



# ROLE OF CERTIFICATION BODY IN MANAGING RISK IN PALM OIL SECTOR

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# 85% of Malaysia's oil palm plantations MSPO-certified — MPOB

- KUALA LUMPUR (Aug 4): More than 85% of Malaysia's 5.9 million hectares (ha) of oil palm plantations and about 90% of 452 palm oil mills had obtained the Malaysian Sustainable Palm Oil (MSPO) certification as of July 30, 2020.
- Additionally, 99.64% or 231,576 organised smallholders with 679,075ha of palm oil plantations had received their MSPO certification, the Malaysian Palm Oil Board (MPOB) said in a statement today.



# 85% of Malaysia's oil palm plantations MSPO-certified — MPOB

- “The Ministry of Plantation Industries and Commodities and the MPOB have been actively trying to make sure that all private smallholders get their MSPO certification.”
- As of July this year, 162 SPOC groups nationwide had been certified, involving 62,009 smallholders with 237,876ha of oil palm plantations.
- The MPOB said one of the challenges in certifying private smallholders is the ownership status of land without valid land titles, which is also related to temporary land titles, encroached land and changing land use to oil palm cultivation.



# MSPO – MALAYSIAN SUSTAINABLE PALM OIL SCHEME

- The Malaysian Sustainable Palm Oil (MSPO) Certification Scheme is the national scheme in Malaysia for oil palm plantations, independent and organised smallholdings, and palm oil processing facilities to be certified against the requirements of the MSPO Standards.
- This is a process that sets the standards for responsible management of palm oil plantations, smallholdings and palm oil processing facilities

# MSPO STANDARDS

- The MSPO Standards are divided to 3 types of Standards
- (a) MSPO 2530 – Part 2 – General Principles for Independent Smallholders
- (b) MSPO 2530 – Part 3 – General Principles for Oil Palm Plantations and Organised Smallholders
- (c) MSPO 2530 – Part 4 – General Principles for Palm Oil Mill

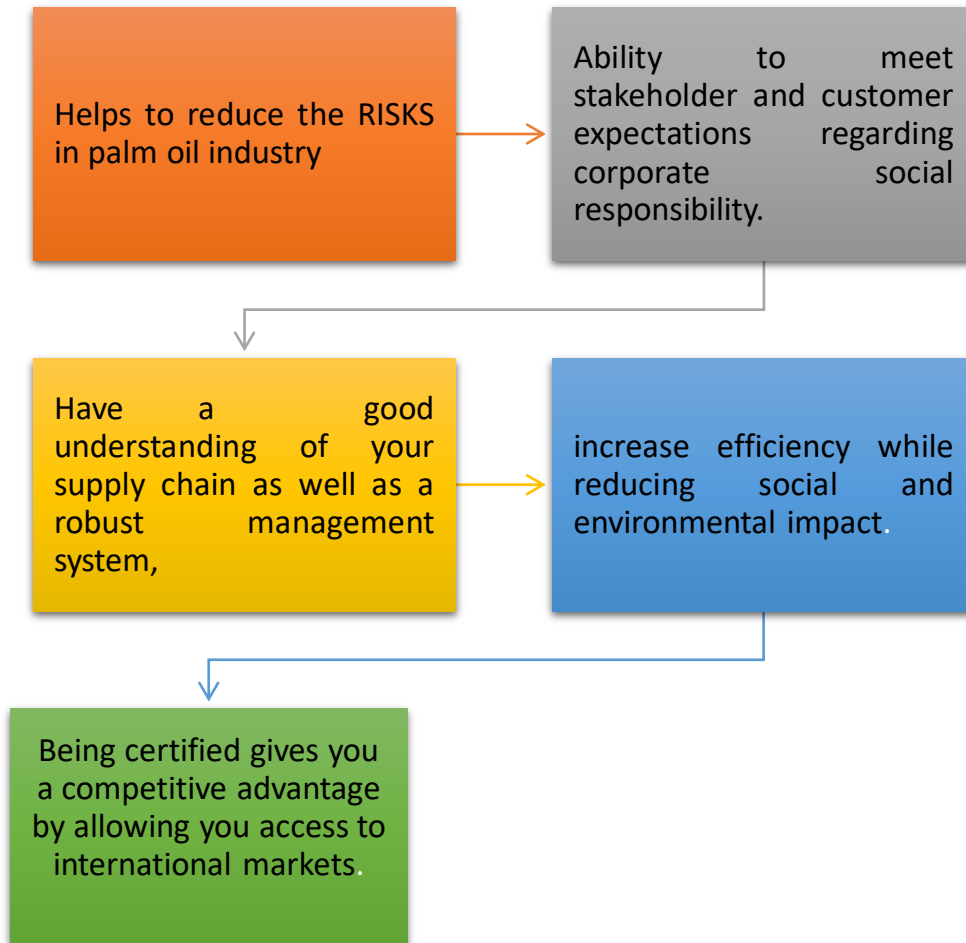
MSPO-  
MALAYSIAN  
SUSTAINABILITY  
PALM OIL  
CERTIFICATION  
SCHEME

- Malaysian Palm Oil Certification Council (MPOCC) is an independent non-profit organisation which develops and operate the Malaysian Sustainable Palm Oil (MSPO) Certification Scheme.
- MPOCC is the “SCHEME OWNER”

# MSPO – MALAYSIAN SUSTAINABLE PALM OIL CERTIFICATION SCHEME

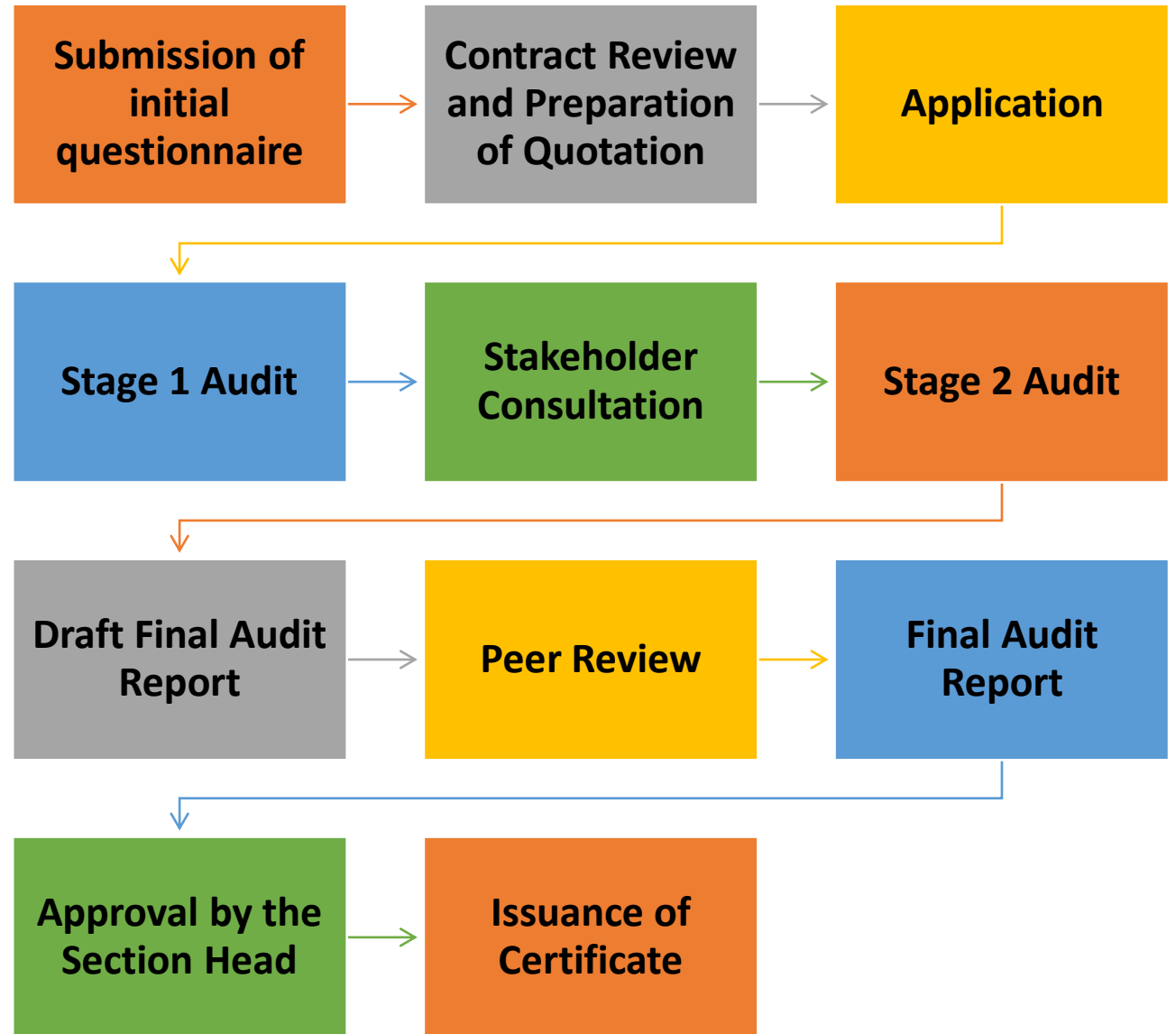
The certification process is conducted by an accredited third party certification body such as SIRIM QAS INTERNATIONAL SDN.BHD. to assess and verify that the oil palm management system is in compliance with the standards' requirements as prescribed in the MSPO standards.

# WHY DO WE NEED CERTIFICATION ???





# CERTIFICATION PROCESS




# CONTRACT REVIEW PROCESS


**The contract review determines the number of audit days**



**The number of audit days are calculated based on the risk parameters**



**The risk parameters are based on location and operations.**



**The risk is divided to 3 levels  
- LOW/MEDIUM / HIGH**

# STAGE 1 – AUDITING PROCESS

THE STAGE 1 AUDIT IS A  
DOCUMENTATION REVIEW AUDIT

THE STAGE 1 AUDIT IS CONDUCTED  
ON SITE OF THE PREMISE

THE AUDITORS WILL CONFIRM THE  
IDENTIFIED RISK LEVEL

THE RELEVANT STAKEHOLDERS  
WOULD BE CONFIRMED

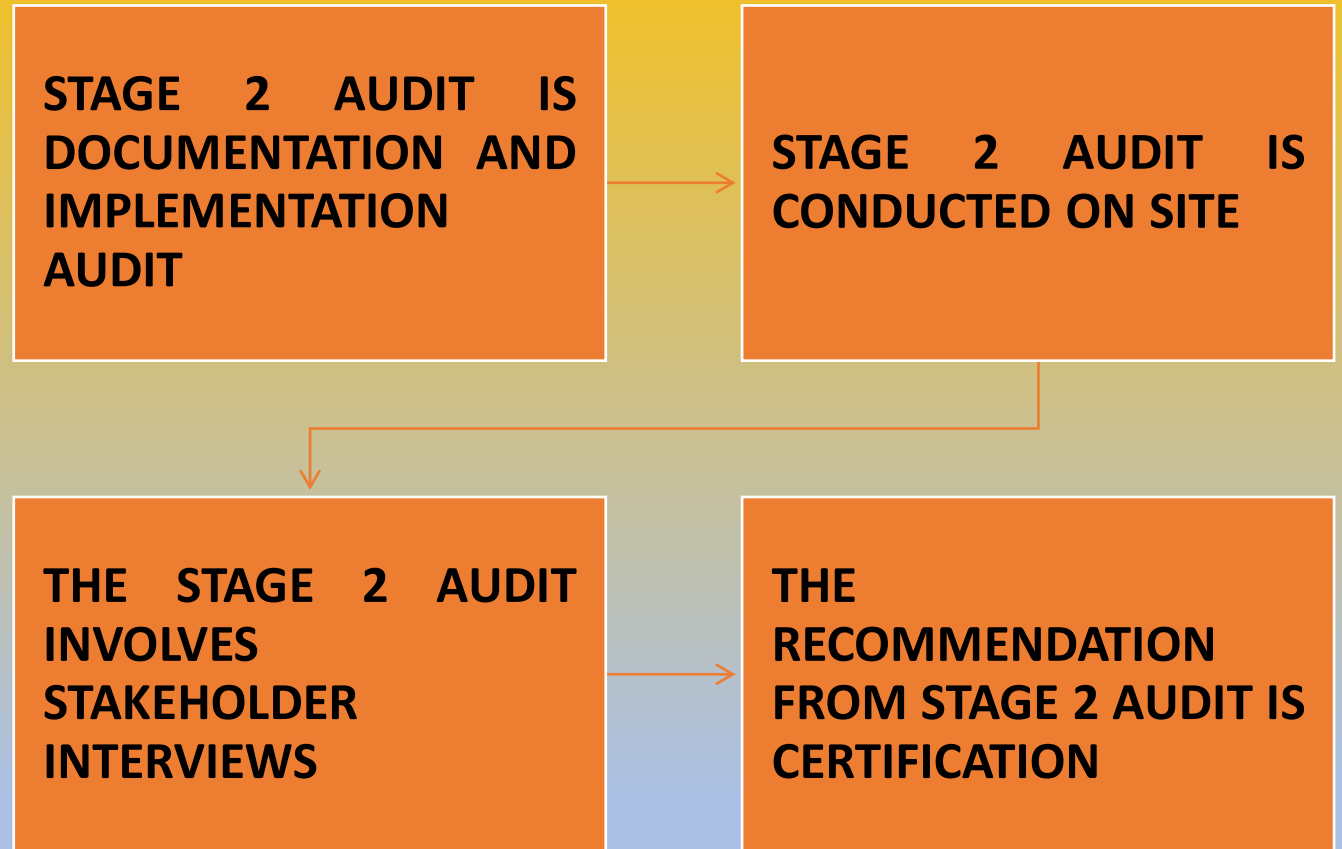
THE RESULTS FROM THE STAGE 1  
AUDIT IS THE RECOMMENDATION  
TO STAGE 2

# **STAGE 1 AUDIT RECOMMEN DATION**

**IF NO ISSUES OF  
CONCERNS RAISED  
-> PROCEED TO STAGE 2**

**IF ISSUES OF CONCERNS  
RAISED FOR  
DOCUMENTATION  
-> DO IMPROVEMENT ON  
DOCUMENTATION BEFORE  
CAN PROCEED TO STAGE 2**

# STAGE 2 AUDITING PROCESS



## STAGE 2 RECOMMENDATION PROCESS

**FINDINGS ARE  
DIVIDED TO 3  
CATEGORIES**

**MAJOR NCR – NOT  
RECOMMENDED FOR  
CERTIFICATION– NEED TO  
TAKE IMMEDIATE ACTION  
AND CORRECTIVE ACTION**

**ONCE THE MAJOR NCR IS  
CLOSED – A VERIFICATION  
AUDIT IS CONDUCTED AND  
THEN ONLY THE UNIT IS  
RECOMMENDED FOR  
CERTIFICATION**

**MINOR NCR –  
RECOMMENDED FOR  
CERTIFICATION - NEED TO  
GENERATE A CORRECTIVE  
ACTION PLAN- TO BE  
VERIFIED NEXT AUDIT**

**OFI – OPPORTUNITIES  
FOR IMPROVEMENT –  
RECOMMENDED FOR  
CERTIFICATION –  
IMPROVEMENTS ARE  
REVIEWED NEXT AUDIT**

ISSUES –  
MAJOR  
NCRS  
ARE  
RAISED

- MAINLY FOR SMALLHOLDERS –  
THE MAJOR ISSUES ARE
- COMPLIANCE TO LEGAL  
REQUIREMENTS – SUCH AS
- (A) LAND TITLES
- (B) ENVIRONMENT  
REGULATIONS - SUCH AS  
WASTE MANAGEMENT
- (C) OSH REGULATIONS – SUCH  
AS WORKERS HEALTH & SAFETY

ISSUES –  
MAJOR  
NCRS  
ARE  
RAISED

- MAINLY FOR SMALLHOLDERS – THE MAJOR ISSUES ARE
- COMPLIANCE TO HIGH CONSERVATION AREAS
- COMPLIANCE TO SOCIAL ISSUES – SUCH AS MINIMUM WAGE / LIVING CONDITIONS / CHILD WORKER



# Thank you

SIRIM QAS International Sdn. Bhd

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