, and may appoint more than one person as Co-Chairs.

The ASC shall be co-chaired by two members, one of whom must be a representative of the Grower sector.

The BoG shall also appoint one Governor to serve on the ASC as the link between the BoG and the Committee.

The BoG may also appoint other Governors to serve on the ASC as part of the agreed membership structure of the ASC up to a maximum of 50% minus one of the Committee's memberships.

All appointments made by the BoG shall be for a maximum of two (2) years or until the nominee ceases to be a Governor, whichever is earlier. The BoG may re-appoint someone who has reached the end of their term on the ASC but who remains a Governor.

All other appointments shall be organised and decided on by the ASC and notified to the BoG at its first meeting following any such appointment (unless that meeting is within two weeks of the ASC meeting in which case the BoG may be notified at its subsequent meeting).

The ASC Chair or Co-Chairs shall, in consultation with the Secretariat, review nominations to verify that they meet the requirements of membership and that there is a vacancy within the ASC's membership structure.

In the event that there are more nominations than vacancies, the ASC Chair or Co-Chairs shall, in consultation with the Secretariat, agree a transparent, fair and impartial process for deciding who is appointed to the ASC.

Appointments to the ASC are for terms of two (2) years but members may seek re-nomination for subsequent terms without limit.

The ASC may invite experts to participate in discussions requiring specific expertise in conservation, environmental management, regulatory frameworks, or certification services. Other invited experts may be appointed at the discretion of the Committee.

To ensure effective discussions and decision making, the ideal structure of the ASC is as follows:

*Table 1 - Composition of the Assurance Standing Committee*

<b>Sector</b>	<b>Division</b>	<b>Total</b>
<b>Grower</b>	Malaysia	1
	Indonesia	1
	RoW	1
	Smallholder	1
<b>NGO</b>	Environmental	2
	Social	2
<b>Supply Chain</b>	Processor & Trader	1
	Consumer Goods Manufacturer	1
	Retailer	1
	Financial Institution	1
	<b>TOTAL</b>	<b>12</b>

## 5.0 Meeting

The ASC endeavours to organise meetings four (4) times a year, either face to face or via teleconference, whichever is deemed necessary.

The Co-Chairs of the ASC and the RSPO Secretariat will have frequent communication updates for arrangement of such meetings.

Minutes of meetings and clarification of decisions made by the ASC are to be shared, no later than 10 working days after each meeting.

In order to meet the objectives of the ASC, it is necessary to establish an annual work development program which includes objectives, activities, timelines, budgets and deliverables.

Members of the ASC shall also respect the “Chatham House Rule” in their reporting of ASC discussions. This means that while remarks made during meetings may be repeated, they should

not be attributed to an individual ASC member, except where an attributed comment has been included in the approved minutes of that meeting.

#### **6.0 Role of RSPO Secretariat**

The RSPO Secretariat will provide the financial, human and logistical support that the ASC requires to meet, conduct business and achieve its objectives. The Assurance Department of RSPO Secretariat will be the primary source of assistance and support to the ASC.

The RSPO Secretariat, upon consulting the Chair (or Co-Chairs), will make all the necessary arrangements to call for all meetings and ensure it meets the quorum to conduct a meeting.

The RSPO Secretariat will coordinate and facilitate the operations of the ASC as well as take the lead in implementing the desired activities and deliverables of the Committee, which may include identifying appropriate facilitators, project management, research and identifying resources, as well as appointing consultants to undertake mandated tasks.

#### **7.0 Retirement Criteria/Reselection of inactive ASC Members**

The ASC can exercise the right to retire the membership of a member. However, the decision must be made by consensus of the ASC (excluding the affected party).

The reasons (not exhaustive) for the ASC to consider retirement of a member are:

- Absence from meetings for three consecutive meetings without arranging for an alternate to attend these meetings.
- Persistent refusal to furnish information requested by the ASC. Information requested, if deemed beneficial to the objectives of the committee, shall not be unreasonably withheld except for those which are commercially sensitive and/or prohibited by law for dissemination;
- Persistent refusal to sign the RSPO Code of Conduct.

Retirement of membership will be informed in writing to the ASC Co-Chairs, copied in to the Co-Chairs of the BoG and RSPO Chief Executive Officer (CEO).

The Co-Chairs will invite the constituents of the affected sectoral and/or geographical stakeholder group to nominate a new representative to the ASC.

#### **8.0 Management**

Each member must declare any conflict of interest on any matters on the agenda and/or matters arising at the beginning or during the course of the meeting. Should a conflict of interest exists, the member concerned must recuse themselves from the decision-making process or sensitive discussions.

Members and invited experts who have been privy to the discussions shall not use their position on the ASC and/or information obtained to obtain monetary gain or bid for any projects commissioned by the ASC directly or indirectly through organisation with whom they are associated. For example, members and invited experts who observe discussions about

developing project ToRs will not be allowed to tender, and/or participate in the tender evaluation/selection processes.

All members of the ASC are required to sign the Code of Conduct.

All outcomes and decisions are made on a consensus<sup>1</sup> basis, members shall ensure the accuracy of the information and that the interpretation of all outcomes and decisions of the ASC are consistent with the consensus reached within the ASC.

If consensus is not possible for any specific issue, at least 75% of the Committee members are required to vote in favour for the adoption of a decision, and shall include at least one supporting vote from each membership category.

If a decision still cannot be reached through the mechanism above, the Chair (or co-Chairs) of the ASC may declare a deadlock and refer to the BoG for the final decision.

Minutes of the meeting and clarifications of decisions made by the ASC are to be shared no more than two months after the meeting by the Secretariat.

In order to fulfil these tasks and meet objectives, it will be necessary to establish a yearly work program including a series of targets or deliverables including resources.

---

<sup>1</sup> "Consensus" is defined by ISO as "general agreement, characterized by the absence of sustained opposition to substantial issues by any important part of the concerned interests and by a process that involves seeking to take into account the views of all parties concerned and to reconcile any conflicting arguments". The definition notes, "Consensus need not imply unanimity".



**Annex**

*Table 1 - Expected ASC Outputs*

<b>No.</b>	<b>Expected Output</b>	<b>Target Sectors</b>
1	Significant improvement in growers' commitment and capacity to meet RSPO Standards and requirements both normative and informative. Encouraging continuous improvement processes that would equip them from overreliance on external auditors to identify non-compliant activities towards outcome-based directions and shared learning experiences through sustainability standards	<ul style="list-style-type: none"> <li>- Growers</li> <li>- CBs</li> </ul>
2	Ensuring robust implementation of requirements for FFB legality and traceability	<ul style="list-style-type: none"> <li>- Growers</li> <li>- SC actors</li> <li>- CBs</li> </ul>
3	Continuous improvements on developing CBs that fit for purpose to undertake all current P&C assessments; and a feedback mechanism linked to the current RSPO Complaints systems as the majority of complaints received relate credibility of CBs in identifying issues relating to NPP, HCVs, land disputes, and FPIC	<ul style="list-style-type: none"> <li>- CBs</li> </ul>
4	Identify what additional skills and competencies will be required of CBs to implement the new RSPO P&C 2018 and other related RSPO requirements. This would include assurance that these competencies identified will be updated and keep it relevancy for the RSPO systems	<ul style="list-style-type: none"> <li>- CBs</li> <li>- RSPO Secretariat</li> </ul>
5	Improve the social assessment skills of CBs, assessors and the wider RSPO community covering land rights and FPIC and labour issues (including use of forced labour and the rights of migrant workers; payment disputes, hazardous working conditions and harassment)	<ul style="list-style-type: none"> <li>- CBs</li> <li>- Independent Assessors</li> <li>- Growers</li> </ul>
6	Resolve conflict of interest and opportunities for collusion in company and auditor relationships	<ul style="list-style-type: none"> <li>- Growers</li> <li>- SC actors</li> <li>- CBs</li> </ul>
7	Develop, maintain and implement a robust mechanism to instigate a transparent system for monitoring the quality, following-up on incident cases of all RSPO certified areas. This would include the critical cases involving fire, deforestation, human rights abuse and etc. which is also linked to the current RSPO Complaints system. The use of appropriate bodies to assist RSPO in ensuring the credibility of the standards is held up high	<ul style="list-style-type: none"> <li>- Accreditation Body</li> <li>- CBs</li> <li>- RSPO Secretariat</li> </ul>
8	Clarify the rule set for notifications related to the New Planting Procedures and for Partial and Time-bound Certifications and	<ul style="list-style-type: none"> <li>- CBs</li> <li>- RSPO Secretariat</li> </ul>

	improvements in monitoring the growers' commitment to meet the requirement.	
9	Monitor the implementation of new RSPO requirements and ensuring its quality is at par with current RSPO standards and requirements that have been more stable in its implementation. The same approach and lessons learnt are taken to address assurance related activities for Jurisdictional Approach and Independent Smallholders Standards	<ul style="list-style-type: none"> <li>- Growers</li> <li>- CBs</li> </ul>

## **Appendix 1: Assurance Standing Committee (ASC) Code of Conduct**

All members of the ASC are required to sign a Code of Conduct form.

Every member of the ASC must declare any conflict of interest (financial or otherwise) on the agenda and/or any matters which arise in due course of the meeting. Should a conflict of interest arise, any member concerned must recuse himself/herself from the decision-making process or any sensitive discussions.

All members of the ASC shall ensure the accuracy of the information provided and interpretation of all outcomes and decisions of the ASC shall be consistent with the consensus reached by its members.

### **Promotion and Commitment**

Member organisations will acknowledge their membership of the ASC and its objectives, the Principles and Criteria (P&C) of the RSPO and its implementation process through informed and explicit endorsement. Members of the ASC will promote and communicate this commitment throughout their own organisation.

### **Transparency**

Members will not make any misleading or unsubstantiated claims about the production or use of sustainable palm oil. Members will commit to open and transparent engagement with interested parties, and actively seek resolution of conflict.

### **Breaches of this Code**

Breaches of this Code may lead to exclusion from the ASC. Members will seek to resolve grievances directly with other member organisations, and will not make unsubstantiated allegations of breaches against other members

Prior to taking public action in cases of unresolved allegations of breaches of this Code, members shall report breaches to the Co-Chairs of the ASC and the Country Representative in RSPO Board of Governance, which will deal with the alleged breaches in accordance with the RSPO Grievance Procedure.

I acknowledge and agree with the terms in ToR and CoC above.

Signed by:

Witnessed by:

-----

-----

Name:

Name:

Organisation:

Organisation:

Date:

Date: