

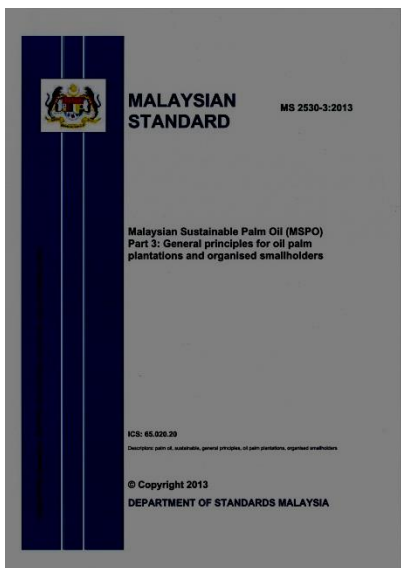
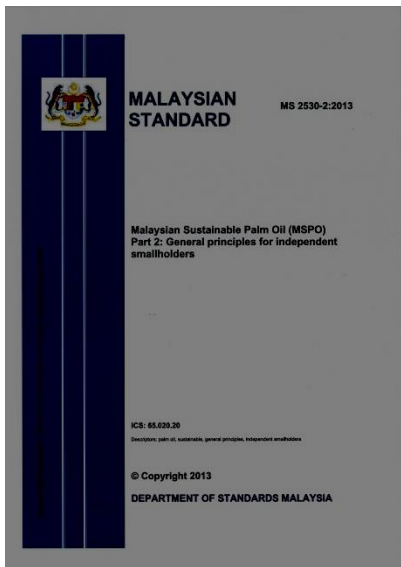
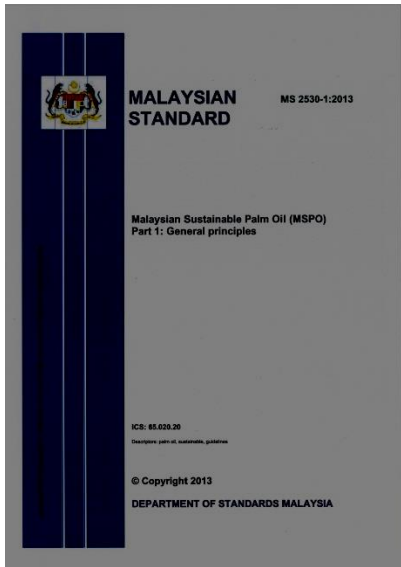
## Malaysian Standard on Sustainable Palm Oil (MSPO) – MS2530:2013

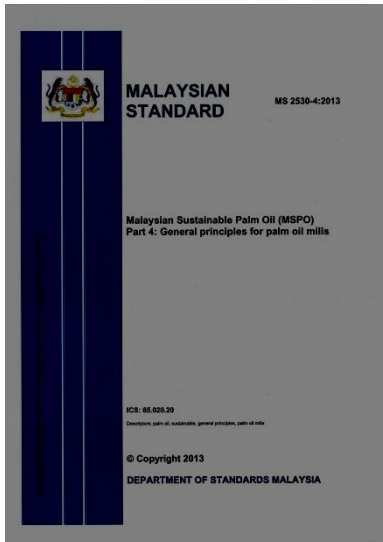
Two committees were set up - the National Committee for MSPO (NC) and the Technical Working Committee (TWC). The committees were made up of representatives from the oil palm industry, MPOB and MPOC, Both the NC and the TWC met regularly since April 2011 in order to complete the Draft MSPO. The completed Draft MSPO was submitted to SIRIM and was displayed on the SIRIM website for public comments. The Draft MSPO was divided into four parts to cover (a) general principles (b) smallholders (c) estates and (d) mills. The first part of the MSPO principles was posted on the website on 1<sup>st</sup> October 2012 while the other three technical parts were posted on the 1<sup>st</sup> February 2013. All the submitted public comments were collated and discussed thoroughly at the meeting on 2<sup>nd</sup> April 2013 and incorporated into the final Draft MSPO. The amended final Draft MSPO was sent back to SIRIM for further processing to be established as a Malaysian Standard. A further meeting was held with SIRIM to evaluate the Draft MSPO and it was agreed therein that the final Draft MSPO be accepted as a Malaysian Standard with the amendments. The Draft MSPO was approved by YB Minister of Science, Technology and Innovations on the 5<sup>th</sup> September 2013 and announced by the YAB Deputy Prime Minister on the 19<sup>th</sup> November 2013 during the PIPOC International Palm Oil 2013 Conference

### Malaysian Standard MSPO

The Malaysian Standard for MSPO is registered under Standards Malaysia as **MS 2530:2013**. The standard is a series of four parts and they are as follows:

- a. **MS 2530-1:2013** Malaysian Sustainable Palm Oil (MSPO) Part 1: General principles for Malaysian sustainable palm oil.
- b. **MS 2530-2:2013** Malaysian sustainable palm oil (MSPO) Part 2: General principles for independent smallholders.
- c. **MS 2530-3:2013** Malaysian sustainable palm oil (MSPO) Part 3: General principles for oil palm plantations and organised smallholders.
- d. **MS 2530-4:2013** Malaysian sustainable palm oil (MSPO) Part 4: General principles for palm oil mills.





## **Content of Malaysian Standard MSPO**

They cover the general requirements of sustainability criteria and are applicable to the three sectors (smallholders, plantations and mills) in the supply chain, where most of best practices are carried out. The sustainability requirements for the development and operation of these sectors are embedded within the following principles:

### **Principle 1: Management commitment and responsibilities**

These encompass policies which relate to MSPO, internal audit based on MSPO requirements, management review and continual improvement.

### **Principle 2: Transparency**

The premises shall provide relevant information required under this MSPO principle in a transparent manner and shall also have transparency during communication and consultation. This will enable traceability in order to ensure that the product can be traced to sustainable raw materials.

### **Principle 3: Compliance with legal requirements**

The premises subscribing to the Third Principle of MSPO requirements shall abide by all regulatory requirements, legal land use rights and customary rights.

**Principle 4: Social responsibility, Health, Safety and Employment conditions**

Under this Principle, social impact assessment has to be conducted, complaints and grievances must be addressed; there should be commitment to contribute to local sustainable developments; worker health, safety and employment conditions; as well as provision of training to enhance competency of the workers.

**Principle 5: Environment, natural resources, biodiversity and ecosystem services**

There should be an environment management programme which entails efficiency of energy use and use of renewable energy; waste management and disposal; reduction of pollution and emission; conservation of natural water resources; preservation of natural water resources; protection of rare, threatened or endangered species; conservation of high biodiversity value areas; and zero burning practices. Under this Principle, the two important issues are greenhouse gas (GHG) emission and zero burning. Haze occurs during burning and this is one of the sources of GHG emissions.

***Principle 6: Best Practices***

Implementation of standard best practices or operations is a requirement under this principle. These include site management, economic and financial viability plan, transparent and fair pricing deals and also subcontracting of some of the operations to others.

***Principle 7: Development of new planting***

Some areas are not allowed for planting of agricultural crops. These cover areas with high biodiversity value, deep peat land, steep terrain as well as marginal and fragile soils. The company, after conducting a social and environmental impact assessment, shall ensure that the planting of oil palm does not have a negative impact on the surrounding communities; a soil survey will ensure that appropriate agronomic practices are implemented by the plantation; and any cultivation of land with customary land rights is based on free, prior and informed consent.

Each of these seven principles is supported by criteria and indicators. The criteria and indicators will direct the users on the actions to be taken by the company to implement MSPO requirements. Besides the four parts of MSPO standards, a set of guidelines has been drawn up by the TWC with the objective to guarantee harmonious and credible auditing of the standard.

### **Chronology of the Development of MSPO**

The MSPO documents were prepared by the MSPO Technical Working Committee comprising MPOB officers and stakeholders (e.g. MEOA, EMPA, NASH, Genting, MPOA, MPOC, PORAM, Sime Darby, United Plantation, etc.) and reviewed by the National committee on MSPO which is chaired by the Director General of MPOB. The latter also comprises members from MPOB and stakeholders from the industry.

The sixth draft of the four MSPO documents was circulated to members of the MPOB Oils and Fats Standards Committee (OFSC) for their comments. A meeting of the OFSC was held in July 2012 and MSPO documents were officially approved by the committee for submission to SIRIM.

As per the procedure for development of Malaysian Standards, the four MSPO documents were put up for public comments for a duration of two months during the periods October to November 2012 and February to March 2013.

Public comments were duly addressed by the MSPO Technical Working group in April and the amended documents were sent back to SIRIM.

The four MSPO documents were approved by the SIRIM Industrial Standards Committee on Food and Food Products (ISCU) on 13<sup>th</sup> June 2013.

The MSPO documents were verified by Standards Malaysia before approval by the Minister of MOSTI in September 2013.

### **Implementation of MSPO Certification Scheme**

MPOB and other stakeholders have developed a national sustainability standard for the oil palm industry and the implementation of this standard needs to be verified based on a systematic certification scheme. Compliance with the principles, criteria and indicators of MSPO will constitute the basis of certification. The entire certification procedure can now be used to certify the oil palm premises according to the MSPO standard.

As MPOB and other stakeholders have been involved in the development of MS2530:2013, MPOB cannot conduct auditing of MSPO Certification Scheme (as per impartiality requirement of ISO17021). Hence, certification bodies (CBs) will conduct the auditing for this scheme. MPOB is the governing body for monitoring the implementation of the scheme. Besides this document on certification procedures, other relevant documents are as follows:

- Guidance for the auditors and auditees
- Requirements for certification bodies
- Application forms
- Procedures for handling suspension, withdrawal, appeals and complaints
- Usage of MSPO logo
- Traceability of the supply chain

### **Certification Bodies**

MPOB has appointed seven certification bodies (CBs) to conduct audits for MSPO compliance. The CBs are as follows:

- DQS Certification (M) Sdn. Bhd. (DQS)
- BSI Services Malaysia Sdn. Bhd. (BSI)
- SGS (Malaysia) Sdn. Bhd. (SGS)
- TUV NORD Malaysia Sdn. Bhd. (TUV Nord)
- Bureau Veritas (M) Sdn. Bhd. (BV)
- SIRIM QAS International Sdn. Bhd. (SIRIM)
- Intertek (M) Sdn. Bhd. (Intertek)