MAY - JUNE 2024 (For SOPPOA Members Only)

E-NEWSLETTER
SARAWAK OIL PALM PLANTATION OWNERS ASSOCIATION

Chairman's Message

Eric Kiu Kwong Seng

Dear Members,

In May and June, SOPPOA actively engaged in significant events and initiatives that underline our commitment to sustainability and the enhancement of our industry.

We shared a webinar on the assessment of EUDR requirements and the integral role of the MSPO certification scheme. This webinar explored how MSPO can effectively meet EUDR requirements, reinforcing our dedication to sustainability.

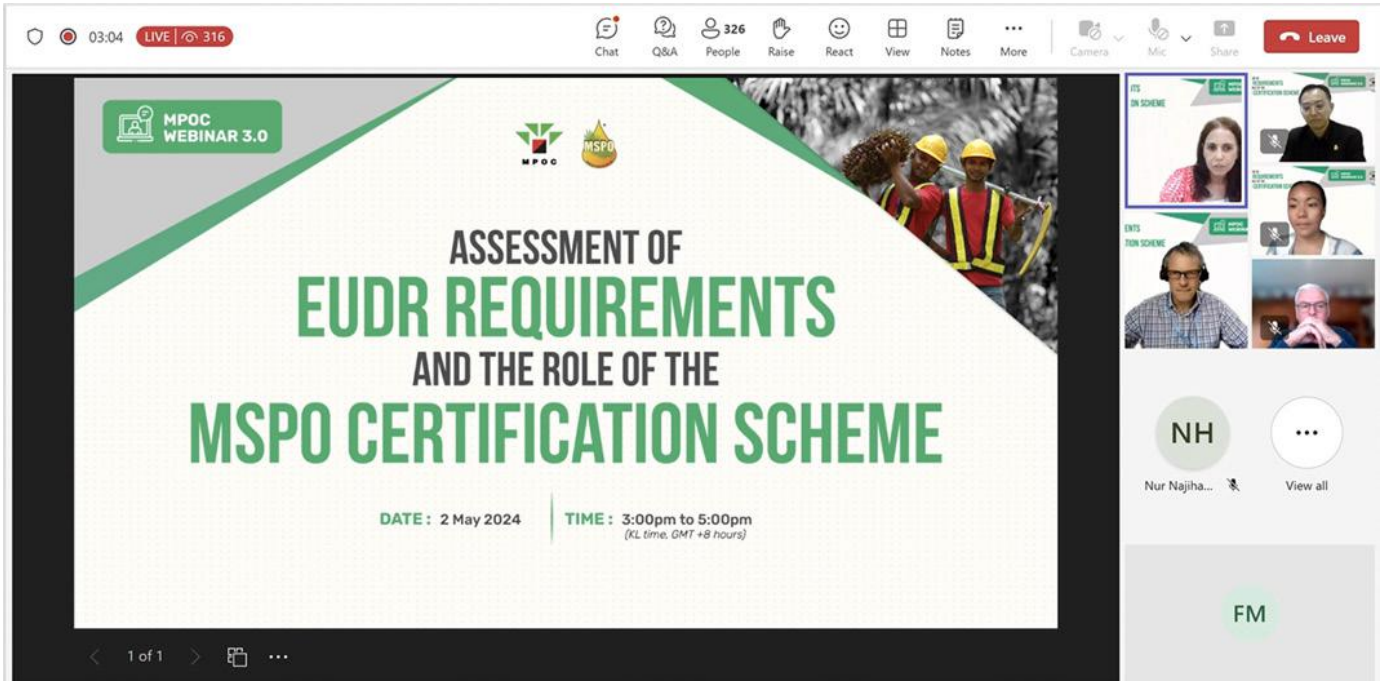
SOPPOA also had the honor to attend the 10-year anniversary celebration of MSPO, an event grace by the Honorable Minister of KPK. In his speech, the Minister highlighted the government's commitment to securing global recognition for MSPO, thereby adding value too our certified entrepreneurs by producing premium, high quality palm oil products.

Moreover, we are excited about the potential of biomass from palm oil as a source for power generation. We are grateful that the Premier has requested Sarawak Energy Berhad to engage with SOPPOA to discuss the way forward in this innovative endeavor.

We extend our heartfelt congratulations to those who successfully graduated with the Certificate in Plantation Management. This milestone program, provided by SOPPOA, marks a significant achievement for our members. Our thanks go out to SBF, MPI, and ISP for their hard work and dedication in making this program a success.

Happy reading!

Webinar On Assessment Of EUDR Requirements And The Role Of The MSPO Certification Scheme On 2 May 2024



1. About the Webinar

The European Deforestation Regulation (EUDR) is a new regulation that places burdens on specific commodities imported into the EU, including palm oil. Controversy has surrounded the impending legislation, as countries from around the globe continue to echo Malaysia's request for a delay.

The Malaysian Palm Oil Council (MPOC) is dedicated to positioning Malaysia as the global leader in certified sustainable palm oil.

As businesses navigate the evolving landscape of environmental regulations including EUDR, the role of certifications such as the Malaysian Sustainable Palm Oil (MSPO) standard becomes pivotal to assist businesses in meeting their regulatory requirements.

This webinar explored the role of MSPO and its ability to meet the EUDR requirements, embracing sustainability, through the two keynote speakers:

1. Dr. Josil Murray, European Forest Institute (EFI),

2. Pierre Bois d'Enghien, a qualified RSPO auditor with extensive experience with rubber and palm oil in southeast Asia, Africa and Europe, and

3. Tan Chee Yong, Manager of Industry, Planning, and Development, MSPO.

2. Joint Gap Assessment – EUDR Information Needs and Information Availability from the MSPO Certification

Established on 1993, the European Forest Institute (EFI) is an international organization focused on promoting forest research, policy, and governance in Europe.

One of EFI's notable projects is the KAMI project aims to reinforce EU-Malaysia and EU-Indonesia partnerships by supporting national processes and international dialogue on sustainable natural resource use with focus on palm oil.

Dr. Josil informed that the gap assessment on EUDR was a joint efforts between EFI and MSPO. The assessment was build on KAMI's preliminary comparative analysis initiated early 2023 looking the EUDR requirements against information available from 4 major palm oil certification standards (MSPO, RSPO, ISPO, ISCC).

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It was at the 1st Ad Hoc Joint Task Force (JTF) on the EUDR conveyed in Aug 23 that EFI was given the mandate to work together with MSPO to develop a more in-depth gap assessment.

Subsequently, the draft findings were presented to a wider audience at the 2nd Ad Hoc JTF in Feb 24.

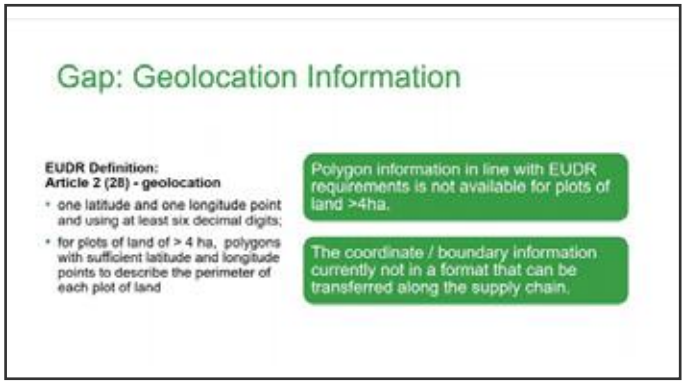
To recap under the EUDR requirements, palm oil, coffee, cocoa, soy, cattle, timber and rubber entering the EU from 31 Dec 24 have to be:

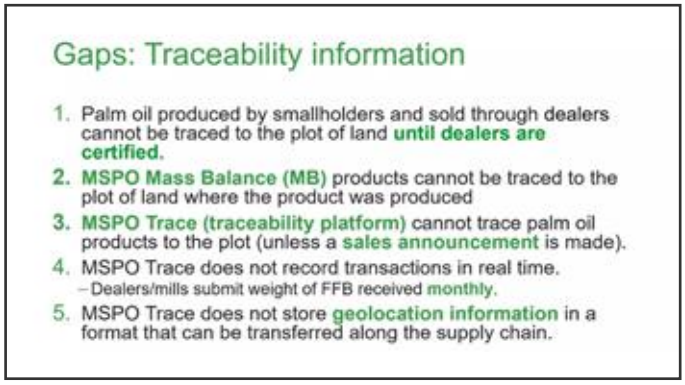
i. Deforestation-free (FAO/EUDR forest definition),
ii. Legal (produced in accordance with the relevant legislation of the country of production), and
iii. Covered by a due diligence statement.

It was crucial to note that EUDR defines deforestation-free under Article 2(13) as commodities were produced on land that has not been subject to deforestation after 31 Dec 2020. Whereas, under Article 2(4) forest as land spanning more than 0.5ha with trees higher than 5m and a canopy cover more than 10%, or trees able to reach those thresholds in situ, excluding land that is predominantly under agricultural or urban land use.

On the other hand, MSPO under Principle 1, Criterion 2: New Planting (Indicator 1) defines deforestation-free as no conversion of natural forest, protected areas and High Conversation Value areas after 31 Dec 2019. For MSPO, natural forest is primary forest, regenerated (second growth) forests, managed natural forests and partially degraded forests.

Based on the assessment, the significant gaps between EUDR and MSPO are as follows:





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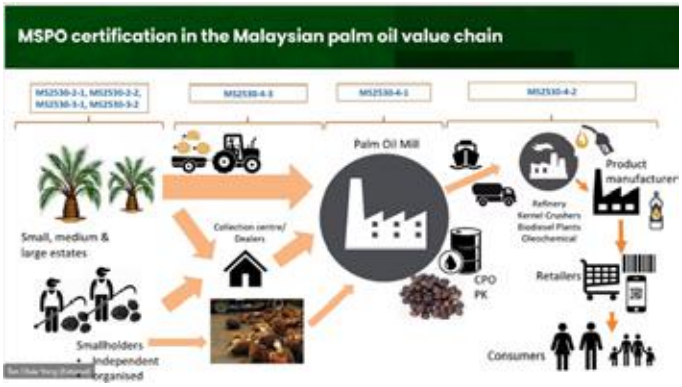
3. Assessment of MSPO Certification Against the Requirements of the EUDR

According to Mr. Pierre, MSPO's Criteria 4.1.2.1 meets the EUDR deforestation requirements through blanket prohibition on deforestation and new planting from 2019 plus HCV. While the MS 2530:2022 Principle 3 contains more exhaustive list of legal requirements (e.g. land ownership, business registrations) compared to EUDR legality requirements.

4. Potential Solutions: How MSPO can meet EUDR

Mr. Tang explained that MSPO MS2530:2022 was developed based on the demographic of the palm oil supply chain in Malaysia. It covers independent smallholders, organized smallholders to plantations which is separated to 2 categories (e.g less than 500ha and more than 500ha in size).

The supply chain also incorporated into this version namely palm oil mill, palm oil processing facilities (e.g. refinery, kernel crasher, oleochemical), and new standard specifically for dealers who are the intermediaries.



There are five principles for MS2530:2022 which cover some aspects of EUDR namely:

i. Management commitment & responsibility,
ii. Transparency,
iii. Compliance to legal and other requirements,
iv. Responsibility to social, health, safety and employment conditions, and
v. Environment, natural resources, biodiversity & ecosystem services.

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The gap assessment conducted together with EFI demonstrated that MSPO are incompliance with EUDR with following improvements:

i. Geolocation:
   - The Upgrade MSPO Trace can be uploaded by CBs and transferred along the supply chain,
   - MSPO Segregated Supply Chain model for EU market and adherence to the MSPO system requirement,
   - Link MSPO Trace with MPOB's Geopalm Portal which has geolocation information that required by EUDR.

ii. Deforestation-free:
   - Identify and publish information on plantations that are deforestation-free (e.g. established before 31 Dec 2020),
   - Use the HCV mechanism to identify and verify deforestation free status of new plantings – aligning forest definition in the HCV Guidelines with the FOA/EUDR definition,
   - Explore the alignment of the MSPO definition of forest to the FOA/EUDR definition of forest.

iii. Legality:
   - MSPO Guidance could include a list of the relevant international conventions to which Malaysia has ratified, and which hold legal force Malaysia especially in relation to human rights to align with information needs of Article 2(40f),
   - Information related to tax, trade, and customs regulations could be made available through declaration for the purpose of EUDR.

E-NEWSLETTER
SARAWAK OIL PALM PLANTATION OWNERS ASSOCIATION
06

Launching Of MSPO 10-Year Anniversary By MSPO 13 May

1. Opening Remarks

Malaysian Sustainable Palm Oil (MSPO) was celebrating its 10th Anniversary recently at Double tree by Hilton, Kuala Lumpur. In the spirit of inclusivity and cultural diversity, the event integrated the celebration of Hari Raya Aidifiltri into this auspicious occasion which was graced by YB minister of Plantation and Commodities (KPK).

The MSPO chairman, Dato Dr. Suzana explained that the mission of MSPO was clear since its inception (then known as MPOCC) in 2014. That was to position Malaysia as a leading producer of sustainable palm oil.

The MSPO certification ensures that every link in Malaysia's palm oil supply chain meets stringent sustainability standards, promoting better management, responsibility and transparency in line with the five core MSPO principles:

i. Management commitment and responsibility
ii. Traceability
iii. Compliance with laws and other requirements
iv. Social responsibility, health, safety, and work environment
i. Environment, natural resources, biodiversity, and ecosystem services.

She acknowledged that the past decade has been filled with challenges, but with the unwavering support from stakeholders-particularly the KPK, MPOB, MPOC, the Malaysian Standards Department, and other palm oil related associations-MSPO has made significant strides in promoting sustainable palm oil.

For future plans and strategic initiatives, MSPO is committed to promoting and negotiating in key import markets to meet the global demand for MSPO-certified palm oil and palm products.

2. Ministerial Speech

I. Background

The palm oil industry is a cornerstone of our nation's economic growth. As the second largest producer of palm oil globally, Malaysia has exported approximately 80% (or 14,8 mil tons) of our 18.6 mil tons of palm oil output in 2023. This sector contributes 3% to our Gross Domestic

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Products (GDP) and provides livelihoods for over 1 mill individuals.

Palm oil production is notably more efficient and economical compared to other cooling oils like soybean, rapeseed, and sunflower oil. Malaysia plays a pivotal role in ensuring global food security. Despite this, Malaysian palm oil often faces unfounded accusations and protectionist policies favoring other cooking oils.

II. MSPO Guarantees Sustainable Palm Oil Production

The government prioritizes environmental sustainability, aligning out economic development with efforts to preserve the environment. Our commitment includes maintaining forest cover above 50% and reducing gas emissions intensity by up to 45% by 2030.

Given the sustainability focus of palm oil importing countries, adhering to sustainable practices is increasingly crucial. Policies such as the EU Deforestation-free Regulation (EUDR) significantly influence the demand for sustainable palm oil. Thus, implementing sustainable practices can enhance the economic value of our palm oil products.

Since its inception, MSPO has successfully ensured that the palm oil industry adheres to sustainable practices. The commitment addresses climate change, biodiversity conservation, greenhouse gas emissions, and fair labor practices.

The MSPO certification provides assurance to buyer regarding compliance with internation sustainability standards. The government remains dedicated to securing global recognition for MSPO, thereby adding value to our certified entrepreneurs. Malaysia can produce premium, high quality palm oil products while maintaining competitiveness.

III. MSPO's Success Over 10 Years

Over the past decades, the combined efforts of the government and industry players have significantly enhanced the sustainability of the palm oil industry. As of April 24, 4.94 mil hectares (87.4% of the oil palm area), 407 out of 446 palm oil mills, and 151,152 smallholders (covering 542,215 hectares) have been certified.

MSPO has gained various recognitions and signed several Memorandum of Understanding (MoUs) with stakeholders in countries like Japan, China, India, Mongolia, and the Philippines. Additionally, an MoU with the Halal Department Center to promote palm oil products to the global halal market.

Recently bilateral discussions between the Ministry and the EU regarding the EUDR and MSPO have yielded positive responses. The EU has acknowledged Malaysia's efforts to reduce deforestation and our commitment to producing sustainable commodity products.

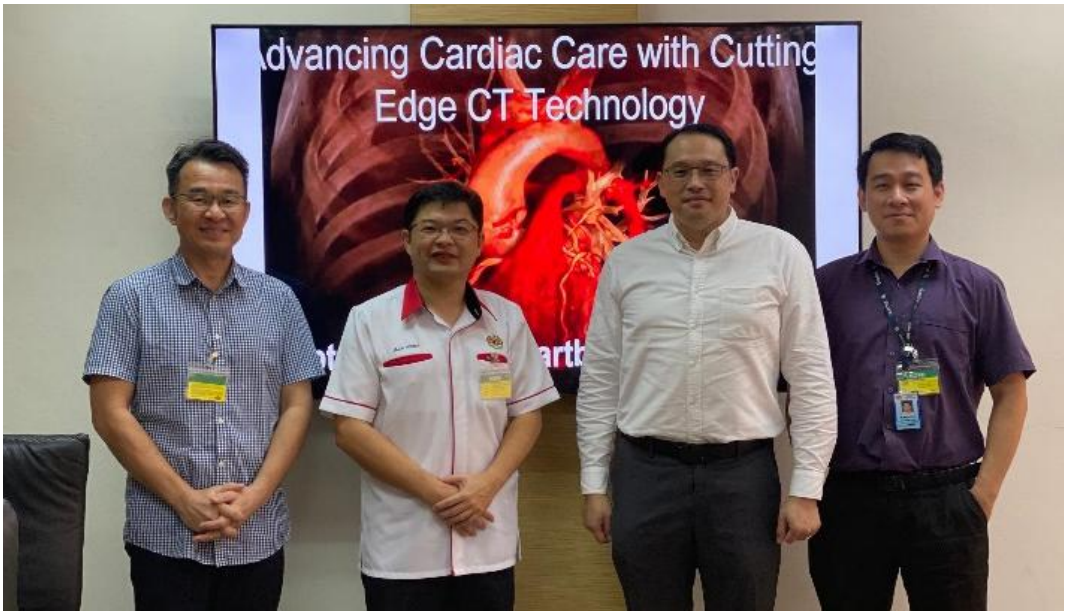
IV. MSPO Updated to Stay Relevant

To ensure MSPO continue to add value to oil palm oil industry, MSPO needs to remain dynamic and responsive to the ever-evolving global priorities.

The ministry will ensure that the MSPO certification scheme is continually improved to meet international sustainability standards, particularly regarding traceability, deforestation-free practices, legal land ownership, and fair labor practices.

These are achievable through MSPO 2.0 standard, which aims to enhance certification credibility through the inclusion of addition elements.

Courtesy Call From Head Of Miri General Hospital On 28 May



1. What is Angioplasty Equipment

Angioplasty equipment is used in a minimally invasive procedure to open or blocked blood vessel that supply to the heart.

A biplanar angioplasty equipment refers to an angioplasty setup that includes imaging system capable of providing two-plane (biplane) view simultaneously. This setup enhances the precision and safety of the procedure by allowing the interventional cardiologist to see two different angles of the blood vessels in real-time.

2. What is CT Scan Equipment

A CT scan is a medical imaging procedure that uses X-ray technology and computer processing to create detailed cross-sectional images of the body. These images can be assembled into a three-dimensional view, allowing for a comprehensive examination of the internal structures.

CT scans are a crucial tool in modern medicine, offering precise and detailed views of the body's internal structures, aiding in the effective diagnosis and treatment of various conditions.

3. Purpose of the Meeting

The purpose of the meeting between the head of Miri Genera Hospital and SOPPOA was to discuss possible funding for acquiring crucial medical equipment for the hospital.

In this context, SOPPOA is considering to working out a formula to sponsor either one of these equipment for Miri General Hospital as part of its corporate social responsibility (CSR) demonstrates a proactive approach to corporate citizenship and community development. It will not only address immediate healthcare needs but also contributes to broader social and economic well-being in the region.

Angioplasty Equipment

CT Scan Equipment

Dialogue On Potential Of Palm Oil Biomass For Power Generation On 5 Jun

Representative from SOPPOA.
(Front row from left): Krishan Singh A/L Dulup Singh; Dato' Jin Kee Mou; Dr. Felix Moh Mee Ho; Tian Foon Howe; Kong Chong Ming.
(Back row from left): Tiong Heng Chiong; Chung Yong Hui; George Anak Akam; William Wong; Jeffery Tiong Ik Peng; Ngang Tuong Thai.

1. Introduction

This meeting was organized by the Ministry of Energy and Environmental Sustainability Sarawak (MEESty) in response to the directive from YAB Premier of Sarawak to explore the potential of using palm oil biomass as source for sustainable power generation.

The meeting was attended by the representatives from MEESty, SOPPOA and Sarawak Energy Bhd (SEB).

2. Presentation by MEESty

Besides than woody biomass, SOPPOA can also help to explore biomass potential in Sarawak in line with Post Covid-19 Development Strategy 2030 and following Sarawak's direction to achieve 10GW of energy generation by 2030.

There are 3 volumes of PCDS detailed reports of which volume 2 will be focusing more on Renewable Energy such as biomass and can be downloaded from EPU website.

3. Presentation by SEB

Malaysia is the world's second largest oil palm producer. Based on the National Biomass Action Plan 2023-2030, there is an estimated biomass resources of approximately 182.6 mil tons per annum and 85% of it derived from the oil palm biomass industry.

The National Energy Transition Roadmap launched in Au 23 indicates that there is potential for bioenergy generation derived from empty fruit bunches (EFB), mesocarp fiber (MF), and palm kernel shell (PKS) amounting to 2,300MW in Malaysia.

Based on Malaysia Renewable Energy Roadmap (MyRER) launched by SEDA in 2021, Sarawak has a biomass power generation potential of about 448MW.

There are 1.6 mil hectares of palm oil plantation throughout Sarawak which are mainly located in Bintulu and Miri, indicating high potential of palm oil biomass to be utilized.

However, lack of policy/framework to incentivize and govern biomass power generation in Sarawak compared to Peninsular Malaysia and Sanah where biomass power generation is promoted under the Feed-in-Tariff (FIT) Scheme governed by SEDA.

Under the Sabah Energy Roadmap and Masterplan 2040, the Sabah government is exploring the introduction of State distribution of biomass supply policy that will mandate a minimum requirement for EFB to be made available for biomass power generation.

4. Presentation by SOPPOA

Oil palm plantation produces abundance of biomass, mostly originated from the oil palm tree itself (frond, fruit and trunk).

Generally, the MFs are generally used to generate power for the palm oil mill, while kernel shells were exported to Japanese market.

The Sarawak palm oil industry generates approximately 8-10 mil tons of EFB biomass per year. This EFB possess problems to some mills as the biomass is considered waste which takes up a lot of space and creates uneasy odor as it decays.

Palm oil mill effluent (POME) is also another by-product from the mill. Generally, 1 ton of CPO processing produces about 1 ton of POME.

With the abundance availability of palm oil biomass in Sarawak, SOPPOA sees opportunities in repurposing the biomass into value-added products which can contribute to economic growth, which includes power generation.

Challenges identified by SOPPOA associated with palm oil biomass power generation are mainly the technological

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barriers, readiness of infrastructure economic viability, regulation hurdles and lack of market.

SOPPOA concluded the presentation with the remark that support and commitment from the public sector is the key enable to move forward with biomass initiative such as biomass power generation.

5. Open Discussion

5.1 Current Government Initiative

MEESty mentioned that approximately 60% of EFB remains available and could be utilized. It would be excellent if this could be used for power generation.

The government will encourage and support in terms of policy points of view, and that policies are being developed under MEESty.

5.2 Proposed Biomass Collection Center

Apart from palm oil biomass, municipal waste may have the potential to be converted to energy whereby waste has already been collected in different cities within Sarawak.

SEB enquires if an EFB collection center is established, would palm oil millers be willing to send their waste there as a waste management collection center. Is this arrangement acceptable to the mill owners.

SOPPOA informed that the business model is highly dependent on the location of the mills. If it is far away, SOPPOA is of the view that palm oil millers may not be willing to send the waste to the collection center as it is costly to transport.

5.3 Palm Oil Biomass Usage

SOPPOA reiterated that EFB is not entirely considered as waste, as some palm oil millers are using it as fertilizer due to its high content of biofertilizer elements.

In the current market landscape, millers in palm oil industry are making minimal profit margin, as such the millers need to find ways to generate revenue from the biomass waste and it is not beneficial to supply the biomass for power generation at no cost. The millers will need to explore how to monetize the biomass waste to ensure the industry's survival. The locality of the palm oil mill is the major factor in deciding the viability and the scale of potential biomass power generation.

5.4 Scale of Biomass Power Plant

From SEB's perspective, the miller should explore multiple ways to make good use of the biomass whichever that is economically feasible to the millers and SEB is open to collaboration should SOPPOA is interested in exploring biomass power generation in Sarawak.

In terms of palm oil biomass power generation, there is a need to determine the best approach to do power planting up, whether by building a bigger power plant near a centralized biomass collection center or smaller power plants in the vicinity of mills and assess the option technically and economically, on the point that each party will have to bear in mind that Sarawak's current electricity tariff is among the lowest in ASEAN region.

5.5 Energy Storage

Due to the remoteness of each mill location throughout Sarawak, SOPPOA asked whether it is workable to store the electricity using a storage solution?

SEB informed that storage solutions today are very capital intensive. This is the reason why SEB produces electricity as when is needed to match the power demand requirement.

5.6 Challenges and Prospects of Biomass Power Generation

SOPPOA would like to understand how much SEB/IPP is willing to pay for the biomass to generate electricity. If SOPPOA/the millers are to become IPPs, an additional RM10-20 mil investment is required in their equipment and systems, which seems very challenging especially for small players.

From SOPPOA's perspective, as time goes by with the improvement in transportation system, biomass transportation costs may eventually decrease. Despite some criticism on palm oil mills regarding biomass waste issue, the biomass could be value-added in the long term by converting it into biofertilizer or other purposes including for power generation if the business case is viable.

5.7 Collaboration

It is recommended to further engage SEB regarding biomass power generation, Despite high investment costs, from a strategic interest point of view especially in the premium associated with electricity produced from biomass power plants, the development cab be feasible.

SEB also expressed willingness to work with SOPPOA to identify the challenges in relation to biomass power generation and suggested to organize more discussions particularly on the cost of recovery and SOPPOA as a strategic partner to collaborate with as its members are the custodian to the biomass feedstock.

Business Meeting with the Association of Indonesian Migration Worker Service Providers (APJATI) on 10 Jun

1. Who is APJATI

The Association of Indonesia Migration Worker Service Providers (APJATI) is a professional organization in Indonesia that represents agencies and companies involved in the recruitment, placement, and management of Indonesian migrant workers (IMWs).

APJATI plays a significant role in facilitating and regulating the migration process for Indonesian workers seeking employment abroad, ensuring that the rights and welfare of these workers are protected.

2. Purpose of Engagement

The visit of APJATI to Kuching on June 10, was primarily focused on enhancing the collaboration between Indonesia and Sarawak regarding migrant workers.

The delegation from APJATI aimed to discuss and address issues related to the welfare, rights and working conditions of IMWs in Sarawak.

3. Remarks of the Consulate General of the Republic of Indonesia (KJRI), Kuching

In his speech, the Consulate General highlighted the necessity for a significant workforce to support Sarawak's continuous economic development and growth. Among the approximately 65,000 IMWs in Sarawak, including those who are undocumented, more than 45% are employed in the palm oil sector.

Furthermore, palm oil is envisioned to become a cornerstone for renewable energy by the Sarawak government. However, addressing labor aspects is crucial for stakeholders across the industry.

The Consulate of Indonesia in Kuching supports the tagline "Happy Workers, Enhanced Productivity," by APJATI which offers a win-win solution for both workers and companies. It emphasizes the need for effective solutions to mitigate the negative impacts of undocumented workers.

He also commented the Sarawak government on prioritizing Indonesian worker employment and launched the Rekalibrasi Tenaga Kerja (RTK) 2.0 policy in 2023, which continues in 2024 to address the issue of undocumented IMWs.

4. Additional Undertakings of the KJRI, Kuching

i. Issuance of Job Orders - Ensuring legal documentation and contractual rights for workers. The Consulate has issued 466 Job Orders for 30,095 workers in formal occupations through the SIPERMIT online application.
ii. Legal Advocacy and Socialization - Offering direct complaint services, hotlines, letters, emails, and legal assistance in court with in-house lawyers.
ii. Deportation and Repatriation Assistance.
iii. Document Preparation - Reaching out directly to various plantations to reduce costs for IMWs, eliminating the need for intermediaries.
iv. Provision of Shelters - Providing shelters in Kuching for stranded IMWs awaiting repatriation to Indonesia.
v. Community Learning Centers (CLCs) - Establishing CLCs in various plantations in Sarawak for the children of IMWs.

These initiatives aim to protect and enhance the welfare of Indonesian workers in Sarawak, ensuring they are treated fairly and their rights are upheld.

Global Health Policy : How Today's Trends Will Impact Malaysian Palm Oil's Future By MPOC On 20 Jun

1. Introduction

MPOC Webinar 4.0 focused on how palm oil interacts with and responds to global health policy. This topic is crucial for the industry, given the many challenges it has faced in disseminating accurate information about palm oil.

As a food product, palm oil is subject to numerous international standards and regulations, including food labeling, health policies, and dietary guidelines. The rapid dissemination of information on the internet and the rise of various diet trends expose consumers to a substantial amount of misinformation and pseudoscience.

This webinar will address these developments and the high-level health policy debates in both the EU and the US, as these regions significantly impact palm oil trade and its public perception.

As a crucial global food product, palm oil is regulated worldwide. Producers are leading efforts to comply with health-related regulations and improve standards.

Malaysian palm oil exporters have long-standing relationships with global customers who demand high standards in both sustainability and health.

Malaysian palm oil is not only of high quality but also one of the most versatile vegetable oils in the world, used in a wide range of products. Despite this, consumers and regulators face an influx of pseudoscience, particularly online or on social media, often unfairly targeting palm oil and creating health scares.

2. Analysis of Global Health Trends Impacting Malaysian Palm Oil by Dr. Jonathan Ellen

He stressed that global public health policy around nutrition is influenced by NGOs, public policy leaders, and businesses, and the media. These influencers have ability to shape consumer demand, supply chain availability, and the perception of health/science.

These negative forces have influenced the Malaysian palm oil discussions leading in many instances to short-sighted and poorly informed public health policy around palm oil.

He advised that the authorities have to monitor and respond to bad policy in simpler terms and directly.

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He took the opportunity to remind the participants that palm oil consists of 50-50 unsaturated and saturated fats. Saturated fats are not harmful as part of a balance diet and most importantly it does not contain trans fat.

Research has found micronutrient benefits of Malaysia palm oil that also actively helps address food inequality in Western markets and low-income markets.

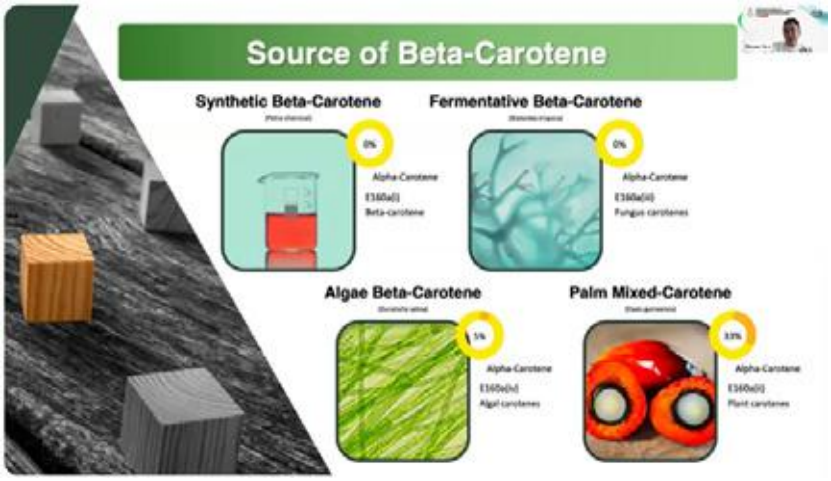
3. Emerging Trends in the Nutraceutical Market: The Health-Promoting Potential of Palm Bioactives by Bryan See

The crude palm oil (CPO) contains 99% triglycerides and 1% phytonutrient. The phytonutrients consist of tocotrienols, tocopherols, plant squalene, carotene, phytosteroids, coenzyme Q10, polyphenols and phospholipids.

Bioactives like medium chain triglycerides (MCT) and some water-soluble phenolic compounds can also be extracted from palm kernel.

3.1 Tocorienols and Tocopherols

The main difference between tocotrienols and tocopherols is that the former has unsaturated isoprenoid side chains, whereas the latter has saturated isoprenoid chains. These two compounds belong to the vitamin E family.



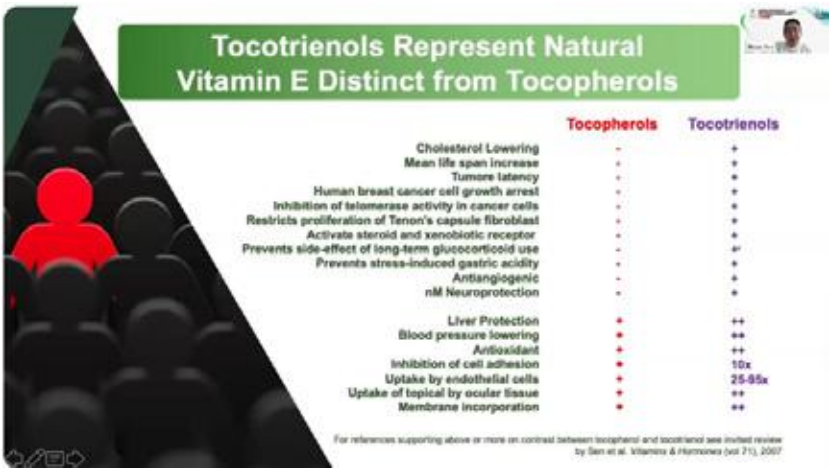
Both tocotrienols and tocopherols are potent antioxidants, which means they have the ability to neutralize harmful free radicals in the body.

They are both fat-soluble vitamins, meaning they are absorbed and transported in the body with the help of dietary fats.

Because of molecular structure, tocotrienols possess unique biological activity compares to tocopherols.

3.2 Carotenoids

Elaeis guineensis contains approximately 500-700 ppm of carotenoids, of which 66% are beta-carotene, 33% alpha-carotene, and 1% of other carotenes (gamma-carotene, lycopene).



Comparatively, CPO contains 15-time more carotene than carrot.

However, commercially palm oil is not the only source for phyto-carotene. Nevertheless, E160 is a food additive code used in the European Union to identify a group of carotenoids used as colorants in food. For example:

i. E160a(i) alpha-carotene – a natural carotenoids found in various plants.
ii. E160a(ii) beta-carotene – for beta-carotenoids which is also a precursor to vitamin A.

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Carotenoids have been related to a number of health benefits. Their dietary intake and circulating levels have been associated with a reduced incidence of obesity, diabetes, certain types of cancer, and even lower total mortality.

3.3 Nutraceuticals Market

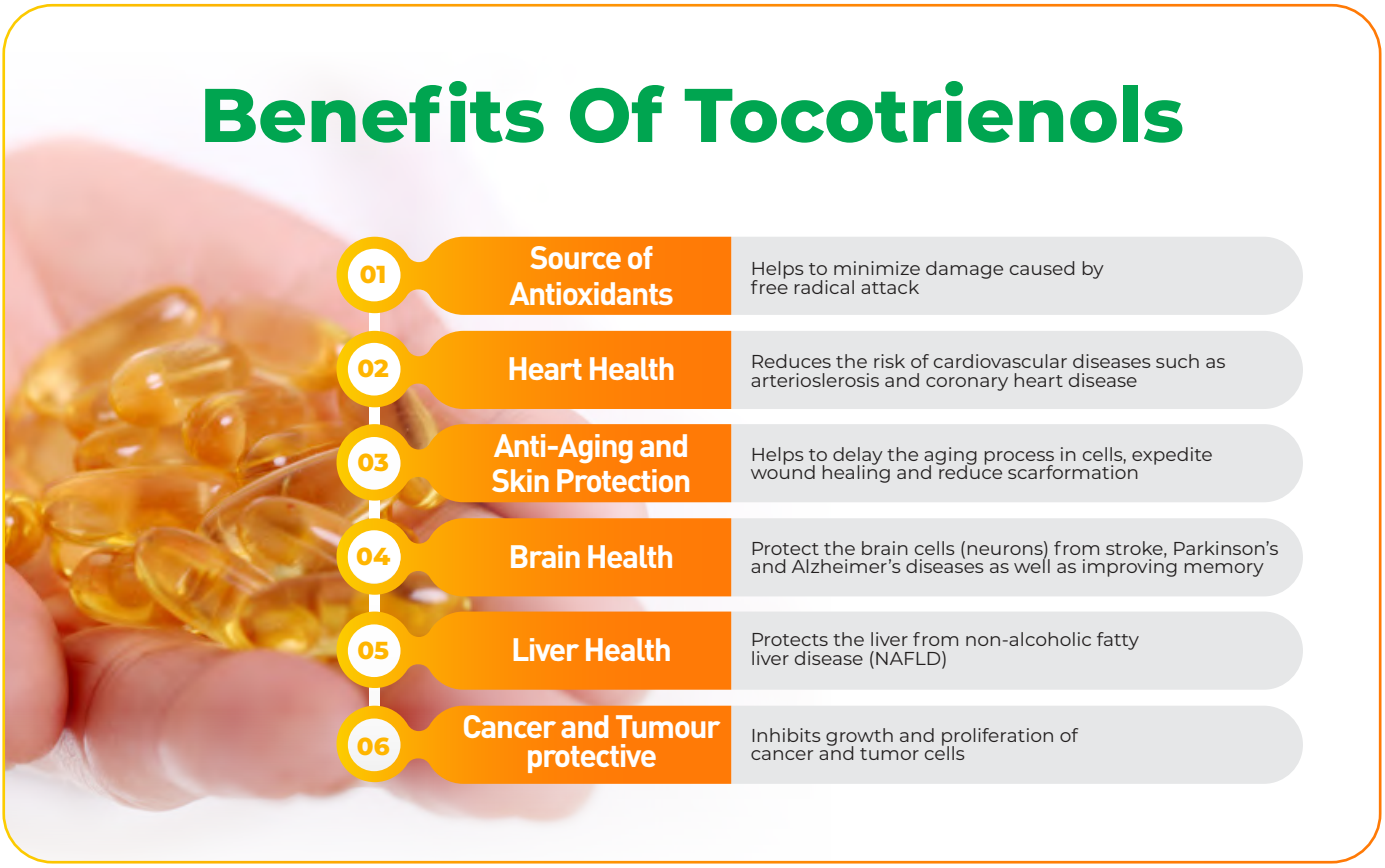
Last the nutraceutical market was valued approximately USD419.9 bil compares to this year estimated to reach USD457.4 bil, reflecting an annual growth rate of 9.95%. With this, the global nutraceutical market is projected to achieve USD979.7 bil by 2032.

The increase of nutraceutical products driven by several key factors such as:

i. Increase demand for natural products due to health consciousness and preference for clean lables.
ii. Human clinical studies and scientific validation leads to consumer trust and regulatory approval.
iii. Increase of awareness of sustainability.
iv. Diverse applications especially in functional food markets.

3.4 Future Prospects

i. Advancements in extraction techniques – innovative methods, such as supercritical fluid extraction, are being developed to enhance efficiency of extracting bioactives from palms. These method offer increased yield and purity, making the process more cost-effective and environmental friendly.
ii. Expand research and formulation – ongoing clinical studies are exploring the health benefits of palm bioactives, such as tocotrienols, carotenoids, and phenolic compounds. These studies aim to provide robust scientific evidence supporting the use of palm bioactives in nutraceuticals.
iii. Regulatory approval and market access – gaining regulatory approval is critical for the commercialization of palm bioactives. Ongoing efforts are focused on meeting stringent requirements set by regulatory bodies. Successful approval will open up new markets and increase consumer confidence in these products.



Certificate Of Plantation Management Graduation Ceremony 24-25 Jun

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COLUMN

SBF: New milestone with certificate of plantation management programme

The programme encompasses seven modules from supervisory and leadership skills to plant and soil biology, estate engineering, to good agricultural practices, and plantation bookkeeping.

KUCHING: Sarawak Oil Palm Planters & Owners Association (Soppoa) announces the completion of two cohorts of certificate in plantation management(CPM) programmes in Sibu and Bintulu under the Recovery BizFund initiative made available by the Sarawak government via Sarawak Business Federation (SBF).

Methodist Pilley Institute in Sibu is the appointed training provider which conducts the programme.

CPM is a professional certification programme by the Incorporated Society of Planters (ISP), the 105-year-old oldest institution and certifying body on plantation management in Malaysia.

The programme encompasses seven modules from supervisory and leadership skills to plant and soil biology, estate engineering, to good agricultural practices, and plantation bookkeeping.

It is purported to equip participants with essential skills in plantation management as well as to cater for the evolving needs of the oil palm industry in Sarawak.

"We are encouraged to see many oil palm plantation companies sending supervisors and managers to participate in the programme.

"At the completion of the first two batches conducted in Sibu and Bintulu, many participants have forged new friendship and fellowship, supporting and encouraging one another to a new level of knowledge and understanding to a win-win in the oil palm industry for Sarawak," commented Eric Kiu, chairman of SOPPOA when asked to share on the programme.

Commenting on CPM in Sarawak, ISP chief executive Rajindran Irusan said, "It is the first for ISP that Certificate in Plantation Management is brought into Sarawak and taught outside Peninsular Malaysia.

"Therefore, our ISP Board are truly excited to see a new strategic partnership with Sarawak through training and development for the plantation industry in Sarawak."

Methodist Pilley Institute chief executive officer/principal Hii King Kai said, "Other than CPM, ISP also offers a self- study diploma (LISP) and Advanced diploma (AISP) for planters which are industry recognized.

"We are pleased to announce a new batch of 30 slots are now open for registration in Sibu, scheduled to commence in July 2024 and to complete by November 2024.

"CPM modules are conducted twice a month, usually on Fridays and Saturdays."

In addition to the CPM programme, Methodist Pilley Institute also conducts operational modules in harvesting, pest and disease control, and fertilising for oil palm planters under the same SBF Recovery BizFund initiative.

For more information on these training programmes, please connect with MPI Corporate Training Unit at corp.training@pilley.edu.my or 011-5556 8859, or SBF Secretariat at secretariat@sbf.org.my or 014-621 9016.082-237148.

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Congratulations to our team, Certificate of Plantation Management students on receiving their certificates at the graduation ceremony, Promenade Hotel Bintulu, on 25 Jun 24.
Present: Mr. Hii King Kai, Principal MPI; Mr. Eric Kiu Kwong Seng, Chairman SOPPOA; Mdm Anne Kung Soo Ching, Co-chair, SBF Recovery BizFung Initiative; Datuk Hj. Daud Hj. Amatzin, Chairman ISP; Mr. Rajindran Irusan, CEO ISP.

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From..13

達烏：聰慧有能力 鼓勵女性加入種植業

（詩巫24日訊）种植者协会主席拿督达乌说，女性的能力毋庸置疑，不要低估女性群体，反之应该鼓励更多女性加入种植领域。

达乌今早于毕理学院、种植者协会、砂拉越油棕种植业者协会及砂拉越商业联合总会联办的种植管理课程毕业礼致词指出，种植业到有超过110年的发展历史，因为刻板传统印象，这一百多年来低估女种植人、女性农学家在这领域发展的技能、生产力和实力。

“今天种植领域依然由男性主导，男种植人是主要参与者，但我们要改变这情况。女性聪明有智慧，我们要鼓励更多女性参与，提高她们在种植领域的参与度，贡献她们的能力。”

他称，种植领域非常广泛，在砂拉越除了油棕，还有胡椒、槟榔种植业。砂拉越的油棕种植面积约有163万公顷，推产量不到全国的平均产量，其中是否关乎人力、环境条件等都是值得思考的。

“这批种植管理课程的30名学员都是在种植领域工作，这也成为种植者协会会员的首要条件，欢迎大家成为我们大家庭的一员。这项课程有助加强种植人专业领域的知识与技能，必须投办。”

达乌勉励种植领域参与者在提升自我的过程中要秉持好态度、掌握技能、汲取知识、经验的累积和保持自律。任何种植领域相关的问题，可联络种植者协会寻求协助。

种植者协会主席达乌（右五）颁发种植管理课程毕业证书给学员。左二起为砂拉越油棕种植业者协会首席执行员毛维浩、主席邱冠森、毕理学院院长许钧凯；右三起为毕理学院董事副主席郑仁彬、种植者协会首席执行员拉雷达戈。

种植管理课程31名毕业生与毕理学院、种植者协会、砂拉越油棕种植业者协会、砂拉越商业联合总会、企业等代表于毕业礼上合影。

邱冠森：抱持開放學習心態 善用優勢推動種植業

（诗巫24日讯）砂拉越油棕种植业者协会主席邱冠森指出，油棕是砂拉越重要的经济来源之一，过去两年油棕业至少为砂带来10亿令吉的收入。

他说，在教育这一块，砂拉越油棕种植业者协会扮演促进和推动种植人的专业知识，希望毕业学员们今后在种植领域发挥所学，培进种植业的产量。

他今早于毕理学院、种植者协会、砂拉越油棕种植业者协会及砂拉越商业联合总会联办的种植管理课程毕业礼致词时称，种植人是砂拉越经济的贡献者。在自我提升的层面上，各种植领域的参与者抱持开放、互相学习和分享资讯的心态，大家应该善用这些优势来推动领域的发展。

“这次毕业的学员们可在公司、岗位上、同事或朋友圈协助宣传种植管理课程，让更多人参加这项课程，一起学习和成长。”

许钧凯：盼砂政府助办课程

毕理学院院长许钧凯盼砂拉越政府提供进一步的援助，在全砂各地举办种植管理课程。

他说，首批种植管理课程共有30名学员完成为期3个月的密集课程。是项课程由砂拉越商业联合总会赞助，旨在提高砂拉越种植领域参与者的劳动技能。

“这项培训熟练人力和专业知识人才的课程得到企业界踊跃的响应，支持也鼓励他们同下的员工参与，讲师的教导，经验分享与指导让学员们收获良多。”

“截至目前，分别有24个来自诗巫和民都鲁的砂拉越油棕种植业者协会会员从种植管理课程中受惠。据我了解，至少另外还有69人可以参与这项课程。”

此外，他称，毕理学院将与种植者协会保持密切的合作，包括提供种植管理文凭课程，以增强参与者的专业技能和知识。

“Regardless of how much experience or how many years we all dedicated in our current profession, there always something new to learn…..we should all embrace a mindset of lifelong learning” (Mr. Stanley Wong Tiing Yew)

“Kita memang perlu pengetahuan dalam pekerjaan kita. Jadi kursus CPM ini memang memberikan banyak ilmu tambahan kepada saya dalam bidang perladangan kelapa sawit” (Mr. Edwin Anak Jeluing)

“This program that covers wide range of oil plantation management modules has benefited a lot of SOPPOA member. Also, what valued most was sharing ideas, experience and knowledge among the peers of different backgrounds”. (Mr. Wong Kiing Chai)

Sesi Libat Urus Bersama Pihak Berkepentingan Berkaitan Keperluan Penilaian HCV MSPO Untuk Penanaman Sawit Baharu Di Tanah NCR Bagi Wilayah Sarawak On 26 Jun

1. MSPO 2530:2022

MSPO 2530:2022 is the Malaysian Sustainable Palm Oil (MSPO) certification standard, which provides guidelines and principles for sustainable palm oil production in Malaysia.

This updated version, from 2022, covers various aspects of palm oil production, including environmental management, social responsibility, and economic viability, to ensure the industry operates sustainably and ethically.

The standards aims to improve the sustainability practices of palm oil producers, protect the environment, and support the rights and welfare of workers and local communities.

To achieve these goals, MSPO has invited stakeholders, including public sector representatives, to exchange views and provide input on improving guidelines for new oil palm plantings and the management of High Conservation Value (HCV) areas on Native Customary Rights (NCR) land in Sarawak.

2.1 New Planting Definition

- is a planned or proposed planting on land not previously cultivated with oil palm.

2.2 MSPO Requirements on the New Planting

i. 4.1.2 Criterion 2

- New Planting, new plantings are carried out with consideration of land status and size, current land use, soil type and topography, alignment with authorities' land use plan, and industry-related government policies.
- Comprehensive HVC, environmental and social impact assessments are undertaken prior to new plantings and a management plan is implemented, monitored and regularly updated during operations. New plantings on peat land, terrain/slopes exceeding 25o/300 m above sea level, fragile and marginal soils are prohibited unless permitted by the state authorities that have jurisdiction over land matters.
- No new plantings are carried out on customary land without the owners' free, prior and informed consent (FPIC).

Cont.18

From..17

ii. 4.1.2.1 Indicator 1

- New plantings shall be carried out with the consideration of the followings:

  a. No conversion of natural forest, protected areas and HCV areas after 31 December 2019.
  b. Updated information on soil types and topography new planting on the following shall be prohibited unless permitted by the state authorities that have jurisdiction over land matters:

     - Steep terrain exceeding 25o,
     - Areas located 300 m above sea level,
     - Fragile and marginal soils,
     - Peat land,
     - Riparian zones.

Note: Appropriate and viable conservation measures shall be adopted and implemented to minimise adverse impacts.

Natural Forest Definition

MS 2530-1: 2022

3.29 natural forest

a forest that is a natural ecosystem

natural forests possess many or most of the characteristics of a forest native to the given site, including species composition, structure, and ecological function. natural forests include:

a) primary forests that have not been subjected to major human impacts in recent history;

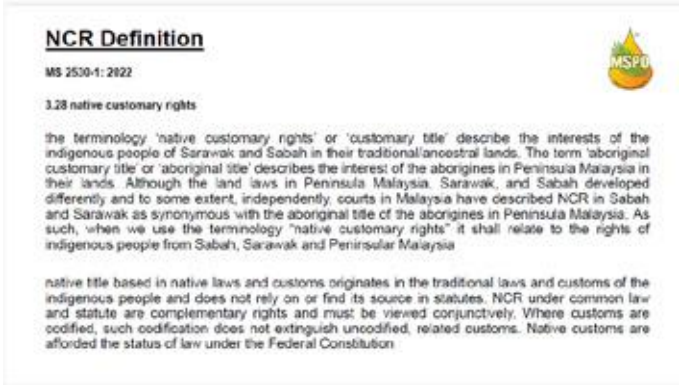
b) regenerated (second-growth) forests that were subjected to major impacts in the past (for instance by agriculture, livestock raising, tree plantations, or extensive logging) but where the main causes of impact have ceased or greatly diminished and the ecosystem has attained much of the species composition, structure, and ecological function of prior or other contemporary natural ecosystems;

c) managed natural forests where much of the ecosystem's composition, structure, and ecological function exist in the presence of activities such as:

i) harvesting of timber or other forest products, including management to promote high-value species, and

ii) low intensity, small-scale cultivation within the forest, such as less-intensive forms of swidden agriculture in a forest mosaic.

d) forests that have been partially degraded by anthropogenic or natural causes (e.g., harvesting, fire, climate change, or invasive species) but where the land has not been converted to another use and where degradation does not result in the sustained reduction of tree cover below the thresholds that define a forest or sustained loss of other main elements of ecosystem composition, structure, and ecological function



NCR Definition

MS 2530-1: 2022

3.28 native customary rights

the terminology 'native customary rights' or 'customary title' describe the interests of the indigenous people of Sarawak and Sabah in their traditional/ancestral lands. The term 'aboriginal customary title' or 'aboriginal title' describes the interest of the aborigines in Peninsula Malaysia in their lands. Although the land laws in Peninsula Malaysia, Sarawak, and Sabah developed differently and to some extent, independently, courts in Malaysia have described NCR in Sabah and Sarawak as synonymous with the aboriginal title of the aborigines in Peninsula Malaysia. As such, when we use the terminology "native customary rights" it shall relate to the rights of indigenous people from Sabah, Sarawak and Peninsular Malaysia

native title based in native laws and customs originates in the traditional laws and customs of the indigenous people and does not rely on or find its source in statutes. NCR under common law and statute are complementary rights and must be viewed conjunctively. Where customs are codified, such codification does not extinguish uncodified, related customs. Native customs are afforded the status of law under the Federal Constitution

2.5 HCV

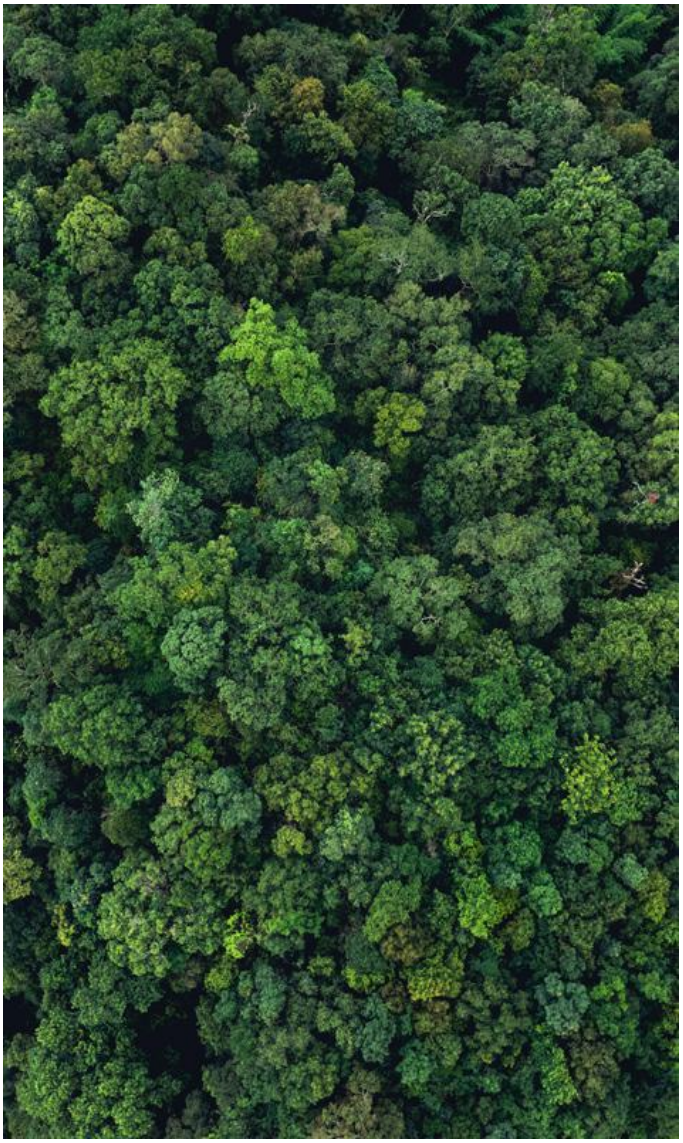
HCVs are biological, ecological, social or cultural values which are considered outstandingly significant or critically important, at the national, regional or global level.

The six categories of HCV are defined as follows:

i. HCV1: Species diversity
ii. HCV2: Landscape-level ecosystems and mosaics
iii. HCV3: Ecosystems and habitats
iv. HCV4: Ecosystem services
v. HCV5: Community needs
vi. HCV6: Cultural values

3. Outcomes

The meeting concluded that the NCR as defined by the MSPO are too generalized. It was agreed that the definition should align with the Sarawak Land Code, and agreed to form a working group comprising industry members and public authorities to improve the guidelines for NCR.



What Is The EU Corporate Sustainability Due Diligence Directive (CSDDD)?

July 1, 2024

After nearly four years of debate and negotiation, the European Parliament recently passed a final version of the Corporate Sustainability Due Diligence Directive (CSDDD). The CSDDD is a legal framework that will oblige companies to identify and mitigate environmental and human rights issues. From 2028 onwards, Europe's largest companies will be required to carry out comprehensive due diligence on their own operations and those of their subsidiaries and partners to prevent harms ranging from forced labour to greenhouse gas emissions.

The CSDDD works by imposing broad obligations based on the Organisation for Economic Co-operation and Development (OECD)'s Due Diligence Guidance for Responsible Business Conduct. These include:

1. Integrating due diligence into corporate policies and risk management plans and systems.
2. Regularly assessing and identifying both actual and potential adverse human rights and environmental impacts from all corporate operations including subsidiaries and partners.
3. Prevention and remediation of these adverse impacts.
4. Active monitoring of supply chains to assess the effectiveness of remedial measures.
5. Meaningful engagement with stakeholders, including via an annual report on matters covered by the CSDDD.
6. The creation and maintenance of notification and complaints processes.

As part of this process, the CSDDD requires companies to implement prevention action plans and actively verify that their business partners are compliant. It also requires them to adopt transition plans for climate change mitigation in alignment with the Paris Agreement goal of limiting global warming to 1.5°C above the pre-industrial levels. These and other provisions will be enforced by government supervision and fines – up to 5% of the net worldwide turnover of the non-compliant company – well as through civil liability for damages caused to individuals by failure to comply with the CSDDD's stipulations.

These requirements are the product of an intensive EU negotiation process that yielded several important changes to earlier versions of the rule. Two are particularly notable.

First, the scope of the regulation has narrowed from companies with turnover greater than €150m to those with turnover greater than €450m. As a result, only the largest companies will be impacted.

Second, the previous proposal would have required in-scope companies that identified adverse impacts in their value chains to immediately terminate relevant partnerships. Now, companies may establish a corrective timeframe and assess the decision to terminate a partnership against the risk of greater harm from available alternatives. The result is a more constructive process that is less susceptible to external manipulation.

Impact

The CSDDD adds to the growing list of European sustainability regulations, including the EU Corporate Sustainability Reporting Directive, the Forced Labour Regulation, and the EU Deforestation Regulation (EUDR), among others. In many ways, the CSDD is better structured and less burdensome than these others. Neither palm oil nor Malaysia are discriminated against by the CSDDD, and the few Malaysian companies that fall within the scope of the directive will be able to effectively meet the directive's requirements because of the sophistication of existing Malaysian supply chains and reporting infrastructure.

In fact, the CSDDD provides an opportunity for the EU to consciously integrate the competencies, experience, and efforts of the Malaysian palm oil sector into its regulatory processes. The MSPO certification system contains ample criteria and indicators consistent with the directive and could be recognized as a compliance tool via the EU's secondary legislation. This would be an important step towards engaging Malaysia and other Global South nations as equal partners in promoting sustainable development. The same steps should also be taken regarding recognition for MSPO under the EU's Deforestation Regulation (EUDR).

Source: mypalmoilpolicy.com