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# Peninsular Malaysia

## Risk Mitigation Guide

Palm oil

EMBASSY OF DENMARK

**DANIDA** | INTERNATIONAL  
DEVELOPMENT COOPERATION

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COUNTRY SPECIFIC  
TOOLS



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# Palm Oil Risk Mitigation Guide – Peninsular Malaysia

This guide provides an overview of the risks that the palm oil was farmed, harvested, transported or traded irresponsibly in Peninsular Malaysia and the actions that can be taken to mitigate those risks. The guide can be used by any company wishing to reduce the risk that the palm oil it is buying is not responsibly produced. The guide relates only to palm oil harvested in Peninsular Malaysia – not to material imported into Peninsular Malaysia.

To use this document, you should:

- Look up the risks that exist for the palm oil source types in Peninsular Malaysia using the left-hand column of the table below. The risks are listed by type of law (first column) and the palm oil source type (second column).
- Determine whether or not there is a chance that this risk applies to your supply chain. Use the second column in the table below to help you determine whether this risk is applicable, and the third column in the table below to show you the goal you're aiming for. If there is a risk in your supply chain, you have to carry out risk mitigation activities to the point where you can demonstrate that the risk of sourcing palm oil not grown responsibly is negligible.
- Look up the potential actions that you could take to address each of the specified risks using the two right hand columns of the table below. This list provides suggested actions that you could take. Note that it is possible that there are other actions – not listed below – that you could take to assure yourself that your palm oil has negligible risk.

## Navigate this document through Source Types

To use this risk mitigation guide, you will first need to determine the origin of your palm oil. You have to identify not only the country, but also the type of farm or plantation the palm oil comes from in terms of ownership, management, classification and permits – this is called the Source Type. This information is very important in order to find out which risks are related to your specific supply chain and your palm oil products products, and how you can mitigate these risks. Here is a description of the different kinds of Source Types, you will find in Peninsular Malaysia:

	Land Classification	Ownership and management regime	Description of source type
1. Government land development schemes	State land	Government land development schemes where mono-cropping is used (scale: 4.0-5.7 ha)	Large estates where smallholders are awarded small plots. Costs of establishment are carried by the state agency and repaid by smallholders through education and their monthly income (Cooke, Toh & Vaz, 2011)
		State Ownership is transferred to smallholders after a 10-15-year period (FELDA, FELCRA, RISDA)	
2. Large-scale private plantation	Alienated land	Large-scale private plantation where mono cropping is used (scale: >40 - >100,000 ha)	Many companies have integrated operations covering the entire production process (MPC, 2014). Licensing is required for planting, processing, and other business activities.
		Freehold Land title, or Country Land title (CL) under a 99-year lease.  Private companies include Government-linked companies (GLC) and Non-government-linked companies (Non GLC) hold titles (Ramasamy et al, 2005).	
3. Small-scale private plantation	Alienated Land	Small-scale private plantation where mono-cropping is used (scale: <40 ha)  Independent smallholder Freehold Land title, or Country Land title (CL) under a 99-year lease, or Native Title (NT) alienated for perpetuity. Native Titles consist of Malay reservation or Orang Asli customary land.	Scattered smallholdings where farmers manage and work their own plantation with minimal government assistance. They sell their FFB directly to local mills and traders (Ismail, 2003).



## Land tenure

Risk	Applicable to	Compliance indicator	Potential mitigation actions	How to verify compliance (verifiers)
Illegal and/or contested land tenure by customary land right owners	All palm oil plantations	The palm oil plantation shall be legally registered and there shall be no conflicts with the land tenure.	<p><b>Review and verify documents:</b></p> <ul style="list-style-type: none"> <li>Evidence of palm oil farms obtaining proof of ownership documents: Issue Document of Title and Register Document of Title</li> <li>Evidence of Malaysian Palm Oil Board (MPOB L1) License</li> <li>Palm Oil Plantations &gt;500 hectares or plantations that have or plan to clear &gt;50 hectares of land: evidence an approved Environmental Impact Assessment (EIA)</li> </ul> <p><b>Research:</b></p> <p>Review updated information and news on confirmed or potential land tenure issues in the palm oil supply area.</p>	<p><b>Land Tenure documents:</b></p> <ul style="list-style-type: none"> <li>Issue Document of Title and Register Document of Title</li> <li>Evidence of Malaysian Palm Oil Board (MPOB L1) License <a href="http://www.mpob.gov.my">http://www.mpob.gov.my</a></li> <li>An approved Environmental Impact Assessment (EIA) - check the list of approved EIAs on the DOE website: <a href="http://www.doe.gov.my/eia/eia-reports/">http://www.doe.gov.my/eia/eia-reports/</a></li> </ul> <p><b>Research documented land tenure conflicts:</b></p> <ul style="list-style-type: none"> <li>NGO investigations and reports (Forest Peoples Programme <a href="http://www.forestpeoples.org">http://www.forestpeoples.org</a>, Rainforest Action Network <a href="http://www.ran.org">www.ran.org</a>, <a href="http://www.schusterinstituteinvestigation.org">http://www.schusterinstituteinvestigation.org</a>, greenpeace.org, Friends of the Earth foe.org, Center for Orang Asli Concerns (COAC) (<a href="http://www.coac.org.my/">http://www.coac.org.my/</a>), The Human</li> </ul>

				<p>Rights Commission of Malaysia (SUHAKAM) (<a href="http://www.suhakam.org.my/">http://www.suhakam.org.my/</a>), Pusat Komas (komas.org), Cultural Survival (culturalsurvival.org))</p> <ul style="list-style-type: none"> <li>• Media reports (Mongabay.com, greenomics.org, red-monitor.org, eyesontheforest.org, sarawakreport.org, malaysiakini.com)</li> <li>• Review the Zoological Society of London (ZSL)'s Sustainable Palm Oil Transparency Toolkit (SPOTT) tool to assess the palm oil producer's commitments to environmental and social best practice which is based on publicly available information on disclosure of their operations.</li> <li>• For land tenure issues check palm oil producers' 'Landbank' scores - <a href="http://www.sustainablepalmoil.org/companies/">http://www.sustainablepalmoil.org/companies/</a></li> </ul> <p><b>Records/minutes of consultation</b> showing no land use conflicts; or, alternatively, that conflicts of land tenure are managed through evidence that conflicting parties are engaged in, a mediated or arbitrated, conflict resolution process which is independently managed and agreed upon as the formal by conflicting parties.</p>
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## Farm registration and management rights

Risk	Applicable to	Compliance indicator	Potential mitigation actions	How to verify Compliance (verifier)
<b>Illegal issuance of relevant licenses</b>	All palm oil plantations	Management licenses shall be obtained legally	<b>Review and verify documents:</b> <ul style="list-style-type: none"> <li>Evidence of a business license and a completed a Business Registration Form (Form A) to the SSM (The Companies Commission of Malaysia (Suruhanjaya Syarikat Malaysia or SSM))</li> <li>Evidence of Malaysian Palm Oil Board (MPOB L1) License</li> <li>Palm Plantations that are larger than 500 hectares or plan to clear &gt;50 hectares of land have an approved Environmental Impact Assessment (EIA) from the Department of Environment Malaysia (DOE)</li> </ul>	<ul style="list-style-type: none"> <li>A business license and a completed a Business Registration Form (Form A) to the SSM (The Companies Commission of Malaysia (Suruhanjaya Syarikat Malaysia or SSM)) - <a href="http://www.ssm.com.my/en/about-ssm">http://www.ssm.com.my/en/about-ssm</a></li> <li>Malaysian Palm Oil Board (MPOB L1) License <a href="http://www.mpob.gov.my/en/about-us/about">http://www.mpob.gov.my/en/about-us/about</a></li> <li>An approved Environmental Impact Assessment (EIA) - check the list of approved EIAs on the DOE website: <a href="http://www.doe.gov.my/eia/eia-reports/">http://www.doe.gov.my/eia/eia-reports/</a></li> </ul>



## Taxation

Risk	Applicable to	Compliance indicator	Potential mitigation actions	How to verify Compliance (verifier)
<p><b>Payment of royalties and required fees are not paid appropriately/evaded.</b></p>	All palm oil plantations	Payment of royalties and required fees shall be paid on all relevant palm oil transactions.	<p><b>Review and verify documents:</b></p> <ul style="list-style-type: none"> <li>Evidence of palm oil farms obtaining proof of ownership documents: Issue Document of Title and Register Document of Title</li> <li>Evidence of a business license and a completed a Business Registration Form (Form A) to the SSM (The Companies Commission of Malaysia (Suruhanjaya Syarikat Malaysia or SSM) - <a href="http://www.ssm.com.my/en/about-ssm">http://www.ssm.com.my/en/about-ssm</a></li> <li>Evidence of Malaysian Palm Oil Board (MPOB L1) License</li> </ul>	<ul style="list-style-type: none"> <li>Issue Document of Title and Register Document of Title</li> <li>A business license and a completed a Business Registration Form (Form A) to the SSM (The Companies Commission of Malaysia (Suruhanjaya Syarikat Malaysia or SSM) - <a href="http://www.ssm.com.my/en/about-ssm">http://www.ssm.com.my/en/about-ssm</a></li> <li>Malaysian Palm Oil Board (MPOB L1) License <a href="http://www.mpob.gov.my">http://www.mpob.gov.my</a></li> </ul>
<p><b>Income and profit taxes are not paid appropriately/evaded.</b></p>		Income and profit taxes shall be paid on all relevant palm oil transactions.		





## Legal employment and ILO Fundamental conventions

Risk	Applicable to	Compliance indicator	Potential mitigation actions	How to demonstrate Compliance (verifier)
<b>Lack of employment contracts</b>	<b>All palm oil plantations</b>	Employees shall be contracted	<b>Review documents and verify:</b> <ul style="list-style-type: none"> <li>Check the list of (permanent and temporary) workers as well as their contracts with the organization.</li> <li>The contract must include the following information: <ul style="list-style-type: none"> <li>Names of both employer and employee</li> <li>Job title</li> <li>Date of commencement of work</li> <li>Place of work as well as work address</li> <li>Required notice period as well as retirement age</li> </ul> </li> </ul>	<b>Obtain copies of:</b> <ul style="list-style-type: none"> <li>Employment contracts</li> <li>Salary payment records</li> <li>Receipts from Employees' Provident Fund (EPF) and Social Security Organization (SOSCO) and the corresponding payment forms (Form A for EPF and Form 8A for SOCSO)</li> <li>Migrant passports and visa checks with the Department of Immigration <a href="http://www.imi.gov.my">http://www.imi.gov.my</a></li> </ul> <b>Records/ minutes of consultation</b> <ul style="list-style-type: none"> <li>Documenting no issues with lack of labour contracts, or other contractual violations</li> </ul>

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|  |  |  | <ul style="list-style-type: none"> <li>• Check also salary payment records to confirm whether workers are legally employed.</li> <li>• Ensure that employees are registered with Employees' Provident Fund (EPF) and Social Security Organization (SOSCO), one can cross check the record of salary payment slips with receipts from EPF and SOCSO and the corresponding payment forms (Form A for EPF and Form 8A for SOCSO).</li> <li>• Check that migrant workers have a valid passport and visa (if applicable pass a medical exam prior to employment).</li> </ul> <p><b>Onsite verification:</b></p> <ul style="list-style-type: none"> <li>• Verify whether staff onsite are covered by labour contracts.</li> </ul> | <ul style="list-style-type: none"> <li>• Confirming that staff are covered by labour contracts</li> </ul> |
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## Health and Safety

Risk	Applicable to	Compliance indicator	Potential mitigation actions	How to demonstrate Compliance (verifier)
Lack of/use of safety equipment	All palm oil plantations	Safety equipment shall be used per the regulations.	<p><b>Review documents and verify:</b></p> <ul style="list-style-type: none"> <li>Review required <b>health and safety program, procedure, system etc.</b>, as well as safety records and permits. Ensure that safety equipment has been considered in procedures and that any recorded accidents were not due to lack of safety equipment.</li> <li>For Large-scale private plantations [&gt;40 - &gt;100,000 ha] confirm there is a H&amp;S officer position in place</li> </ul> <p><b>Consult:</b></p> <ul style="list-style-type: none"> <li>Interview relevant staff/ workers and confirm that they are aware of health and safety procedures and have participated in training;</li> <li>Interviews staff/ workers engaged in special areas of work and confirm that they A) have attended specific training applicable to their special work area; B) have secured the relevant qualification or certificate for the</li> </ul>	<p><b>Health and Safety documents:</b></p> <ul style="list-style-type: none"> <li>Company's occupational safety and health (OSH) management system reporting via published annual sustainability reports</li> <li>Verify that the employees of the company have been trained about work safety.</li> <li>Obtain records of reports of workplace deaths. Deaths in the workplace must be recorded.</li> <li>For Large-scale private plantations [&gt;40 - &gt;100,000 ha] confirm a H&amp;S officer position from organisation's website/organigram</li> </ul> <p><b>Records/ minutes of consultation</b> showing that health and safety equipment has been distributed, employees have received training in its use and evidence of use in the field.</p>



## Health and Safety

Risk	Applicable to	Compliance indicator	Potential mitigation actions	How to demonstrate Compliance (verifier)
			<p>work and C) have access to safety equipment and that is used.</p> <p><b>Onsite verification:</b></p> <ul style="list-style-type: none"> <li>Verify the implementation of safety training and health and safety procedures through inspections of palm oil plantation sites.</li> </ul>	



## Indigenous and traditional rights

Risk	Applicable to	Compliance indicator	Potential mitigation actions	How to demonstrate Compliance (verifier)
Indigenous peoples' rights are not upheld	All palm oil plantations	Rights of indigenous & traditional peoples are upheld according to ILO's Convention No.169.	<p><b>Review and verify documents:</b> Verify farm properties have land tenure documents that are legally recognized</p> <p><b>Research:</b></p> <ul style="list-style-type: none"> <li>Ask the supplier for a map identifying the traditional communities close to soy production areas to help identify potential conflicts over land use – especially for medium to large enterprises.</li> <li>Cross reference the traditional communities map with published information on identified land tenure conflicts.</li> </ul> <p><b>Consult:</b></p> <ul style="list-style-type: none"> <li>Research known risk and/or land use conflicts with indigenous peoples'</li> <li>Consult with neighbours, local communities, landowners and other stakeholders to find out if A) confirm community has indigenous</li> </ul>	<p><b>Land Tenure documents:</b></p> <ul style="list-style-type: none"> <li>Issue Document of Title and Register Document of Title</li> <li>Evidence of Malaysian Palm Oil Board (MPOB L1) License <a href="http://www.mpob.gov.my">http://www.mpob.gov.my</a></li> <li>Palm Oil Plantations &gt;500 hectares: an approved Environmental Impact Assessment (EIA) from the Department of Environment Malaysia (DOE)</li> </ul> <p><b>Research:</b></p> <ul style="list-style-type: none"> <li>Review the Zoological Society of London (ZSL)'s Sustainable Palm Oil Transparency Toolkit (SPOTT) tool to assess the palm oil producer's commitments to environmental and social best practice which is based on publicly available information on disclosure of their operations. For land tenure issues check palm oil producers' 'Landbank' and 'Environmental' scores – the latter</li> </ul>



## Indigenous and traditional rights

Risk	Applicable to	Compliance indicator	Potential mitigation actions	How to demonstrate Compliance (verifier)
			<p><i>peoples' status B) land tenure rights are clear and – where applicable – lease of the land has been agreed by all the landowners; C) confirm that customary rights were/are respected during farm establishment and harvesting activities and D) if there are any court orders or outstanding disputes conflicts of land tenure with indigenous or traditional communities.</i></p>	<p>which covers FPIC and IP rights - <a href="http://www.sustainablepalmoil.org/companies/">http://www.sustainablepalmoil.org/companies/</a></p> <ul style="list-style-type: none"> <li>Conduct a search on latest news and NGO reports on disputes and developments on indigenous and traditional peoples' land claims and assurance of rights via websites and NGOs including: <ul style="list-style-type: none"> <li>NGO investigations and reports (Forest Peoples Programme <a href="http://www.forestpeoples.org">http://www.forestpeoples.org</a>, Rainforest Action Network <a href="http://www.ran.org">www.ran.org</a>, <a href="http://www.schusterinstituteinvestigations.org">http://www.schusterinstituteinvestigations.org</a>, greenpeace.org, Friends of the Earth <a href="http://www.foe.org">foe.org</a>, Center for Orang Asli Concerns (COAC) (<a href="http://www.coac.org.my/">http://www.coac.org.my/</a>), The Human Rights Commission of Malaysia (SUHAKAM) (<a href="http://www.suhakam.org.my/">http://www.suhakam.org.my/</a>), Pusat Komang (komang.org), Cultural Survival (<a href="http://culturalsurvival.org">culturalsurvival.org</a>))Media reports (Mongabay.com, greenomics.org, red-monitor.org, eyesontheforest.org, sarawakreport.org, malaysiakini.com)</li> </ul> </li> </ul>



## Indigenous and traditional rights

Risk	Applicable to	Compliance indicator	Potential mitigation actions	How to demonstrate Compliance (verifier)
				<ul style="list-style-type: none"> <li>Global Platform of Indigenous and Community lands - <a href="http://www.landmarkmap.org/">http://www.landmarkmap.org/</a></li> </ul> <p><b>Records/minutes of consultation</b></p> <ul style="list-style-type: none"> <li>Confirm that the indigenous community of interest status by verifying a sample of community individuals' <b>Malaysian Identity Cards (MyKad)</b> - the MyKad shows ethnicity and thus determines whether a person can be a Malaysian aborigine.</li> <li>Showing no land use conflicts exist; records from the farm that demonstrate active consultation and/or evidence of a participatory social impact assessment and/or conducting a Free Prior Informed Consent before developing farm activities; Copies of negotiated agreements detailing the process of free, prior and informed consent are available or, alternatively, that conflicts of land tenure are managed through evidence that conflicting parties are engaged in, a mediated or arbitrated, conflict resolution process which is independently managed and agreed upon as the formal by conflicting parties.</li> </ul>



## Environmental Regulations

Risk	Applicable to	Compliance indicator	Potential mitigation actions	How to demonstrate Compliance (verifier)
Lack of compliance with an Environmental Impact Assessment (EIA) requirements	All palm oil plantations	The EIA requirement shall be complied with.	<p><b>Review and verify documents:</b></p> <ul style="list-style-type: none"> <li>Palm Plantations that are larger than 500 hectares or plan to clear &gt;50 hectares of land have an approved Environmental Impact Assessment (EIA) from the Department of Environment Malaysia (DOE)</li> </ul> <p><b>Onsite verification:</b></p> <p>Verify the implementation of EIA through inspections of the plantations</p>	<ul style="list-style-type: none"> <li>An approved Environmental Impact Assessment (EIA) - check the list of approved EIAs on the DOE website: <a href="http://www.doe.gov.my/eia/eia-reports/">http://www.doe.gov.my/eia/eia-reports/</a></li> </ul>





## Protected sites and species

Risk	Applicable to	Compliance indicator	Potential mitigation actions	How to demonstrate Compliance (verifier)
Lack of compliance with protected areas and species regulations	All palm oil plantations	Compliance with protected area and species regulations	<b>Review and verify documents:</b> <ul style="list-style-type: none"> <li>Verify the supplier has documentation or a copy of a management plan that ensures required legally protected areas and species are safeguarded in accordance with the law including an Environmental Impact Assessment and/or;</li> <li>Evidence that comprehensive biodiversity surveys and/or a High Conservation Value (HCV) assessment</li> <li>Cross check with the location and information on protected areas and species in Malaysia including with knowledgeable NGOs on the issue.</li> </ul>	<ul style="list-style-type: none"> <li>Documents or management plan documents</li> <li>High Conservation Value (HCV) assessment [<a href="https://www.hcvnetwork.org/als/public-summaries">https://www.hcvnetwork.org/als/public-summaries</a>]</li> <li>Approved Environmental Impact Assessment (For palm oil plantations &gt; 500 ha or plan to clear &gt;50 hectares of land). Check the list of approved EIAs on the DOE website: <a href="http://www.doe.gov.my/eia/eia-reports/">http://www.doe.gov.my/eia/eia-reports/</a></li> </ul> <p><b>Information on protected areas and species in Malaysia:</b></p> <ul style="list-style-type: none"> <li>Information on protected areas in Malaysia: <ul style="list-style-type: none"> <li>Protected Area Master List owned by the Ministry of Natural Resources and Environment (contact: <a href="http://www.nre.gov.my/en-my/ContactUs/Pages/default.aspx">http://www.nre.gov.my/en-my/ContactUs/Pages/default.aspx</a>), which is not publicly available. Older version of the list compiled by WWF-</li> </ul> </li> </ul>



## Protected sites and species

Risk	Applicable to	Compliance indicator	Potential mitigation actions	How to demonstrate Compliance (verifier)
				<p>Malaysia can be found here:  <a href="http://awsassets.wwf.org.my/downloads/list_of_pa.pdf">http://awsassets.wwf.org.my/downloads/list_of_pa.pdf</a></p> <p><b>Supplier records of stakeholder consultation with environmental NGOs knowledgeable on protected areas:</b></p> <ul style="list-style-type: none"> <li>○ Indigenous Peoples Network of Malaysia (JOAS) <a href="http://orangasal.blogspot.my/">http://orangasal.blogspot.my/</a></li> <li>○ Malaysian Nature Society (MNS) <a href="https://www.mns.my/">https://www.mns.my/</a></li> <li>○ WWF Malaysia <a href="http://www.wwf.org.my/">http://www.wwf.org.my/</a></li> <li>○ Forest Peoples Programme <a href="http://www.forestpeoples.org">http://www.forestpeoples.org</a>,</li> </ul>



## High Conservation Value (HCVs)

Risk	Applicable to	Compliance indicator	Potential mitigation actions	How to demonstrate Compliance (verifier)
Insufficient level of official protection of rare, threatened and endangered species and ecosystems and large intact landscapes. (HCV 1 -3)	All palm oil plantations	HCV values are being maintained.	<b>Review and verify documents:</b> <ul style="list-style-type: none"> <li>Verify the supplier has documentation or a copy of a management plan that ensures required legally protected areas and species are safeguarded in accordance with the law including an Environmental Impact Assessment and/or;</li> <li>Evidence that comprehensive biodiversity surveys and/or a High Conservation Value (HCV) assessment</li> <li>Identify if a farm has converted natural ecosystems – illegal and legally (compliance with an approved Environmental Impact Assessment).</li> <li>Obtain the shape file of the palm oil plantation property's boundaries and compare/overlay with mapping data that use satellite time series images to map the loss of natural ecosystems.</li> <li>Cross check with the location and information on protected areas and species in Malaysia</li> </ul>	<ul style="list-style-type: none"> <li>Documents or management plan documents</li> <li>High Conservation Value (HCV) assessment [<a href="https://www.hcvnetwork.org/als/public-summaries">https://www.hcvnetwork.org/als/public-summaries</a>]</li> <li>Approved Environmental Impact Assessment (For palm oil plantations &gt; 500 ha or plan to clear &gt;50 hectares of land). Check the list of approved EIAs on the DOE website: <a href="http://www.doe.gov.my/eia/eia-reports/">http://www.doe.gov.my/eia/eia-reports/</a></li> </ul> <p><b>Information on protected areas and species in Malaysia:</b></p> <ul style="list-style-type: none"> <li>Information on protected areas in Malaysia: <ul style="list-style-type: none"> <li>Protected Area Master List owned by the Ministry of Natural Resources and Environment (contact: <a href="http://www.nre.gov.my/en-my/ContactUs/Pages/default.aspx">http://www.nre.gov.my/en-my/ContactUs/Pages/default.aspx</a>), which is not publicly available. Older version of the list compiled by WWF-</li> </ul> </li> </ul>



## High Conservation Value (HCVs)

Risk	Applicable to	Compliance indicator	Potential mitigation actions	How to demonstrate Compliance (verifier)
			including with knowledgeable NGOs on the issue.	<p>Malaysia can be found here:  <a href="http://awsassets.wwf.org.my/downloads/list_of_pa.pdf">http://awsassets.wwf.org.my/downloads/list_of_pa.pdf</a></p> <p><b>Land use change data:</b> satellite time series images to map the loss of natural ecosystems:</p> <ul style="list-style-type: none"> <li>o <a href="http://www.globalforestwatch.org">www.globalforestwatch.org</a></li> </ul> <p><b>Supplier records of stakeholder consultation with environmental NGOs knowledgeable on protected areas:</b></p> <ul style="list-style-type: none"> <li>o Indigenous Peoples Network of Malaysia (JOAS) <a href="http://orangasal.blogspot.my/">http://orangasal.blogspot.my/</a></li> <li>o Malaysian Nature Society (MNS) <a href="https://www.mns.my/">https://www.mns.my/</a></li> <li>o WWF Malaysia <a href="http://www.wwf.org.my/">http://www.wwf.org.my/</a>,</li> <li>o Forest Peoples Programme <a href="http://www.forestpeoples.org">http://www.forestpeoples.org</a>,</li> </ul>



## High Conservation Value (HCVs)

Risk	Applicable to	Compliance indicator	Potential mitigation actions	How to demonstrate Compliance (verifier)
Community needs and cultural values are not respected or upheld. (HCV 5 and 6)	All palm oil plantations	Community needs and cultural values are respected and/or upheld. (HCV 5 and 6)	<p><b>Review and verify documents:</b></p> <ul style="list-style-type: none"> <li>Evidence of a High Conservation Value (HCV) assessment</li> <li><i>Evidence of palm oil farms obtaining proof of ownership documents: Issue Document of Title and Register Document of Title</i></li> <li><i>Evidence of Malaysian Palm Oil Board (MPOB L1) License</i></li> <li><i>Palm Oil Plantations &gt;500 hectares or plantations that have or plan to clear &gt;50 hectares of land: evidence an approved Environmental Impact Assessment (EIA)</i></li> </ul> <p><b>Research:</b></p> <p>Review updated information and news on confirmed or potential land tenure issues in the palm oil supply area.</p>	<ul style="list-style-type: none"> <li>High Conservation Value (HCV) assessment [<a href="https://www.hcvnetwork.org/als/public-summaries">https://www.hcvnetwork.org/als/public-summaries</a>]</li> </ul> <p><b>Land Tenure documents:</b></p> <ul style="list-style-type: none"> <li><i>Issue Document of Title and Register Document of Title</i></li> <li><i>Evidence of Malaysian Palm Oil Board (MPOB L1) License</i> <a href="http://www.mpob.gov.my">http://www.mpob.gov.my</a></li> <li><i>Palm Oil Plantations &gt;500 hectares: an approved Environmental Impact Assessment (EIA) from the Department of Environment Malaysia (DOE)</i></li> </ul> <p><b>Research:</b></p> <ul style="list-style-type: none"> <li>Review the Zoological Society of London (ZSL)'s Sustainable Palm Oil Transparency Toolkit (SPOTT) tool to assess the palm oil producer's</li> </ul>



## High Conservation Value (HCVs)

Risk	Applicable to	Compliance indicator	Potential mitigation actions	How to demonstrate Compliance (verifier)
			<p><b>Consult:</b></p> <ul style="list-style-type: none"> <li>• <i>Research known risk and/or land use conflicts with indigenous peoples'</i></li> <li>• <i>Consult with neighbours, local communities, landowners and other stakeholders to find out if A) confirm community has indigenous peoples' status B) land tenure rights are clear and – where applicable – lease of the land has been agreed by all the landowners; C)</i></li> <li>• <i>confirm that customary rights were/are respected during farm establishment and harvesting activities and/or Where HCV set-asides with existing rights of local communities have been identified, there is evidence of a negotiated agreement that optimally safeguards both the HCVs and D) if there are any court orders or outstanding disputes conflicts of land tenure with indigenous or traditional communities.</i></li> </ul>	<p>commitments to environmental and social best practice which is based on publicly available information on disclosure of their operations. For land tenure issues check palm oil producers' 'Landbank' and 'Environmental' scores – the latter which covers FPIC and IP rights - <a href="http://www.sustainablepalmoil.org/companies/">http://www.sustainablepalmoil.org/companies/</a></p> <ul style="list-style-type: none"> <li>• Conduct a search on latest news and NGO reports on disputes and developments on indigenous and traditional peoples' land claims and assurance of rights via websites and NGOs including: <ul style="list-style-type: none"> <li>◦ NGO investigations and reports (Forest Peoples Programme <a href="http://www.forestpeoples.org">http://www.forestpeoples.org</a>, , Rainforest Action Network <a href="http://www.ran.org">www.ran.org</a>, <a href="http://www.schusterinstituteinvestigations.org">http://www.schusterinstituteinvestigations.org</a>, greenpeace.org, Friends of the Earth <a href="http://www.foe.org">foe.org</a>, Center for Orang Asli Concerns (COAC) (<a href="http://www.coac.org.my/">http://www.coac.org.my/</a>), The Human Rights Commission of Malaysia (SUHAKAM) (<a href="http://www.suhakam.org.my/">http://www.suhakam.org.my/</a>), Pusat Komang (komang.org), Cultural Survival (<a href="http://culturalsurvival.org">culturalsurvival.org</a>))Media reports</li> </ul> </li> </ul>



## High Conservation Value (HCVs)

Risk	Applicable to	Compliance indicator	Potential mitigation actions	How to demonstrate Compliance (verifier)
				<p>(Mongabay.com, greenomics.org, red-monitor.org, , eyesontheforest.org, sarawakreport.org, malaysiakini.com)</p> <ul style="list-style-type: none"> <li>Global Platform of Indigenous and Community lands - <a href="http://www.landmarkmap.org/">http://www.landmarkmap.org/</a></li> </ul> <p><b>Records/minutes of consultation</b></p> <ul style="list-style-type: none"> <li>Showing no land use conflicts exist; records from the farm that demonstrate active consultation and/or evidence of a participatory social impact assessment and/or conducting a Free Prior Informed Consent before developing farm activities; Copies of negotiated agreements detailing the process of free, prior and informed consent are available or, alternatively, that conflicts of land tenure are managed through evidence that conflicting parties are engaged in, a mediated or arbitrated, conflict resolution process which is independently managed and agreed upon as the formal by conflicting parties.</li> <li>Where HCV set-asides with existing rights of local communities have been identified, there is</li> </ul>



## High Conservation Value (HCVs)

Risk	Applicable to	Compliance indicator	Potential mitigation actions	How to demonstrate Compliance (verifier)
				evidence of a negotiated agreement that optimally safeguards both the HCVs.





## No farm establishment from natural ecosystem conversion post 2008.

Risk	Applicable to	Compliance indicator	Potential mitigation actions	How to demonstrate Compliance (verifier)
Conversion of natural ecosystems into palm oil plantations.	All palm oil plantations	Natural ecosystems have not been converted since 2005 for the establishment of palm oil plantations.	<p><b>Review and verify documents:</b></p> <ul style="list-style-type: none"> <li>Identify if a farm has converted natural ecosystems – illegal and legally (compliance with an approved Environmental Impact Assessment).</li> <li>Obtain the shape file of the palm oil plantation property's boundaries and compare/overlay with mapping data that use satellite time series images to map the loss of natural ecosystems.</li> <li><del>Evidence that a comprehensive HCV assessment, including stakeholder consultation, was conducted prior to any conversion or new planting before November 2005. Evidence should include historical remote sensing imagery which demonstrates that there has been no conversion of primary forest or any area required to maintain or enhance one or more HCV.</del></li> <li>Evidence is provided of undeveloped areas of peat land (of any depth) are not developed or drained post November 2005. Evidence should include historical data which</li> </ul>	<ul style="list-style-type: none"> <li>Management plan</li> <li>Approved Environmental Impact Assessment (For palm oil plantations &gt; 500 ha or plan to clear &gt;50 hectares of land). Check the list of approved EIAs on the DOE website: <a href="http://www.doe.gov.my/eia/eia-reports/">http://www.doe.gov.my/eia/eia-reports/</a></li> </ul> <p><b>Land use change data:</b> satellite time series images to map the loss of natural ecosystems:</p> <ul style="list-style-type: none"> <li><a href="http://www.globalforestwatch.org">www.globalforestwatch.org</a></li> </ul> <p>Check other data sources:</p> <ul style="list-style-type: none"> <li><i>Review the Zoological Society of London (ZSL)'s Sustainable Palm Oil Transparency Toolkit (SPOTT) tool to assess the palm oil producer's commitments to environmental and social best practice which is based on publicly available information on disclosure of their operations.</i></li> <li><i>Check palm oil producers' 'environmental management' and 'fragile, marginal and peat soils' scores:</i></li> </ul>



## No farm establishment from natural ecosystem conversion post 2008.

Risk	Applicable to	Compliance indicator	Potential mitigation actions	How to demonstrate Compliance (verifier)
			<p>demonstrates that there has been no conversion of peatlands post November 2005. Evidence should include maps identifying marginal and fragile soils, including excessive gradients and peat soils and how the farm management plans has identified and protected peatlands.</p> <ul style="list-style-type: none"> <li>Evidence of management plans that demonstrates fires and road-building on peat soils are prohibited.</li> </ul> <p><b>Research:</b></p> <ul style="list-style-type: none"> <li><i>Check other data sources if land conversion risk is detected.</i></li> </ul>	<p><a href="http://www.sustainablepalmoil.org/companies/">http://www.sustainablepalmoil.org/companies/</a> and/or the company's latest annual report.</p>

## About

### Responsible Sourcing of Soy, Cattle and Palm Oil

Responsible Sourcing of Soy, Cattle and Palm Oil is a project aimed at creating awareness and capacity among Danish companies to minimise risks of social and environmental problems connected to sourcing palm oil, soy and cattle from developing countries. The project is run by NEPCon and SEGES and funded by DANIDA, Ministry of Foreign Affairs of Denmark.

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NEPCon (Nature Economy and People Connected) is an international, non-profit organisation that builds commitment and capacity for mainstreaming sustainability. Together with our partners, we foster solutions for safeguarding our natural resources and protecting our climate.

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