



**LEMBAGA MINYAK SAWIT MALAYSIA
(MALAYSIAN PALM OIL BOARD)**

**MALAYSIAN SUSTAINABLE PALM OIL (MSPO)
GUIDELINES FOR AUDITING**

**MS 2530-3:2013 GENERAL PRINCIPLES FOR OIL PALM PLANTATIONS AND
ORGANIZED SMALLHOLDERS**

MSPO Clauses		Indicators		Major / Minor	Guidelines	Supporting document
4.1	<i>Management Commitment & Responsibility</i>					
4.1.1	Malaysian Sustainable Palm Oil (MSPO) Policy	4.1.1.1	A policy for the implementation of MSPO shall be established.	Major	<ul style="list-style-type: none"> - Policy should be signed by top management (e.g. CEO, Plantation Director). - Commitment towards a systematic approach to ensure sustainable production of palm oil. - Commitment towards sustainable development and continuous improvement. - Communicated to all employees. - Interview of personnel and stakeholders whether they are aware of the MSPO Policy and its implementation at the site. 	<ul style="list-style-type: none"> - A written policy statement on the commitment towards sustainable production of palm oil. This policy shall be communicated to all levels of the workforce and stakeholders. - Existing policy on sustainable development and continuous improvement.
		4.1.1.2	The policy shall also emphasize commitment to continual improvement.	Major		

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4.1.2	Internal audit	4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.	Major	- Frequency: Once a year.	<ul style="list-style-type: none"> - Internal audit sustainability report. - MSPO internal audit procedures. - Internal audit report/results, possible occurrence of non-conformities. - Mechanism of follow up activities such as verification of the actions taken & the reporting of verification results is to be established. - Evaluation on the competency of internal auditors. - Audit report.
		4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.	Major	<ul style="list-style-type: none"> - Establish the audit procedures. - Root cause analysis on nonconformities. - Correction and corrective action on nonconformities. - Time frames for action to be taken. 	

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		4.1.2.3	Report shall be made available to the management for their review.	Major		
4.1.3	Management review	4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.	Major	<ul style="list-style-type: none"> - Review by top management. - Frequency: once a year. - Input audit findings. - Decision on changes, improvement and modification. - Improvement Plan and timeline for implementation. 	<ul style="list-style-type: none"> - Agenda and minutes of management review meeting. - Attendance. - Internal audit report. - Results of corrective action plan.
4.1.4	Continual improvement	4.1.4.1	The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.	Major	<ul style="list-style-type: none"> - Input (where available and <u>applicable</u>): (Check on HIRARC to be one of the continual improvement indicators causes the HIRARC register is normally reviewed annually). 	<ul style="list-style-type: none"> - Training matrix (to relevant and affected workforce). - Training programme. - Evaluation on effectiveness of training programme.

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		4.1.4.2	The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption.	Major	<ul style="list-style-type: none"> • Environmental and social impact. • New techniques. • New technologies. • New standard. • New information. <ul style="list-style-type: none"> - To establish a system to verify the validity or practicability of the new information and techniques before adoption. - Continual improvement plan for key social and environmental impacts, implementation and monitoring. - Verification of the system in terms of the appropriateness & effectiveness. - Budget allocation for implementation of social, environmental activities/new technologies and their timeline. - Training programme to the relevant personnel involved in the implementation of new 	

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		4.1.4.3	An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established.	Major	<p>technology/techniques.</p> <ul style="list-style-type: none"> - Interview of personnel and stakeholders concerning for example: - Good social practices of the company. - Response of the management towards social and environmental concerns by stakeholders - Improvement plans that have benefitted the stakeholders. 	
4.2	Transparency					
4.2.1	Transparency of information and documents relevant to MSPO requirements	4.2.1.1	The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes.	Major	<ul style="list-style-type: none"> - Request, response and release of information must be recorded (<i>refer to 4.2.2.3</i>). 	<ul style="list-style-type: none"> - Press release (if any). - Home page (if any).

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		4.2.1.2	Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.	Major	<ul style="list-style-type: none"> - For public listed companies annual report is accepted. 	<ul style="list-style-type: none"> - Records of requests and responses. - Land titles/user rights. - Safety and health plan - Plans and impact assessments relating to environmental and social impacts. - Pollution prevention plans. - Records of complaints and grievances. - Continual improvement plan.
4.2.2	Transparent method of communication and consultation	4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders.	Major	<ul style="list-style-type: none"> - Established procedure includes internal and external stakeholders. - The procedure should include FPIC process. 	<ul style="list-style-type: none"> - Standard Operating Procedures (SOP). - Consultation and communication procedures. - Appointment letters responsible for MSPO matters.
		4.2.2.2	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit.	Minor	<ul style="list-style-type: none"> - Companies discretion on whom to nominate. - Appointment letter for responsible person. 	<ul style="list-style-type: none"> - Records of requests and responses. - Records of consultation and communication. - List of internal and external stakeholders. - Verify records for appropriateness & effectiveness of the actions taken/ follow up actions required (if any).

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		4.2.2.3	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.	Major	<ul style="list-style-type: none"> - Review records. - Lists of stakeholders. (surrounding communities). - Employees. - Interview with personnel and stakeholders concerning for example: <ul style="list-style-type: none"> • Awareness of consultation and communication procedures. • Availability of management response with regards to their requests /complaints(if applicable). 	
4.2.3	Traceability	4.2.3.1	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).	Major	- SOP to verify.	<ul style="list-style-type: none"> - Assessment of internal documents: <ul style="list-style-type: none"> • Standard Operating Procedures on Traceability. • Visual inspection of traceability procedures / handling at site. • Records of sales, delivery notes or transportation for fresh fruit bunches sent to the oil mills. • Letter of appointment of personnel in charge
		4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system.	Major	- Internal audit.	

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		4.2.3.3	The management should identify and assign suitable employees to implement and maintain the traceability system	Minor	- Appointment of employees. - Appointment letters are required.	of traceability. - Visual inspection: • Marking on the bunch stalk to identify the estate/block no. of which the fruit was harvested from.
		4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained.	Major	- Hard or soft copies are both acceptable.	Note: Individual estates can develop their own Traceability System documentation.
4.3	Compliance to legal requirements					
4.3.1	Regulatory requirements	4.3.1.1	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.	Major	- Assessment of documents.	Interview of personnel and site management team concerning for example: • Awareness of the applicable laws and regulations. • Compliance with the applicable laws and regulations and on-going efforts to comply. - Assessment of internal documents: • Legal Requirements Register. • Letter of appointment for personnel in charge
		4.3.1.2	The management shall list all laws applicable to their operations in a legal requirements register.	Major	- Individual company to list down all relevant laws to oil palm industries.	

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		4.3.1.3	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.	Major	<ul style="list-style-type: none"> - Updating and document review, and compliance. - Suggest adding compliance statuses. 	<ul style="list-style-type: none"> • Updated permits and licenses. • Mechanism to track changes or new amendments in law.
		4.3.1.4	The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.	Minor	<ul style="list-style-type: none"> - Name of appointee and letter of appointment. 	<ul style="list-style-type: none"> - Visual inspection: <ul style="list-style-type: none"> • Ability of site management to demonstrate compliance with the relevant laws (e.g. concerning the storage of pesticides and fertilizers, storage of scheduled waste, bulk fuel storage).

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4.3.2	Land use rights	4.3.2.1	The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users.	Major	Verification of land use rights by means of official/legal documents. The following documents are accepted: <ul style="list-style-type: none"> - Land title and terms and conditions. - Provisional Lease (PL) / License for Planted Forest (LPF) (for Sarawak). 	<ul style="list-style-type: none"> - Land title and “Syarat-syarat Nyata”. - Provisional Lease (PL) / License for Planted Forest (LPF) (for Sarawak).
		4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.	Major	<ul style="list-style-type: none"> - Provisional Lease (PL) / License for Planted Forest (LPF) (for Sarawak). - Lease Agreement - Quit rent paid by the holding company (if applicable). - Perimeter survey map containing boundary markers. 	<ul style="list-style-type: none"> - Land title. - Lease Agreement. - Hectarage statement.
		4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.	Major	<ul style="list-style-type: none"> - Records of disputes and resolution process. - Records of agreements/legal documents between the previous owners and occupants. <p>Visual inspection :</p> <ul style="list-style-type: none"> - Legal perimeter boundary markers. 	<ul style="list-style-type: none"> - Adjacent to state land and other reserve the perimeter boundary markers must be maintained. - Company boundary markers base on perimeter survey map are acceptable.

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		4.3.2.4	Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC).	Minor		<ul style="list-style-type: none"> - Records of disputes and resolution process. - Records of previous immediate owners and occupants. - Records of legal documents agreement between two parties.
4.3.3	Customary rights	4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.	Major	<ul style="list-style-type: none"> - Provisional Lease (PL) and License for Planted Forest (LPF). - Records of Ex-gratia / Goodwill Payment and Agreement. - Konsep baru for Sarawak 1956 – cut off date. - Refer to 4.7.6. 	<ul style="list-style-type: none"> - Assessment of internal documents: <ul style="list-style-type: none"> • Provisional Lease (PL) and License for Planted Forest (LPF). • Records of Ex-gratia/Goodwill Payment and Legal Agreement between affected parties. • Records of negotiated agreements between the affected parties. • Official maps of recognized native customary rights land from state Land and Surveys
		4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available.	Major	<ul style="list-style-type: none"> - An official map from Land Survey for recognized customary rights is made available. 	

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		4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available.	Major	- Records of negotiated agreements.	Department (if applicable).
4.4 Social responsibility, health, safety and employment condition						
4.4.1	Social impact assessment (SIA)	4.4.1.1	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.	Minor	- Social impact assessment can be conducted internally.	- Assessment of internal documents: <ul style="list-style-type: none"> • Social Impact Assessment (SIA) report. • A timetable with responsibilities for mitigating the negative impacts is reviewed and updated • Actions taken in response to the recommendation of assessment report & feedback from local community <p>Note: Identification of social impact may be carried out internally in consultation with the affected parties.</p>

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						Plantation management may have social impacts on factors such as: <ul style="list-style-type: none"> - Access and use rights. - Economic livelihood and working conditions. - Subsistence activities. - Cultural and religious values. - Health and education facilities. - Other community values, resulting from changes in improvement of transport / communication / influx of migrant labour force.
4.4.2	Complaints and grievances	4.4.2.1	A system for dealing with complaints and grievances shall be established and documented.	Major	<ul style="list-style-type: none"> - Assessment of internal documents: <ul style="list-style-type: none"> • Availability of complaints form for employees and affected stakeholders. • Records of complaints and records of actions taken. • Records that are kept for the last 24 months. - Interview with personnel and stakeholders 	<ul style="list-style-type: none"> - The existing system accepted: <ul style="list-style-type: none"> • Company's Complaint and Grievances Procedures. • Company's Complaint and Grievances Book. • Evident on records of how Complaint and Grievances
		4.4.2.2	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.	Major		

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		4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.	Minor	concerning: <ul style="list-style-type: none"> Awareness of complaints and grievances procedures and how to lodge complaints. 	<ul style="list-style-type: none"> were resolved. Records of acknowledgment by complainants on action taken. Monitor and follow-up effectiveness of after-action taken.
		4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.	Minor	- Verify if the complaints and grievances by the affected parties are resolved in an effective, timely and appropriate manner.	
		4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.	Major		
4.4.3	Commitment to contribute to local sustainable development	4.4.3.1	Growers should contribute to local development in consultation with the local communities.	Minor	- Positive impacts of SIA – extended (or communicated) to surrounding communities.	- Assessment of internal documents: <ul style="list-style-type: none"> Records of CSR activities related to sustainability (e.g. training). Records of meetings with stakeholders and identification of local community development needs. (Suggest to add minutes of meetings).

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4.4.4	Employees safety and health	4.4.4.1	An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.	Major	<ul style="list-style-type: none"> - Endorsed by the current top management. - OSH Act 1994 and Factory and Machinery Act 1967(Act139). 	<ul style="list-style-type: none"> - Visual inspection and assessment of internal documents: <ul style="list-style-type: none"> • Occupational Safety and Health Policy. • Records of OSH Committee Meetings, agenda, minutes, attendance list. • Manuals or procedures concerning health and safety. • Safety risk assessments and their controls (periodically reviewed). • Annual training programme on safety aspects e.g. First Aid Training, records of training attendance. • PPE issuance and replacement record. • Accident and emergency response procedures.

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		<p>4.4.4.2 The occupational safety and health plan shall cover the following:</p> <p>a) A safety and health policy, which is communicated and implemented.</p> <p>b) The risks of all operations shall be assessed and documented.</p> <p>c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:</p> <p>i) all employees involved shall be adequately trained on safe working practices.</p> <p>ii) all precautions attached to products shall be properly observed and applied.</p>	Major	<p>a) Policy display in understandable language.</p> <p>- Records of :</p> <p>- Quarterly Meeting</p> <p>- Morning briefing</p> <p>b) Verify risk assessment report e.g HIRARC.</p> <p>c) - Yearly training plan and programme include safety aspects.</p> <p>- Training and records of individuals.</p> <p>- Material Safety Data Sheet (MSDS) / Chemical Safety Data Sheet (CSDS) and label.</p>	<ul style="list-style-type: none"> • Records of accidents and investigations reports. • Internal audit reports concerning safety aspects, possible occurrence of non-conformities, reports on action plan and implementation. • Warning signs installed at all areas with assessed risks e.g. pesticides store, lubricant store. • Evidence of qualification of personnel in charge of safety and health.

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			<p>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.</p>		<p>d) Appropriate Personal Protective Equipment (PPE).</p> <p>e) - SOP. - Storage facilities for PPE and fertilizers. - Check on the compliance to CHRA requirement and Chemical Register requirement.</p> <p>f) - Appointment letter. - OSH committee members.</p>	<p>- Interview personnel concerning:</p> <ul style="list-style-type: none"> • Knowledge of occupational safety and health policy and implementation. • Knowledge of job risks and controls. • Knowledge of accident plans, emergency plans, and use of emergency equipment. • Use of personal protective equipment, the cleaning and storage. • Knowledge of danger and warning signs, safety instructions and emergency actions.

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		<p>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p>		<p>g) - OSH committee meeting. - minimum 4 times a year (OSH Act). - Members representing all categories. - Records of : - Agenda. - Minutes and Attendance.</p> <p>h) - Accident and emergency procedures. - Records of OSHA Accident and Investigation.</p> <p>i) - Records of First Aid Training. - First Aid Kit for external used must be checked. - Guidelines on First Aid in the Workplaces.</p> <p>j) - Accident records. - Review during OSH committee meeting.</p>	<p>- Visual inspection:</p> <ul style="list-style-type: none"> • First aid kits, emergency equipment, personal protective equipment (PPE). • Danger/Warning Signages, Safety instructions, MSDS/CSDS, emergency actions. • Availability of PPE storage facility.

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4.4.5	Employment conditions	4.4.5.1	The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.	Major	- Social Policy (in understand language).	<ul style="list-style-type: none"> - Visual inspection and assessment of internal documents: <ul style="list-style-type: none"> • Availability of signed policy on good social practices e.g. People Policy, Employment & Labour Policy, Sexual Harassment Policy. • Guidelines on prevention of sexual harassment at the workplace. • Employment contract for workers. • Records of registered employees for compliance with minimum age for employment. • Compliance to minimum wage policy and records to show no discrimination in terms of payments of daily wages to workers, records of payments, pay slip available and given
		4.4.5.2	The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.	Major	<ul style="list-style-type: none"> - Equal opportunity statement by the top management. - Interview the workers. 	
		4.4.5.3	Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.	Major	<ul style="list-style-type: none"> - Compliance to Minimum Wage Act 2012 (Mandatory). - Absence of complaints of employee. - Refer to payroll or pay slip. 	

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		4.4.5.4	Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.	Minor	<ul style="list-style-type: none"> - Records of payment by company to the contractors. - Agreement between the management and contractors. 	<ul style="list-style-type: none"> • to workers • Display of working hours at the office notice board. • Temporary housing and amenities acknowledged by Jabatan Tenaga Kerja and local authorities are acceptable.
		4.4.5.5	The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.	Major	<ul style="list-style-type: none"> - Employee registration details. 	<ul style="list-style-type: none"> • Records of CSR/social contributions. • Availability of complaint forms, records of complaints and actions taken to resolve them. - Interview with personnel/employees concerning: <ul style="list-style-type: none"> • Knowledge of policies concerning good social practices such as no discrimination, no forced labour etc. • Knowledge of basic principles regarding equality and non-discrimination. • Compliance with

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		4.4.5.6	All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.	Major	<ul style="list-style-type: none"> - Appointment letter for local workers / workers registration form. - Employment contract for foreign workers. - Any documents related to employment are acceptable. 	<p>laws and regulations with regards to employment, labour rights, immigrations requirements.</p> <ul style="list-style-type: none"> • Compliance with Collective Agreements. • Employment contracts and its contents. <p>Visual inspection:</p> <ul style="list-style-type: none"> - Workers housing and amenities. <p>Refer to the below: ILO Convention 87 – <i>Not ratified by Malaysia</i> ILO Convention 87(1948) Freedom of Association and Protection of Right to Organize ILO Convention 98- Ratified by Malaysia ILO Convention 98(1949) Right to Organize and Collective Bargaining Articles 1- 4</p>
		4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.	Major	<ul style="list-style-type: none"> - Checkroll records. - Display of working hours at general notice board. 	
		4.4.5.8	The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement.	Major	<ul style="list-style-type: none"> - Leave entitlement must be taken. - Pre-approved overtime sheet. - Not more than 104 hours. 	

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		4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.	Major	<ul style="list-style-type: none"> - Record book for contractors. - Further check on checkroll reports the source documents for payslips. - Should be for employees instead of contractors. Contractor management falls under 4.6.4. 	
		4.4.5.10	Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions.	Minor	<ul style="list-style-type: none"> - This must entirely be at the Management discretions – any forms or quanta are acceptable. - The community part is covered under the 4.4.3. This indicator is about benefit for employees only and should not involve the community, the employees or their families. 	
		4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.	Major	<ul style="list-style-type: none"> - Those temporary housing and amenities acknowledged by Jabatan Tenaga Kerja (JTK) and local authorities are accepted. 	

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		4.4.5.12	The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.	Major	<ul style="list-style-type: none"> - Refer to national guidelines on sexual harassment in the workplaces (Sexual Harassment policy). - Absence of complaints (Suggest to add “Any actions taken to prevent or resolve issues shall be documented”). 	
		4.4.5.13	The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.	Major	<ul style="list-style-type: none"> - Foreign workers follow Immigration Act (by state). 	

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		4.4.5.14	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not expose to hazardous working conditions.	Major	- Employment records (Refer to 4.4.5.5).	
4.4.6	Training and competency	4.4.6.1	All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.	Major	<ul style="list-style-type: none"> - Training programme and records. <ul style="list-style-type: none"> • Attendance • Photos • Training contents - Training needs for each operation. - Regular assessment at least once a year. - To include training for group manager for group certification. 	<ul style="list-style-type: none"> - Assessment of internal documents: <ul style="list-style-type: none"> • Training programmes and records such as attendance list, photos, trainers and training contents. • Training needs analysis/matrix for each operation/task. • Appropriateness of training programmes based on workers' competency. • Effectiveness of the training (e.g; on-site assessment).

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		4.4.6.2	Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.	Major	- Training matrix.	Note: Contractors are contract employees.
		4.4.6.3	A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure.	Minor	- Annual training programme.	
4.5	<i>Environment, natural resources, biodiversity and ecosystem services</i>					
4.5.1	Environmental management plan	4.5.1.1	An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented.	Major	- Assessment of internal documents: <ul style="list-style-type: none"> • Availability of signed environmental policy concerning management and protection of the environment according to the applicable laws. • Environmental management plan 	- Refer to terms and definitions in the EAI, ISO 14001. - Additional (Existing) environmental improvement plans initiated by the company can be accepted.

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		4.5.1.2	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations.	Major	<p>which was developed from results of aspect and impact analysis, mitigation and monitoring plans and records of implementation and timelines.</p> <ul style="list-style-type: none"> • Continual improvement programme. • Awareness and training programme on environmental management and improvement plans, minutes of meetings, attendance lists, photos. <p>- Interview of personnel and stakeholders concerning for example:</p> <p>- Knowledge of environmental policy and efforts to protect the environment e.g. compliance to applicable laws.</p>	a) Environmental Policy. b) EAI referred.
		4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.	Major		- Project and proposal for environmental improvement plan. - E.g. Rehabilitation of riparian buffer zone.
		4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan.	Minor		

MSPO Clauses		Indicators		Major / Minor	Guidelines	Supporting document
		4.5.1.5	An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives.	Major		- Records of training for individual employees.
		4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.	Major		- Minutes of meetings. (Can be incorporated with other meetings e.g. OSH meeting. Include this item in the agenda).
4.5.2	Efficiency of energy use and use of renewable energy	4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.	Major	- Records from the base year are to be verified (minimum 3 years baseline value average). - Energy assessment plan.	- Assessment of internal documents: <ul style="list-style-type: none"> • Availability of monitoring records on consumption of non-renewable energy with baseline values observed for 3-5 years. • Records of fuel use by contractors/subcontractors. • Estate annual budget e.g. for fuel,

MSPO Clauses		Indicators		Major / Minor	Guidelines	Supporting document
		4.5.2.2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.	Major	- Estimated annually. - Estate annual budget gauge against actual usage.	electricity compared against the actual usage records - Visual inspection: Any application/new techniques/technology using renewable energy e.g. use of biodiesel in transport, use of solar energy etc.
		4.5.2.3	The use of renewable energy should be applied where possible.	Minor		
4.5.3	Waste management and disposal	4.5.3.1	All waste products and sources of pollution shall be identified and documented.	Major	- Identify all waste products (e.g. scheduled waste, domestic waste, clinical waste). - Identify sources of pollutions (e.g. fossil fuel, spillages of lubricant).	- Assessment of internal documents: <ul style="list-style-type: none"> • Identification of all waste products and polluting activities (e.g. scheduled, domestic, clinical wastes), source of pollution (e.g. emission from fossil fuel use, spillages). • Procedures/management plan developed from waste identification according to the appropriateness and effectiveness, monitoring of

MSPO Clauses		Indicators		Major / Minor	Guidelines	Supporting document
		4.5.3.2	<p>A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <p>a) Identifying and monitoring sources of waste and pollution</p> <p>b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products</p>	Major	<ul style="list-style-type: none"> - E.g. use of POME as a substitute for inorganic fertilizers, EFB mulching for moisture retention, prune fronds stacking to prevent soil erosion. - All used chemical containers must be triple rinsed, punctured and dispose-off through DOE authorized collectors. - Re-used empty chemical containers must be appropriately labeled and only used for spraying purpose. - Records of EFB and POME utilization. 	<p>implementation of plan.</p> <ul style="list-style-type: none"> • Records/documentation on recycling programme. • Standard Operating Procedure for handling of used chemicals in accordance with regulations. <p>- Location map of rubbish pit/landfill</p> <p>- Visual inspection:</p> <ul style="list-style-type: none"> • Use of POME as substitute for inorganic fertilizers, EFB mulching for moisture retention, pruned fronds stacking to prevent soil erosion. • All used chemical containers must be triple rinsed, punctured and disposed-off through DOE authorized collectors. • Re-used empty chemical containers must be appropriately labeled and only
		4.5.3.3	<p>The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.</p>	Major	<ul style="list-style-type: none"> - SOP. 	<ul style="list-style-type: none"> • All used chemical containers must be triple rinsed, punctured and disposed-off through DOE authorized collectors. • Re-used empty chemical containers must be appropriately labeled and only

MSPO Clauses		Indicators		Major / Minor	Guidelines	Supporting document
		4.5.3.4	Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.	Major	- Refer to 4.5.3.2	<ul style="list-style-type: none"> used for storing pre-mix for spraying and non-food purposes. • Sufficient distance of landfill from habitation and water contamination. • Waste segregation centre. • Evidence of zero burning.
		4.5.3.5	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.	Minor	<ul style="list-style-type: none"> - Location map of rubbish pits. - Management to ensure sufficient distance of landfill from habitation and to avoid water contamination. 	<ul style="list-style-type: none"> - SOP for rubbish pit operation: <ul style="list-style-type: none"> • Signage. • Inspection of sites.
4.5.4	Reduction of pollution and emission	4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent.	Major	- In-house assessment records are accepted.	<ul style="list-style-type: none"> - Assessment of internal documents: <ul style="list-style-type: none"> • Identification of all waste products and polluting activities (e.g. scheduled, domestic, clinical wastes), source of pollution (e.g. emission from fossil

MSPO Clauses		Indicators		Major / Minor	Guidelines	Supporting document
		4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented.	Major	<ul style="list-style-type: none"> - E.g. Zero burning, management of water table in peat areas to reduce peat subsidence rate. - <i>Refer to 4.5.3.1, 4.5.3.2, 4.5.7.</i> 	<p>fuel use, spillages)</p> <ul style="list-style-type: none"> • Procedures/management plan developed from waste identification, monitoring of implementation of plan. • <i>Refer to 4.5.3.1, 4.5.3.2, 4.5.7.</i> • Availability of signed commitment on zero burning. <p>- Visual inspection: Best practices applied for management of peat areas.</p>

MSPO Clauses		Indicators		Major / Minor	Guidelines	Supporting document
4.5.5	Natural water resources	4.5.5.1	<p>The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <p>a) Assessment of water usage and sources of supply.</p> <p>b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities.</p> <p>c) Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</p> <p>d) Protection of water courses and wetlands,</p>	Major	<ul style="list-style-type: none"> - E.g Water quality sampling analysis incoming and outgoing sources, quality parameters. - Frequency as requested by the state. - Refer to national and/or local regulations for riparian zones (e.g. DID). - Check regulations for water catchment area. <p>a) Monthly water usage records.</p> <p>b) Water sampling records from quarterly Environmental Monitoring (refer EMP)</p> <p>c) Verify estate records.</p> <p>d) Riparian reserves.</p> <ul style="list-style-type: none"> • Signage's for riparian buffer zones • Briefing training for sprayers and workers 	<ul style="list-style-type: none"> - Assessment of internal documents: <ul style="list-style-type: none"> • Availability of water management plan. • Reports of water quality sampling for incoming and outgoing sources. • Riparian buffer zone management plan and its implementation. - Visual inspection: <ul style="list-style-type: none"> • Riparian buffer zones and appropriate signages. • Water harvesting practices e.g. silt pits, road side drains which are directed to conservation terraces. • Main rivers and natural waterways passing through the estate (e.g. bunds, dams).

MSPO Clauses		Indicators		Major / Minor	Guidelines	Supporting document
			<p>including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate.</p> <p>e) Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</p> <p>f) Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.</p>		<p>e) Action plan and time-bound plan.</p> <p>f) Records of water levels.</p>	
		4.5.5.2	No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.	Major	- Site verification.	
		4.5.5.3	Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).	Minor	- E.g. Silt pits, water bodies, site drains, and diversion of water on site drains at regular intervals.	

MSPO Clauses		Indicators		Major / Minor	Guidelines	Supporting document
4.5.6	Status of rare, threatened, or endangered species and high biodiversity value area.	4.5.6.1	<p>Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:</p> <p>a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.</p> <p>b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.</p>	Major	<ul style="list-style-type: none"> - Observed and examine animal droppings along estate boundaries. - Locality maps. - Take photos of birds and animals and compare to IUCN list. - Internal biodiversity assessment can be accepted. - Biodiversity assessment guidelines. - Displaying of appropriate signage on prohibiting, hunting, and fishing. 	<ul style="list-style-type: none"> - Assessment of internal documents: <ul style="list-style-type: none"> • High conversion value (HCV assessments reports), biodiversity assessments, photographs of wildlife species of flora and fauna inventories compared with lists such as IUN Red List for Threatened Species, Wildlife Conservation Act 2010, Convention on International Trade in Endangered Species of Wild Fauna and Flora 1973 (CITES) • Management plan for conservation of wildlife species from the result of the assessments.

MSPO Clauses		Indicators		Major / Minor	Guidelines	Supporting document
		4.5.6.2	<p>If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <p>a) Ensuring that any legal requirements relating to the protection of the species are met.</p> <p>b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts.</p>	Major		<ul style="list-style-type: none"> If human-wildlife conflicts are present, evidence of collaboration with relevant authorities for mitigation and monitoring activities. <p>Visual inspection:</p> <ul style="list-style-type: none"> For estates with boundaries with gazetted wildlife sanctuaries and forest reserves, observe/examine wildlife droppings at the boundaries. Appropriate warning signages prohibiting illegal activities such as hunting, fishing, cutting of protected flora.
		4.5.6.3	A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.	Major	<ul style="list-style-type: none"> Action plan. If ERT are present. 	
4.5.7	Zero burning practices	4.5.7.1	Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice.	Major	<ul style="list-style-type: none"> SOP for planting and replanting. 	<ul style="list-style-type: none"> Assessment of internal documents: <ul style="list-style-type: none"> Availability of signed written commitment/policy from the management on zero burning

MSPO Clauses		Indicators		Major / Minor	Guidelines	Supporting document
		4.5.7.2	A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop.	Major	- If controlled burning is allowed, examine the official letter of approval from the relevant authority.	practices. <ul style="list-style-type: none"> • Written procedures for planting and replanting. • Official approval letter from the relevant authorities if controlled burning is allowed.
		4.5.7.3	Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws.	Major		
		4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.	Minor		
4.6	Best practices					

MSPO Clauses		Indicators		Major / Minor	Guidelines	Supporting document
4.6.1	Site management	4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored.	Major	- SOP on best practices.	- Assessment of internal documents: <ul style="list-style-type: none"> • Standard operating procedures on best management practices.
		4.6.1.2	Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.	Major	- Appropriate terracing. - Planting of legume cover crops. - In the case of Sabah, no replanting on slopes of 25 degrees and above unless specified in the EIA report and approved by the Environmental Protection Department (EPD). - In the case of Sarawak, no replanting on steep slopes unless specified in the EIA report and approved by the Natural Resources and Environment Board (NREB).	- Visual inspection of: <ul style="list-style-type: none"> • Appropriate terracing on slopes and soil/water conservation measures. • Establishment of ground cover plants at new planting/replanting areas. • Good ground covers in mature areas and encourage regeneration of non-competitive vegetation to avoid bare ground. • Appropriate road design and regular maintenance. • Construction of stop bunds at the terraces to retain water. • Proper cut frond

MSPO Clauses		Indicators		Major / Minor	Guidelines	Supporting document
		4.6.1.3	A visual identification or reference system shall be established for each field.	Major	- Block marking	<p>stacking e.g. along terrace edges</p> <ul style="list-style-type: none"> • In the case of Sabah, no replanting on slopes of 25 degrees and above unless specified in the EIA report and approved by the Environmental Protection Department (EPD). • In the case of Sarawak, no replanting on steep slopes unless specified in the EIA report and approved by the Natural Resources and Environment Board (NREB).

MSPO Clauses		Indicators		Major / Minor	Guidelines	Supporting document
4.6.2	Economic and financial viability plan	4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.	Major	- Operational plan for at least 2 years. - <i>Refer to 4.6.2.3.</i>	<ul style="list-style-type: none"> - Assessment of internal documents: <ul style="list-style-type: none"> • Business or management plan which includes operational plan for at least 2 years projection. • Long-term replanting programme for at least 3-5 years, reviewed annually. • <i>Refer to 4.6.2.3.</i> • Review of business plan for the last 2 years' performance.
		4.6.2.2	Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years.	Major	- Long-term replanting programme.	
		4.6.2.3	<p>The business or management plan may contain:</p> <p>a) Attention to quality of planting materials and FFB</p> <p>b) Crop projection: site yield potential, age profile, FFB yield trends</p> <p>c) Cost of production : cost per tonne of FFB</p> <p>d) Price forecast</p> <p>e) Financial indicators : cost benefit, discounted cash flow, return on investment</p>	Major	- Review of the business plan for the last 2 years' performance.	

MSPO Clauses		Indicators		Major / Minor	Guidelines	Supporting document
		4.6.2.4	The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.	Major	- Monthly management and/or progress reports.	
4.6.3	Transparent and fair price dealing	4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented.	Major	- Monthly estate accounts. - Sales and purchase agreement and/or contract.	<ul style="list-style-type: none"> - Assessment of internal documents: <ul style="list-style-type: none"> • Monthly estate accounts. • Sales and purchase agreement and/or contract, credit terms. • Evidence of timely payment. • Methodology in promoting transparency under this indicator.
		4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.	Major	- Evidence of payment. - Credit terms. - Fair – Period of payment.	
4.6.4	Contractor	4.6.4.1	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.	Major	- Contract agreement with special clause on MSPO indication, and/or self-declaration by the contractor to oblige regards to MSPO requirements (standardize form).	<ul style="list-style-type: none"> - Assessment of internal documents: <ul style="list-style-type: none"> • Contract agreements shall include special clause on MSPO compliance where applicable to them. • Work completion certificate or evidence of
		4.6.4.2	The management shall provide evidence of agreed contracts with the contractor.	Major	- Briefing to the contractor with regards to MSPO. - Interview of contractors.	

MSPO Clauses		Indicators		Major / Minor	Guidelines	Supporting document
		4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required.	Minor	- Contractor auditable. - Site visit of contractor premises if applicable.	<ul style="list-style-type: none"> progress payment reports. • Records of briefing.
		4.6.4.4	The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted.	Major	- Work completion certificate or reports.	<ul style="list-style-type: none"> - Interview of contractors regarding: <ul style="list-style-type: none"> • Awareness on MSPO and requirements.
4.7	<i>Development of new plantings</i>					

MSPO Clauses		Indicators		Major / Minor	Guidelines	Supporting document
4.7.1	High biodiversity value	4.7.1.1	Oil palm shall not be planted on land with high biodiversity value unless it is carried out in compliance with the National and/or State Biodiversity Legislation.	Major	<ul style="list-style-type: none"> - EIA. - Refer to neighboring estates (4.5.6.1). - National and/or State Biodiversity Policy. 	<ul style="list-style-type: none"> - Assessment of internal documents: <ul style="list-style-type: none"> • Environmental Impact Assessment or Proposal for Mitigation Measures (PMM) (where applicable). • Carbon stock analysis (if available). • Biodiversity assessment which was done prior to any new plantings. • Evidence of compliance to the existing regulatory requirements. • Refer to 4.5.6.

MSPO Clauses		Indicators		Major / Minor	Guidelines	Supporting document
		4.7.1.2	No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia's National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required.	Major	<ul style="list-style-type: none"> - Soil map. - Carbon stock analysis (if available). - EIA. - Proposal for Mitigation Measures (PMM) (concise list of requirements relevant to environmental protection). - Refer to 'Akta Perlindungan Alam Sekitar'. 	
4.7.2	Peat land	4.7.2.1	New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice.	Major	<p><u>New Planting</u></p> <ul style="list-style-type: none"> - Evidence of water management programme / plan. - Water level maintenance. <p><u>Replanting</u></p> <ul style="list-style-type: none"> - Existing companies or group best practice management is acceptable. - Refer to 4.5.5.1. <p>Examine records on water level management.</p>	<ul style="list-style-type: none"> - Assessment of internal documents: <ul style="list-style-type: none"> • Procedures for best management practices are implemented. • Water management plan, monitoring and mitigation plan, records of water level management. - Visual inspection: <ul style="list-style-type: none"> • Evidence of water level monitoring and maintenance.

MSPO Clauses		Indicators		Major / Minor	Guidelines	Supporting document
4.7.3	Social and Environmental Impact Assessment (SEIA)	4.7.3.1	A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations.	Major	- SEIA report.	<ul style="list-style-type: none"> - Assessment of internal documents: <ul style="list-style-type: none"> • Refer to 4.7.1 and 4.4.1. • SEIA is a combination of EIA and SIA reports. SIA can be done externally or internally. • Management plan developed from the results of EIA and SIA, implemented, monitored and reviewed. • Development plan reviewed.
		4.7.3.2	SEIAs shall include previous land use or history and involve independent consultation as per national and state regulations, via participatory methodology which includes external stakeholders.	Major	- SEIA report.	
		4.7.3.3	The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed.	Major	- Review development plan	

MSPO Clauses		Indicators		Major / Minor	Guidelines	Supporting document
		4.7.3.4	Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be managed should be documented and a plan to manage the impacts developed, implemented, monitored and reviewed.	Minor	- Details as per requirement of SEIA report.	
4.7.4	Soil and topographic information	4.7.4.1	Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation.	Major	- Government soil map is accepted for approval for planting. - Subsequently a more details soil survey is required.	- Assessment of internal documents: <ul style="list-style-type: none"> • Government soil map. • Soil surveys or soil suitability maps. • Government topography map. • GIS ground verification.
		4.7.4.2	Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure.	Major	- Government topography map is accepted. - Any company GIS ground verification can be accepted.	
4.7.5	Planting on steep terrain, marginal and fragile soils	4.7.5.1	Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws.	Major	- Refer to EIA report.	- Assessment of internal documents: <ul style="list-style-type: none"> • EIA report (<i>refer to 4.7.1</i>). • <i>Refer to 4.7.4</i> • Management blocking. • <i>Refer to 4.7.2</i> for plantings on peat.

MSPO Clauses		Indicators		Major / Minor	Guidelines	Supporting document
		4.7.5.2	Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation.	Major	- Refer to EIA and development plan.	- Visual inspection: <ul style="list-style-type: none"> • Checking of soil erosion and sedimentation control measures e.g. cover crops etc.
		4.7.5.3	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion.	Major	- Soil suitability map and management blocking.	
4.7.6	Customary land	4.7.6.1	No new plantings are established on recognised customary land without the owners' free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	Major	- <i>Refer to 4.7.3.1.</i>	- Assessment of internal documents: <ul style="list-style-type: none"> • A Social Impact Assessment is conducted prior to the start of new planting development project. • <i>Refer to 4.3.3, 4.7.3.</i> • Evidence of rightful ownership. • Review of management plan. • Evidence of land use rights and payment made,

MSPO Clauses		Indicators		Major / Minor	Guidelines	Supporting document
		4.7.6.2	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites.	Minor	- Review management plan.	<p>land use rights documents.</p> <ul style="list-style-type: none"> • Terms and conditions on NCR compensation system which is agreed by the affected parties. • To recognize on-going NCR cases, conduct public search (online) to check for on-going NCR cases. • Employment priority given to those displaced by the plantation development, priority given to qualified/skilled locals. • Court order.
		4.7.6.3	Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available.	Major	- Evidence of land use rights and payment made.	
		4.7.6.4	The owner of recognised customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement.	Major		
		4.7.6.5	Identification and assessment of legal and recognised customary rights shall be documented.	Major	- Refer to land use rights document.	

MSPO Clauses		Indicators		Major / Minor	Guidelines	Supporting document
		4.7.6.6	A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented.	Major	<ul style="list-style-type: none"> - Terms and conditions on NCR compensation system. - Company compensation procedures. - Court settlement (in cases of disagreement). 	
		4.7.6.7	The process and outcome of any compensation claims shall be documented and made publicly available.	Major	<ul style="list-style-type: none"> - Go for public search. - On-going cases shall be recognized. 	
		4.7.6.8	Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development.	Minor	<ul style="list-style-type: none"> - Owners have to prove rightful ownership. - Employment priority given to them. 	

ACKNOWLEDGEMENTS

Members of National Committee for MSPO

Malaysian Palm Oil Board
Felda Agricultural Services Sdn Bhd
Genting Plantations Berhad
IOI Corporation
KLK Oleo
Malayan Edible Oil Manufacturers' Association
Malaysian Estate Owners Association
Malaysian Oil Palm Nurseries Association
Malaysian Palm Oil Association
Malaysian Palm Oil Council
Malaysian Timber Certification Council
National Association of Smallholders
Palm Oil Refiners Association of Malaysia
Sarawak Oil Palm Plantation Owners Association
Sime Darby Plantation Sdn Bhd
SIRIM Berhad
East Malaysia Planters' Association
Palm Oil Millers Association
Tradewinds Plantation Berhad
United Plantations Berhad

Members of Technical Working Committee for MSPO

Malaysian Palm Oil Board
Applied Agricultural Research Sdn Bhd
Boustead Estate Agency Berhad
EPA Management Sdn Bhd
Felda Agricultural Services Sdn Bhd
Felda Holdings Berhad
Felda Palm Industries Sdn Bhd
Genting Plantations Berhad
IOI Corporation
Kulim Berhad
Malayan Edible Oil Manufacturers' Association
Malaysian Biodiesel Association
Malaysian Estate Owners Association
Malaysian Oleochemical Manufacturers Group
Malaysian Palm Oil Association
Malaysian Palm Oil Council
Malaysian Oil Palm Nurseries Association
National Association of Smallholders
Palm Oil Refiners Association of Malaysia
Sarawak Oil Palm Plantation Owners Association
Sime Darby Plantation Sdn Bhd
SIRIM Berhad
East Malaysia Planters' Association
Palm Oil Millers Association
United Plantations Berhad