

Resolution GA16-6d

Proposed Resolution to be adopted at the 16th General Assembly of the Roundtable on Sustainable Palm Oil (RSPO)

6th November 2019

Title: Balanced Representation in the RSPO General Assembly Voting Process

Submitted by: Standard Chartered Bank, Credit Suisse AG, Bumitama Agri Ltd, Golden Agri- Resources Ltd, Musim Mas Holdings Pte. Ltd, Malaysian Palm Oil Association, Olam International Limited

Background:

In 2017, resolution GA14-6f entitled Balanced Representation in the RSPO General Assembly Voting Process based on Membership Category was adopted. The RSPO has engaged Kedge Business School to develop options based on benchmarking study across other standard organizations, literature review, data analysis of RSPO membership and past GA attendance, and qualitative interviews with RSPO members.

Below new voting format is presented for adoption.

New Voting Format

1. Each resolution should include proponents who come from at least 3 of the 7 stakeholder sectors
2. Voting Weight to follow composition of the RSPO Board of Governors (BoG)
 - Oil Palm Growers including smallholder group manager and small growers -25%
 - Processors & Traders -12.5%
 - Consumer Goods Manufacturers -12.5%
 - Retailers -12.5%
 - Banks and Investors -12.5%
 - Social NGOs -12.5%
 - Environmental NGOs -12.5%
3. Decision Making
 - A simple majority of the vote will be required to pass a resolution.
 - Calculation to be based on all votes (including abstain and spoilt vote).

Besides above new voting format as the way to achieve balanced representation (weighted average by stakeholder groups) to replace current voting format, we are additionally proposing that the resolution process be improved by requiring the proponent to identify **those addressed by the rules** and **those affected by the rules** and to consider the **potential need for an 'independent' decision-making group or committee of experts.**

Example of the new voting format is illustrated as below:

Stakeholder sectors	Result – current system				Voting Weightage	Result – New voting format			
	Yes	No	Abstain	Spoilt		Yes	No	Abstain	Spoilt
Growers	5	51	0	1	25	2.2	22.4	0	0.4
Processors and Traders	65	5	2	1	12.5	11.1	0.9	0.3	0.2
Consumer Good Manufacturers	55	8	3	0	12.5	10.4	1.5	0.6	0
Retailers	18	1	0	0	12.5	11.8	0.7	0	0
Bank and Investors	6	2	0	0	12.5	9.4	3.1	0	0
Social NGOs	0	8	0	0	12.5	0.0	12.5	0	0
Environmental NGOs	5	22	0	0	12.5	2.3	10.2	0	0
	154	97	5	2		47.2	51.3	0.9	0.6
	Resolution is passed					Resolution is not passed			

Other options from the study paper are deemed unfeasible due to two factors:

- Requires restructuring of 7 membership sectors to 3 sectors (producers, supply chain and non-commercial interest group).
- Requires new membership sector for academic, research institutions and allow them for voting at GA.

Full study paper, presentation and previous resolution GA14-6f are attached as annex of this resolution.

Proposed Resolution:

1. RSPO GA to adopt above new voting format.
2. RSPO to revise the Statutes of The RSPO dated 17th November 2018 by next GA (GA17) to include above new voting format.

Potential Benefits:

Enable a balanced approach to decision-making within the RSPO by ensuring all interest groups are represented, from the smallest to the largest.

Encourage quality discussion amongst different stakeholder sectors during development of new resolution.

Potential Risks:

Increasing logistic needs to coordinate all stakeholder sectors to formulate resolution in line with the RSPO annual GA timeframe.

Potential stall-out of decision-making process.

Contact Information:

Samantha Bramley Samantha.Bramley@sc.com

J T Lee jwee.lee@credit-suisse.com

Lim Sian Choo lim.sian.choo@bumitama.com

Agus Purnomo apurnomo@goldenagri.com.sg

Olivier Tichit olivier.tichit@musimmas.com

Lee Kuan Yee kuanyee.lee@klk.com.my

Audrey Lee Audrey.lee@olamnet.com

References:

1. Membership numbers by sector as of 31 August 2019.

No	Membership Sector in Ordinary Category	Total
1.	Consumer Goods Manufacturer	839
2.	Palm Oil Processors and/ or Traders	606
3.	Oil Palm Growers	175
4.	Retailers	74
5.	Environmental NGOs (ENGO)	44
6.	Banks and Investors	17
7.	Social NGOs (SNGO)	10

2. [Full study paper by Kedge Business School](#)

3. [Presentation and summary of the study](#)

4. [Resolution GA14-6f adopted in 2017](#)