

RSPO

Roundtable on Sustainable Palm Oil

Roundtable on Sustainable Palm Oil (RSPO)
Malaysian National Interpretation Task Force (MYNI-TF)

National Interpretation of RSPO Principles and Criteria for Sustainable Palm Oil Production

Endorsed by RSPO Board of Governors on 6 March 2015

Preamble (Excerpts from Generic RSPO P&C 2013)

Sustainable palm oil production is comprised of legal, economically viable, environmentally appropriate and socially beneficial management and operations. This is delivered through the application of the following set of Principles and Criteria, and the accompanying Indicators and Guidance. The first set of Principles & Criteria, Indicators and Guidance (P&C 2007) have been applied since November 2007. These had been subject to trial implementation from November 2005 to November 2007 and in a number of countries to a subsequent process of National Interpretation. After five years of application by RSPO members, P&C 2007 were reviewed in 2012-2013 by the RSPO Principles and Criteria Review Taskforce.

The objective of the review was to improve the relevance and effectiveness of the Principles and Criteria for its members and in achieving the vision and mission of the RSPO. The review process followed ISEAL best practices, including two public consultations and four physical Taskforce meetings and resulted in the production of the revised RSPO Principles and Criteria for Sustainable Palm Oil Production (RSPO P&C 2013).

In line with ISEAL best practices, this document (RSPO P&C 2013) will be completely reviewed again after five years following ratification by the General Assembly of the RSPO. Within that period, any changes to the standards must be approved by the General Assembly of the RSPO and only after recommendations made by a duly appointed RSPO working group or taskforce.

One of the main issues addressed in the review was the recommendations of the RSPO greenhouse gas (GHG) working group. Acknowledging both the importance of the issue and the current challenges of determining emissions, the RSPO has revised an existing Criterion on monitoring and reporting GHG emissions from existing operations and developed a new Criterion on minimising net GHG emissions from new planting developments. However, it is recognised that these significant emissions cannot be monitored completely or measured accurately with current knowledge and methodologies. Therefore, growers and millers commit to an implementation period for promoting best practices in reporting to the RSPO, and after December 31st 2016 to public reporting against both of these Criteria. During the implementation period the RSPO will further develop and improve the RSPO carbon assessment and reporting tools. Growers and millers make this commitment with the support of all other stakeholder groups of the RSPO. These revisions demonstrate the RSPO's commitment to developing credible requirements relating to GHG emissions.

Looking to the future, the RSPO Principles and Criteria Review Taskforce urges the Executive Board to engage with all grower country governments with the objective of addressing the problem of stateless persons (especially children and women) in the industry.

Also looking forward, the growers and millers within the RSPO commit to a process whereby they aim to source third party Fresh Fruit Bunches from identified, legal and responsible sources. The RSPO Principles and Criteria Review Taskforce strongly encourages the RSPO Executive Board to resource and support a process for developing tools and methodologies that can help them achieve these aims.

This document (RSPO P&C 2013) defines Indicators and Guidance for each Criterion. Indicators are specific pieces of objective evidence that shall (must) be in place to demonstrate or verify that the Criterion is being met. Guidance consists of useful information to help the grower/miller and auditor understand what the Criterion and/or Indicators mean in practice, to indicate good practice, and practices that should be followed. Specific Guidance has also been included for certain Indicators for clarity, as well as specific points to be addressed in National Interpretations. In most cases guidance for smallholder production has been removed to other documents that specify standards for that sector [*Guidance for Independent Smallholders under Group Certification*, June 2010, and *Guidance on Scheme Smallholders*, July 2009].

This document (RSPO P&C 2013) is effective after ratification by the RSPO General Assembly (May 2013). As stated under the RSPO Certification System, National Interpretations (NIs) must be revised to be fully consistent with the RSPO P&C 2013 within 12 months after the date of ratification (April 2014). Certificate holders must be fully compliant with the new version of an NI within one year of it being completed (April 2015).

In countries without NIs and/or in cases where members have conducted a Local Interpretation applicable to their own operations, P&C 2013 is effective immediately after ratification (May 2013) and shall be used for any new certification activities after the ratification date. In cases where there is no NI the RSPO secretariat as requested by the P&C Review Taskforce has developed generic guidance in this document on issues identified as needing clarification in P&C 2013.

Already certified entities can continue to be certified after the date of ratification (May 2013) and before the completion of any relevant NI by conducting Annual Surveillance Assessments (ASA) against P&C 2007, but shall demonstrate compliance to the new RSPO P&C 2013 at the following ASA.

Necessary revision shall be made to other RSPO normative documents and guidance to ensure consistency with the wordings of RSPO P&C 2013. Key international laws and conventions applicable to the production of palm oil are set out in Annex 1. Annex 2 provides the additional generic guidance and definitions on selected Criteria for countries where no National Interpretation exists.

The RSPO and its members recognize, support and commit to follow the United Nations Universal Declaration of Human Rights [<http://www.un.org/en/documents/udhr>] and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work [<http://www.ilo.org/declaration/lang--en/index.htm>].

This document identifies the 69 major indicators proposed by the RSPO Criteria Taskforce, and endorsed by RSPO Board of Governors on 15 November 2013.

Preamble to Malaysian National Interpretation 2014:

The Malaysian National Interpretation 2014 is based on the generic document of Principles and Criteria for Sustainable Palm Oil 2013 (P&C 2013), which will be used as a standard for palm oil mill and plantation attaining certification under RSPO scheme. The new Criteria and Indicator added into the P&C 2013 are:

- Criteria 1.3 – Ethical Conduct
- Criteria 6.12 – Forced and Trafficked Labour
- Criteria 6.13 – Respecting Human Rights, and
- Criteria 7.8 – Minimising GHG Emission from New Plantings.

This document was produced by MYNI Task Force comprised of representatives of oil palm grower, supply chain sector, social NGO, environmental NGO and other experts including government agencies, certification bodies as well as the RSPO Secretariat.

To the best knowledge of the Task Force, this National Interpretation has compiled and included the Malaysian Laws and Regulations based on the consensus of participating stakeholders from the Palm Oil Industry in Malaysia as well as taking into consideration the MYNI 2008.

The National Interpretation will be revised periodically in accordance with any changes to the generic Principles and Criteria determined by RSPO or any other necessities, for example changes in laws or regulations.

Additional Note for the Malaysian National Interpretation:

- i) For Criteria 4.6, the RSPO Secretariat is tasked to compile and document the industry's Best Practices as guidelines.
- ii) For Criteria 7.8, on the definition of High Carbon Stock (HCS) and Low Carbon Stock (LCS), there are ongoing works in Malaysia and other parts of the world to further clarify this, as well as under the RSPO Emission Reduction Working Group (ERWG) to provide the definitions of HCS and LCS. A provisional definition in accordance to the generic P&C 2013 for Low Carbon Stock areas has been adopted until further guidance is provided by the RSPO ERWG.
- iii) Annex 4 of this National Interpretation provides the guidance notes for determining validity of claims in relation to land and user rights within existing and future plantations (cross reference to Criteria 2.2, 2.3, 6.2, 6.3, 6.4, 6.11, 7.3, 7.5 and 7.6.)

NO.	PRINCIPLES AND CRITERIA	INDICATORS
PRINCIPLE 1: COMMITMENT TO TRANSPARENCY		
1.1	Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	<p>1.1.1 There shall be evidence that growers and millers provide adequate information upon request for information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making. Minor Compliance</p> <p>1.1.2 Records of requests for information and responses shall be maintained. Major Compliance</p> <p>Specific Guidance:</p> <p>For 1.1.1: Evidence should be provided that information is received in appropriate form(s) and language(s) by relevant stakeholders. Information will include information on the RSPO mechanisms for stakeholder involvement, including information on their rights and responsibilities.</p> <p>Guidance:</p> <p>Growers and millers should have a Standard Operating Procedure (SOP) to respond constructively and promptly to the information requested by the stakeholders with sufficient objective evidence.</p> <p>See Criterion 1.2 for requirements relating to publicly available documentation.</p> <p>See Criterion 6.2 on consultation.</p> <p>See Criterion 4.1 on SOPs.</p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
1.2	<p>Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p>	<p>1.2.1 Management documents that are made available to the public shall include, but are not necessarily limited to:</p> <ul style="list-style-type: none"> • Land titles/user rights (Criterion 2.2); • Occupational health and safety plans (Criterion 4.7); • Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); • HCV documentation summary (Criteria 5.2 and 7.3); • Pollution prevention and reduction plans (Criterion 5.6); • Details of complaints and grievances (Criterion 6.3); • Negotiation procedures (Criterion 6.4); • Continual improvement plans (Criterion 8.1); • Public summary of certification assessment report; • Human Rights Policy (Criterion 6.13). <p>Major Compliance</p> <p>Guidance:</p> <p>This concerns management documents relating to environmental, social and legal issues that are relevant to compliance with RSPO Criteria.</p> <p>Management documents will include monitoring reports.</p> <p>The auditors will comment on the adequacy of each of the documents listed in the public summary of the assessment report.</p> <p>Examples of commercially confidential information include financial data such as costs and income, and details relating to customers and/or suppliers. Data that affects personal privacy should also be confidential.</p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
		<p>Examples of information where disclosure could result in potential negative environmental or social outcomes include information on sites of rare species where disclosure could increase the risk of hunting or capture for trade, or sacred sites which a community wishes to maintain as private.</p> <p>Ongoing disputes (within or outside of a legal mechanism) can be considered as confidential information where disclosure could result in potential negative outcomes for all parties involved. However, affected stakeholders and those seeking resolution to conflict should have access to relevant information.</p>
1.3	Growers and millers commit to ethical conduct in all business operations and transactions.	<p>1.3.1 There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations. Minor Compliance</p> <p>Guidance:</p> <p>All levels of the operations will include contracted third parties (e.g. those involved in security).</p> <p>The policy should include as a minimum:</p> <ul style="list-style-type: none"> • A respect for fair conduct of business; • A prohibition of all forms of corruption, bribery and fraudulent use of funds and resources; • A proper disclosure of information in accordance with applicable regulations and accepted industry practices. <p>The policy should be set within the framework of the UN Convention Against Corruption, in particular Article 12.</p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
PRINCIPLE 2: COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS		
2.1	There is compliance with all applicable local, national and ratified international laws and regulations.	<p>2.1.1 Evidence of compliance with relevant legal requirements shall be available. Major Compliance</p> <p>2.1.2 A documented system, which includes written information on legal requirements, shall be maintained. Minor Compliance</p> <p>2.1.3 A mechanism for ensuring compliance shall be implemented. Minor Compliance</p> <p>2.1.4 A system for tracking any changes in the law shall be implemented. Minor Compliance</p> <p>Specific Guidance:</p> <p>For 2.1.4: The systems used for tracking any changes in laws and regulations should be appropriate to the scale of the organisation.</p> <p>Guidance:</p> <p>Implementing all legal requirements is an essential baseline requirement for all growers whatever their location or size. Relevant legislation includes, but is not limited to: regulations governing land tenure and land-use rights, labour, agricultural practices (e.g. chemical use), environment (e.g. wildlife laws, pollution, environmental management and forestry laws), storage, transportation and processing practices. It also includes laws made pursuant to a country's obligations under international laws or conventions (e.g. the Convention on Biological Diversity (CBD), ILO core Conventions, UN Guiding Principles</p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
		<p>on Business and Human Rights). Furthermore, where countries have provisions to respect customary law, these will be taken into account.</p> <p>Key international laws and conventions are set out in Annex 2.</p> <p>Contradictions and inconsistencies should be identified and solutions suggested.</p>
2.2	<p>The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.</p>	<p>2.2.1 Documents showing legal ownership or lease, history of land tenure (confirmation from community leaders based on history of customary land tenure, recognised Native Customary Right (NCR) land) and the actual legal use of the land shall be available. Major Compliance</p> <p>2.2.2 There is evidence that physical markers are located and visibly maintained along the legal boundaries particularly adjacent to state land, NCR land and reserves. Minor Compliance</p> <p>2.2.3 Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC). Minor Compliance</p> <p>2.2.4 There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved. Major Compliance</p> <p>2.2.5 For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities and relevant authorities where applicable).</p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
		<p>Minor Compliance</p> <p>2.2.6 To avoid escalation of conflict, there shall be no evidence that oil palm operations have instigated violence in maintaining peace and order in their current and planned operations.</p> <p>Major Compliance</p> <p>Specific Guidance:</p> <p>For 2.2.2: Growers should comply with the above indicator within 15 months from date of announcement of first audit. Refer to State Land Office for examples of other reserves.</p> <p>Plantation operations should cease on land planted beyond the legally determined area and there should be mutually agreed specific plans to address such issues. (Cross reference to Indicator 2.2.3).</p> <p>For 2.2.6: Company policy should prohibit the use of extra-judicial intimidation and harassment. In the Malaysian context, use of auxiliary police/ watchmen/ RELA are employed to maintain security in the estate.</p> <p>Guidance</p> <p>Where there is a conflict on the condition of land use as per land title, growers should show evidence that necessary action has been taken to resolve the conflict with relevant parties.</p> <p>A mechanism should be in place to resolve any conflict (Criteria 6.3 and 6.4).</p> <p>Where operations overlap with other rights holders, companies should resolve the issue with the appropriate authorities, consistent with Criteria 6.3 and 6.4.</p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
		<p>Growers and millers should also refer to the guidance on consultation in Malaysia in Annex 4 of this document.</p>
<p>2.3</p>	<p>Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.</p>	<p>2.3.1 Maps of an appropriate scale showing the extent of recognised legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities). Major Compliance</p> <p>2.3.2 Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include:</p> <p>a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making;</p> <p>b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken;</p> <p>c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land.</p> <p>Minor Compliance</p> <p>2.3.3 All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. Minor Compliance</p>

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		<p>2.3.4 Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. Major Compliance</p> <p>Specific Guidance:</p> <p>For 2.3.4: Evidence should be available from the companies, communities or other relevant stakeholders.</p> <p>Guidance:</p> <p>All indicators will apply to current operations, but there are exceptions for long-established plantations which may not have records dating back to the time of the decision making, in particular for compliance with Indicators 2.3.1 and 2.3.2.</p> <p>Where there are legal or customary rights over land, the grower should demonstrate that these rights are understood and are not being threatened or reduced. This Criterion should be considered in conjunction with Criteria 6.4, 7.5 and 7.6. Where customary rights areas are unclear these should be established through participatory mapping exercises involving affected parties (including neighbouring communities and local authorities). Further guidance on determining validity on claims over land and natural resources by people living in areas being developed for oil palm plantation is given in Annex 4.</p> <p>This Criterion allows for sales and negotiated agreements to compensate other users for lost benefits and/or relinquished rights. Negotiated agreements should be non-coercive and entered into voluntarily, carried out prior to new investments or operations, and based on an open sharing of all relevant information.</p> <p>The representation of communities should be transparent and in open communication with other community members. Adequate time should be given for customary decision making and iterative negotiations allowed for, where requested. Negotiated agreements should be</p>

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		<p>binding on all parties and enforceable in the courts. Establishing certainty in land negotiations is of long-term benefit for all parties.</p> <p>Companies should be especially careful where they are offered lands acquired from the State by its invoking the national interest (also known as 'eminent domain').</p> <p>Growers and millers should refer to the RSPO approved FPIC guidance (<i>'FPIC and the RSPO: A Guide for Companies'</i>, October 2008).</p> <p>Growers and millers should also refer to the guidance on consultation in Malaysia in Annex 4 of this document.</p>
PRINCIPLE 3: COMMITMENT TO LONG-TERM ECONOMIC AND FINANCIAL VIABILITY		
3.1	There is an implemented management plan that aims to achieve long-term economic and financial viability.	<p>3.1.1 A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders. Major Compliance</p> <p>3.1.2 An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available. Minor Compliance</p> <p>Specific Guidance:</p> <p>For 3.1.1: The business or management plan should contain at a minimum:</p> <ul style="list-style-type: none"> • Crop projection = Fresh Fruit Bunches (FFB) yield trends; • Mill extraction rates = Oil Extraction Rate (OER) trends;

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		<p>Suggested calculation: trends in 3-year running mean over the last decade (FFB trends may need to allow for low yield during major replanting programmes).</p> <p>Guidance:</p> <p>Whilst it is recognised that long-term profitability is also affected by factors outside their direct control, top management should be able to demonstrate attention to economic and financial viability through long-term management planning. There should be longer term planning for plantations on peat, particularly in regards to subsidence and flooding issues (see Indicator 4.3.5).</p> <p>Consideration of smallholders should be inherent in all management planning where applicable (see also Criteria 6.10 and 6.11). For scheme smallholders the content will vary from that suggested (refer to <i>RSPO Guidance On Scheme Smallholders, July 2009</i>).</p> <p>Growers should have a system to improve practices in line with new information and techniques. For smallholder schemes, the scheme management should be expected to provide their members with information on significant improvements.</p> <p>This Criterion is not applicable to independent smallholders (refer to <i>RSPO Guidance for Independent Smallholders under Group Certification, June 2010</i>).</p>
PRINCIPLE 4: USE OF APPROPRIATE BEST PRACTICES BY GROWERS AND MILLERS		
4.1	Operating procedures are appropriately documented, consistently implemented and monitored.	<p>4.1.1 Standard Operating Procedures (SOPs) for estates and mills shall be documented. Major Compliance</p> <p>4.1.2 A mechanism to check consistent implementation of procedures shall be in place. Minor Compliance</p> <p>4.1.3 Records of monitoring and any actions taken shall be maintained and available, as appropriate.</p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
		<p>Minor Compliance</p> <p>4.1.4 The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). Major Compliance</p> <p>Specific Guidance:</p> <p>For 4.1.1 and 4.1.4: SOP and documentation for mills should include relevant supply chain requirements (see <i>RSPO Supply Chain Certification Standard, Nov 2011</i>).</p> <p>Guidance:</p> <p>Mechanisms to check implementations could include documentation management systems and internal control procedures.</p>
4.2	Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.	<p>4.2.1 There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. Minor Compliance</p> <p>4.2.2 Records of fertiliser inputs shall be maintained. Minor Compliance</p> <p>4.2.3 There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. Minor Compliance</p> <p>4.2.4 A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues. Minor Compliance</p> <p>Guidance:</p>

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		<p>Long-term fertility depends on maintaining the structure, organic matter content, nutrient status and microbiological health of the soil. Nutrient efficiency should take account of the age of plantations and soil conditions. The nutrient recycling strategy should include any use of biomass for by-products.</p> <p>Companies without internal SOPs for Good Agricultural Practices (GAP) to make reference to the MPOB GAP/COP.</p>
4.3	Practices minimise and control erosion and degradation of soils.	<p>4.3.1 Maps of any fragile/marginal soils shall be available. Major Compliance</p> <p>4.3.2 A management strategy shall be in place for plantings on slopes between 9 and 25 degrees unless specified otherwise by the company's SOP. Minor Compliance</p> <p>4.3.3 A road maintenance programme shall be in place. Minor Compliance</p> <p>4.3.4 Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. Major Compliance</p> <p>4.3.5 Drainability assessments where necessary will be conducted prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. Minor Compliance</p> <p>4.3.6 A management strategy shall be in place for other fragile and problem soils (e.g. podzols and acid sulphate soils). Minor Compliance</p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
		<p>Specific Guidance:</p> <p>For 4.3.1 Replanting on sloping land must be in compliance with MSGAP Part 2: OP (4.4.2.2). (See Annex 3).</p> <p>For Sarawak, steep slopes above 25 degrees are considered high risk erosion areas and cannot undergo replanting unless approved by the Natural Resources and Environment Board (NREB).</p> <p>For Sabah, slopes 25 degrees and steeper are considered high risk erosion areas and cannot undergo replanting unless approved by the Environmental Protection Department (EPD).</p> <p>Slope determination methodology (slope analysis) should be based on average slope using topographic maps and/or topographical surveys.</p> <p>For 4.3.4: For existing plantings on peat, the water table should be maintained at an annual average of 50cm (between 40 - 60cm) below ground surface measured with groundwater piezometer readings, or an annual average of 60cm (between 50 - 70cm) below ground surface as measured in water collection drains, through a network of appropriate water control structures e.g. weirs, sandbags, etc. in fields, and water gates at the discharge points of main drains (Criteria 4.4 and 7.4).</p> <p>For 4.3.5: Where drainability assessments have identified areas unsuitable for oil palm replanting, plans should be in place for appropriate rehabilitation or alternative use of such areas. If the assessment indicates high risk of serious flooding and/or salt water intrusion within two crop cycles, growers and planters should consider ceasing replanting and implementing rehabilitation.</p> <p>Guidance:</p>

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		<p>Techniques that minimise soil erosion are well-known and should be adopted, wherever appropriate. These may include practices such as:</p> <ol style="list-style-type: none"> 1. Expediting establishment of ground cover upon completion of land preparation for new replant. 2. Maximizing palm biomass retention/ recycling. 3. Maintaining good non-competitive ground covers in mature areas. 4. Encouraging the establishment/regeneration of non-competitive vegetation to avoid bare ground. 5. Construction of conservation terraces for slopes >15° 6. Advocating proper frond heap stacking such as contour/L-shaped stacking. For straight line planting and stacking along the terrace edges for terrace planting. 7. Appropriate road design and regular maintenance. 8. Diversion of water runoff from the field roads into terraces or silt pits. 9. Construction of stop bunds to retain water within the terrace. 10. Maintaining and restoring riparian areas in order to minimize erosion of stream and river banks. <p>Plantations on peat should be guided at least to the standard set out in the <i>'RSPO Manual on Best Management Practices (BMPs) for existing oil palm cultivation on peat'</i>, June 2012 (especially water management, fire avoidance, fertiliser use, subsidence and vegetation cover).</p> <p>See Annex 1 for further clarification on fragile/marginal soils, excessive gradient, planting on steep terrain and fragile soils.</p>
4.4	Practices maintain the quality and availability of surface and ground water.	<p>4.4.1 An implemented water management plan shall be in place. Minor Compliance</p> <p>4.4.2 Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated.</p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
		<p>Major Compliance</p> <p>4.4.3 Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, shall be in compliance with national regulations (Criteria 2.1 and 5.6). Minor Compliance</p> <p>4.4.4 Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. Minor Compliance</p> <p>Specific Guidance:</p> <p>For 4.4.1: The water management plan will:</p> <ul style="list-style-type: none"> • Take account of the efficiency of use and renewability of sources; • Ensure that the use and management of water by the operation does not result in adverse impacts on other users within the catchment area, including local communities and customary water users; • Avoid contamination of surface and ground water through run-off of soil, nutrients or chemicals, or as a result of inadequate disposal of waste including Palm Oil Mill Effluent (POME). • Aim to ensure that the plantation activities do not cause adverse impacts to the water sources of local communities, workers and their families. • No construction of bunds/weirs/dams across the main rivers or waterways passing through an estate. • Outgoing water into main natural waterways should be monitored at a frequency that reflects the estates and mills current activities which may have negative impacts (Cross reference to C 5.1 and 8.1). • Monitoring rainfall data for proper water management.

NO.	PRINCIPLES AND CRITERIA	INDICATORS
		<ul style="list-style-type: none"> • Water drainage into protected areas is avoided wherever possible. Appropriate mitigating measures will be implemented following consultation with relevant stakeholders. <p>For 4.4.2: Refer to the <i>'RSPO Manual On Best Management Practices (BMP) for management and rehabilitation of natural vegetation associated with oil palm cultivation on peat'</i>, July 2012.</p> <p>Guidance:</p> <p>Growers and millers should address the effects of their use of water and the effects of their activities on local water resources.</p> <p>Growers and millers should also refer to the list of laws, regulations and guidelines in Annex 3 of this document.</p>
4.5	Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.	<p>4.5.1 Implementation of Integrated Pest Management (IPM) plans shall be monitored. Major Compliance</p> <p>4.5.2 Training of those involved in IPM implementation shall be demonstrated. Minor Compliance</p> <p>Guidance:</p> <p>Growers should apply recognised IPM techniques, incorporating cultural, biological, mechanical and physical methods to minimise the use of chemicals.</p> <p>Native species should be used in biological control where possible.</p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
		Companies without SOPs on IPM may refer to guidelines on best practices by RSPO, MPOB and others as reference.
4.6	Pesticides are used in ways that do not endanger health or the environment.	<p>4.6.1 Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. Major Compliance</p> <p>4.6.2 Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. Major Compliance</p> <p>4.6.3 Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in industry's Best Practice. Major Compliance</p> <p>4.6.4 Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in industry's Best Practice. The use of such pesticides shall be minimised and/or eliminated as part of a plan, and shall only be used in exceptional circumstances. Pesticides selected for use are those officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations (2000). Minor Compliance</p> <p>4.6.5 Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions</p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
		<p>attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7). Major Compliance</p> <p>4.6.6 Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). Pesticides shall be stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders, Pesticides Act 1974 (Act 149) and Regulations. Major Compliance</p> <p>4.6.7 Application of pesticides shall be by proven methods that minimise risk and impacts. Minor Compliance</p> <p>4.6.8 Pesticides shall be applied aurally only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. Major Compliance</p> <p>4.6.9 Evidence of continual training to enhance knowledge and skills of employees and associated smallholders on pesticide handling shall be demonstrated or made available. (see Criterion 4.8). Minor Compliance</p> <p>4.6.10 Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3). Minor Compliance</p> <p>4.6.11 Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. Major Compliance</p> <p>4.6.12 No work with pesticides shall be undertaken by pregnant or breast-feeding women.</p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
		<p>Major Compliance</p> <p>Specific Guidance:</p> <p>For 4.6.1: Measures to avoid the development of resistance should be applied e.g. pesticide rotations. The justification should consider less harmful alternatives and IPM.</p> <p>For 4.6.4: Pesticides Act 1974, Act 149, Pesticides (Highly Toxic Pesticide) Regulation 1996 describes the protocol for handling and use of highly toxic pesticides. Justification of the use of such pesticides will be included in the RSPO public summary audit report.</p> <p>For 4.6.6: Recognised best practice includes: Storage of all pesticides as prescribed in the FAO International Code of Conduct (see Annex 2) or to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders and Pesticides Act 1974 (Act 149) and Regulations. On the distribution and use of pesticides and its guidelines, and supplemented by relevant industry guidelines in support of the International Code (see Annex 1).</p> <p>For 4.6.11: Reference shall be made to CHRA (Chemical Health Risk Assessment).</p> <p>Guidance:</p> <p>Unless participating in established recycling programmes or with expressed permission from the authorities, triple rinsed containers shall be pierced to prevent misuse. Disposal or destruction of containers shall be in accordance with the Pesticide Act 1974 (Act 149) and Environmental Quality Act 1974 (Scheduled Wastes) Regulations 2005.</p> <p>The RSPO has identified some examples of alternatives to pesticide use, which include those listed in the '<i>Research project on Integrated Weed Management Strategies for Oil Palm; CABI, April 2011</i>'.</p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
		<p>Due to problems in the accuracy of measurement, monitoring of pesticide toxicity is not applicable to independent smallholders (<i>refer to 'Guidance for Independent Smallholders under Group Certification', June 2010</i>).</p> <p>Growers are encouraged to reduce and/or eliminate use of pesticides. (To refer to Pesticide Act 1974 – Section on Highly Toxic Pesticides)</p> <p>Remarks: The RSPO Secretariat is tasked to compile and document the industry's Best Practices as guidelines.</p>
4.7	An occupational health and safety plan is documented, effectively communicated and implemented.	<p>The occupational health and safety plan shall cover the following:</p> <p>4.7.1 An occupational health and safety policy shall be in place. An occupational health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored. Major Compliance</p> <p>4.7.2 All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers. Major Compliance</p> <p>4.7.3 All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning. Major Compliance</p> <p>4.7.4 The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about</p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
		<p>health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded. Major Compliance</p> <p>4.7.5 Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed. Minor Compliance</p> <p>4.7.6 All workers shall be provided with medical care, and covered by accident insurance. Minor Compliance</p> <p>4.7.7 Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. Minor Compliance</p> <p>Guidance:</p> <p>Growers and millers should ensure that the workplace, machinery, equipment, transport and processes under their control are safe and without undue risk to health. Growers and millers should ensure that the chemical, physical and biological substances and agents under their control are without undue risk to health when appropriate measures are taken. All indicators apply to all workers regardless of status.</p> <p>The health and safety plan should also reflect guidance in ILO Convention 184 (see Annex 2).</p>
4.8	All staff, workers, smallholders and	4.8.1 A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme.

NO.	PRINCIPLES AND CRITERIA	INDICATORS
	<p>contract workers are appropriately trained.</p>	<p>Major Compliance</p> <p>4.8.2 Records of training for each employee shall be maintained.</p> <p>Minor Compliance</p> <p>Guidance:</p> <p>Workers should be adequately trained on: the health and environmental risks of pesticide exposure; recognition of acute and long-term exposure symptoms to all workers including the most vulnerable groups (e.g. young workers, pregnant women); ways to minimise exposure to workers and their families; and international and national instruments or regulations that protect workers' health.</p> <p>The training programme should include productivity and best management practice, and be appropriate to the scale of the organisation.</p> <p>Training should be given to all staff and workers by growers and millers to enable them to fulfil their jobs and responsibilities in accordance with documented procedures, and in compliance with the requirements of these Principles, Criteria, Indicators and Guidance.</p> <p>Contract workers should be selected for their ability to fulfil their jobs and responsibilities in accordance with documented procedures, and in compliance with the requirements of the RSPO Principles, Criteria, Indicators, Guidance and relevant statutory requirements. The agreements with contractors should reflect the above.</p> <p>Growers and millers should demonstrate training activities for schemes smallholders who provide Fresh Fruit Bunches (FFB) on contract basis.</p> <p>Workers on smallholder plots also need adequate training and skills, and this can be achieved through extension activities of growers or millers that purchase fruit from them, by smallholders' organisations, or through collaboration with other institutions and</p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
		<p>organisations (<i>refer to 'Guidance for Independent Smallholders under Group Certification', June 2010, and 'Guidance on Scheme Smallholders', July 2009</i>).</p> <p>For individual smallholder operations, training records should not be required for their workers, but anyone working on the farm should be adequately trained for the job they are doing (<i>refer to 'Guidance for Independent Smallholders under Group Certification', June 2010, and 'Guidance on Scheme Smallholders', July 2009</i>).</p>
PRINCIPLE 5: ENVIRONMENTAL RESPONSIBILITY AND CONSERVATION OF NATURAL RESOURCES AND BIODIVERSITY		
5.1	<p>Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.</p>	<p>5.1.1 An environmental impact assessment (EIA) shall be documented. Major Compliance</p> <p>5.1.2 Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive action plan. The action plan shall identify the responsible person/persons. Minor Compliance</p> <p>5.1.3 This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts. Minor Compliance</p> <p>Specific Guidance</p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
		<p>For 5.1.1: An EIA is required for all operations but can be in the form as per the legal requirement, or the Environmental Aspect and Impacts Assessment (EAIA).</p> <p>Thresholds for EIA and other legally required environmental assessments are provided in Annex 3. Onus is on the company to report back to the relevant authorities on the mitigation efforts being put in place arising out of the EIA.</p> <p>Non-restrictive format for EAIA e.g. ISO 14001 EMS incorporating elements spelt out in this criterion and raised through stakeholder consultation.</p> <p>Guidance:</p> <p>The EIA/EAIA should cover the following activities, where they are undertaken:</p> <ul style="list-style-type: none"> • Building new roads, processing mills or other infrastructure; • Putting in drainage or irrigation systems; • Replanting and/or expansion of planting areas; • Management of mill effluents (Criterion 4.4); • Clearing of remaining natural vegetation; • Management of pests and diseased palms by controlled burning (Criteria 5.5 and 7.7). <p>Environmental impacts should be identified on soil and water resources (Criteria 4.3 and 4.4), air quality, greenhouse gases (Criterion 5.6), biodiversity and ecosystems, and people's amenity (Criterion 6.1), both on and off-site.</p> <p>Stakeholder consultation has a key role in identifying environmental impacts. The inclusion of consultation should result in improved processes to identify impacts and to develop any required mitigation measures.</p> <p>For smallholder schemes, the scheme management has the responsibility to undertake impact assessment and to plan and operate in accordance with the results (<i>refer to</i></p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
		<i>'Guidance for Independent Smallholders under Group Certification', June 2010, and 'Guidance on Scheme Smallholders', July 2009).</i>
5.2	The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.	<p>5.2.1 Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). Major Compliance</p> <p>5.2.2 Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through an action plan. Major Compliance</p> <p>5.2.3 There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instituted in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species. Minor Compliance</p> <p>5.2.4 Where an action plan has been created there shall be ongoing monitoring:</p> <ul style="list-style-type: none"> • The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; • Outcomes of monitoring shall be fed back into the action plan. <p>Minor Compliance</p> <p>5.2.5 Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights.</p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
		<p>Minor Compliance</p> <p>Specific Guidance:</p> <p>For 5.2.1: This information will cover:</p> <ul style="list-style-type: none"> • Presence of protected areas that could be significantly affected by the grower or miller; • Conservation status (e.g. IUCN status), legal protection, population status and habitat requirements of rare, threatened, or endangered (RTE) species that could be significantly affected by the grower or miller; • Identification of HCV habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower or miller; • HCV assessment on existing plantation can be conducted internally or out-sourced to HCV Resource Network licenced HCV assessors. <p>For 5.2.2: These measures will include:</p> <ul style="list-style-type: none"> • Ensuring that any legal requirements relating to the protection of the species or habitat are met; • Avoiding damage to and deterioration of HCV habitats, such as by attempting to connect HCV areas, corridors are conserved, and buffer zones around HCV areas are created; • Controlling any illegal or inappropriate hunting, fishing or collecting activities, and developing responsible measures to resolve human-wildlife conflicts (e.g. incursions by elephants). <p>For 5.2.5: If a negotiated agreement cannot be reached, there should be evidence of sustained efforts to achieve such an agreement. These could include third party arbitration (see Criteria 2.3, 6.3 and 6.4).</p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
		<p>Guidance:</p> <p>This information gathering should include checking available biological records and consultation with relevant government departments, research institutes and interested NGOs if appropriate. Depending on the biodiversity values that are present, and the level of available information, some additional field survey work may be required.</p> <p>Wherever HCV benefits can be realised outside of the management unit, collaboration and cooperation between other growers, governments and organisations are encouraged.</p> <p>Note:</p> <p>Operators need to consider a variety of land management and tenure options to secure HCV management areas in ways that also secure local peoples' rights and livelihoods. Some areas are best allocated to community management and secured through customary or legal tenures, in other cases co-management options can be considered. Where communities are asked to relinquish rights so that HCVs can be maintained or enhanced by the companies or State agencies, then great care needs to be taken to ensure that communities retain access to adequate land and resources to secure their basic needs; all such relinquishment of rights must be subjected to their free, prior, and informed consent (see Criteria 2.2 and 2.3).</p> <p>Growers and millers should also refer to the list of laws, regulations and guidelines in Annex 3 of this document.</p>
5.3	Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.	<p>5.3.1 All waste products and sources of pollution shall be identified and documented. Major Compliance</p> <p>5.3.2 All chemicals and their containers shall be disposed of responsibly. Major Compliance</p> <p>5.3.3 A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.</p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
		<p>Minor Compliance</p> <p>Guidance:</p> <p>The waste management and disposal plan should include measures for:</p> <ul style="list-style-type: none"> • Identifying and monitoring sources of waste and pollution. • Improving the efficiency of resource utilisation and recycling potential wastes as nutrients or converting them into value-added products (e.g. through animal feeding programmes). • Appropriate management and disposal of hazardous chemicals and their containers. Surplus chemical containers should be reused, recycled or disposed of in an environmentally and socially responsible way using best available practices (e.g. returned to the vendor or cleaned using a triple rinse method), such that there is no risk of contamination of water sources or risk to human health. The disposal instructions on the manufacturers' labels should be adhered to. Use of open fire for waste disposal should be avoided. <p>Scheduled waste to be disposed as per EQA 1974 (Scheduled Wastes) Regulations, 2005.</p> <p>Reference to be made to the national programme on recycling of used HDPE pesticide containers.</p> <p>Municipal waste disposal as per local authority or district council in accordance to the Ministry of Health guidelines (i.e. specifications on landfills, licensed contractors, etc.) or Workers' Minimum Standards of Housing and Amenities Act 1990 (Act 446).</p> <p>POME should be discharged in compliance with the Environmental Quality (Prescribed Premises)(Crude Palm Oil) Order 1977. For Sabah and Sarawak, POME should be discharged according to the respective state policies.</p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
5.4	Efficiency of fossil fuel use and the use of renewable energy is optimised.	<p>5.4.1 A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored. Minor Compliance</p> <p>Guidance:</p> <p>Renewable energy use per tonne of Crude Palm Oil (CPO) or palm product in the mill should be monitored.</p> <p>Direct fossil fuel use per tonne of CPO or Fresh Fruit Bunches (FFB) should be monitored.</p> <p>Energy efficiency should be taken into account in the construction or upgrading of all operations.</p> <p>To establish baseline values and observe trends within appropriate time-frame, growers and millers should assess the energy use including fuel and electricity, and energy efficiency of their operations. The feasibility of collecting and/or using biogas, biodiesel and biofuels should be studied if possible.</p>
5.5	Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.	<p>5.5.1 There shall be no land preparation by burning, other than in specific situations as identified in the <i>'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003</i>. Major Compliance</p> <p>5.5.2 Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in <i>'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003</i>. Minor Compliance</p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
		<p>Guidance:</p> <p>Fire should be used only where an assessment has demonstrated that it is the most effective and least environmentally damaging option for minimising the risk of severe pest and disease outbreaks, and exceptional levels of caution should be required for use of fire on peat. This should be subject to regulatory provisions under respective national environmental legislation.</p> <p>Extension/training programmes for associated smallholders may be necessary.</p>
5.6	<i>Preamble</i>	<p><i>Growers and millers commit to reporting on operational greenhouse gas emissions. However, it is recognised that these significant emissions cannot be monitored completely or measured accurately with current knowledge and methodology. It is also recognised that it is not always feasible or practical to reduce or minimise these emissions.</i></p> <p><i>Growers and millers commit to an implementation period until the end of December 2016 for promoting best practices in reporting to the RSPO, and thereafter to public reporting. Growers and millers make this commitment with the support of all other stakeholder groups of the RSPO.</i></p>
5.6	Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.	<p>5.6.1 An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4). Major Compliance</p> <p>5.6.2 Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. Major Compliance</p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
		<p>5.6.3 A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools. Minor Compliance</p> <p>Specific Guidance:</p> <p>For 5.6.2: Plans will include objectives, targets and timelines. These should be responsive to context and any changes should be justified.</p> <p>For 5.6.2 and 5.6.3: The treatment methodology for POME will be recorded.</p> <p>For 5.6.3 (GHG): For the implementation period until December 31st 2016, an RSPO-endorsed modified version of PalmGHG which only includes emissions from operations (including land use practices) can be used as a monitoring tool. (Cross reference to Criteria 7.8)</p> <p>For 5.6.3: In addition, during the implementation period, growers will start to assess, monitor and report emissions arising from changes in carbon stocks within their operations, using the land use in November 2005 as the baseline. The implementation period for Indicator 5.6.3 is the same implementation period for Criterion 7.8.</p> <p>During the implementation period, reporting on GHG will be to the RSPO Emission Reduction Working Group, ERWG (composed of all membership categories) which will use the information reported to review and fine tune the tools, emission factors and methodologies, and provide additional guidance for the process. Public reporting is desirable, but remains voluntary until the end of the implementation period. During the implementation period the RSPO ERWG will seek to continually improve PalmGHG, recognising the challenges associated with measuring GHG and carbon stock.</p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
		<p>PalmGHG or RSPO-endorsed equivalent will be used to assess, monitor and report GHG emissions. Parties seeking to use an alternative to PalmGHG will have to demonstrate its equivalence to the RSPO for endorsement.</p> <p>Guidance:</p> <p>Where practically feasible, operations should follow best management practices to measure and reduce emissions. Advice on this is available from the RSPO.</p> <p>All existing mills are encouraged to have methane capture facilities by 2020.</p>
<p>PRINCIPLE 6: RESPONSIBLE CONSIDERATION OF EMPLOYEES AND OF INDIVIDUALS AND COMMUNITIES AFFECTED BY GROWERS AND MILLERS</p>		
<p>6.1</p>	<p>Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.</p>	<p>6.1.1 A social impact assessment (SIA) including records of meetings shall be documented. Major Compliance</p> <p>6.1.2 There shall be evidence that the assessment has been done with the participation of affected parties. Major Compliance</p> <p>6.1.3 Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation. Major Compliance</p> <p>6.1.4 The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties.</p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
		<p>Minor Compliance</p> <p>6.1.5 Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). Minor Compliance</p> <p>Guidance:</p> <p>Identification of social impacts should be carried out by the grower with the participation of affected parties, including women and migrant workers as appropriate to the situation. The involvement of independent experts should be sought where this is considered necessary to ensure that all impacts (both positive and negative) are identified.</p> <p>Participation in this context means that affected parties are able to express their views through their own representative institutions, or freely chosen spokespersons, during the identification of impacts, reviewing findings and plans for mitigation, and monitoring the success of implemented plans.</p> <p>Potential social impacts may result from activities such as: building new roads, processing mills or other infrastructure; replanting with different crops or expansion of planting area; disposal of mill effluents; clearing of remaining natural vegetation; changes in employee numbers or employment terms; smallholder schemes.</p> <p>Plantation and mill management may have social impacts (positive or negative) on factors such as:</p> <ul style="list-style-type: none"> • Access and use rights; • Economic livelihoods (e.g. paid employment) and working conditions; • Subsistence activities; • Cultural and religious values; • Health and education facilities;

NO.	PRINCIPLES AND CRITERIA	INDICATORS
		<ul style="list-style-type: none"> • Other community values, resulting from changes such as improved transport /communication or arrival of substantial migrant labour force. <p>The review can be done (once every two years) internally or externally.</p> <p>Growers and millers should also refer to the guidance on consultation in Malaysia in Annex 4 of this document.</p>
6.2	There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.	<p>6.2.1 Consultation and communication procedures shall be documented. Major Compliance</p> <p>6.2.2 A management official responsible for these issues shall be nominated. Minor Compliance</p> <p>6.2.3 A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained. Minor Compliance</p> <p>Guidance:</p> <p>Decisions that the growers or mills are planning to make should be made clear, so that local communities and other interested parties understand the purpose of the communication and/or consultation.</p> <p>Communication and consultation mechanisms should be designed in collaboration with local communities and other affected or interested parties. These should consider the use of appropriate existing local mechanisms and languages. Consideration should be given to the existence/formation of a multi-stakeholder forum. Communications should take into account differential access to information by women as compared to men, village leaders</p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
		<p>as compared to day labourers, new versus established community groups, and different ethnic groups.</p> <p>Consideration should be given to involving third parties, such as disinterested community groups, NGOs, or government (or a combination of these), to facilitate smallholder schemes and communities, and others as appropriate, in these communications.</p> <p>Growers and millers should also refer to the guidance on consultation in Malaysia in Annex 4 of this document.</p>
6.3	<p>There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.</p>	<p>6.3.1 The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested. Major Compliance</p> <p>6.3.2 Documentation of both the process by which a dispute was resolved and the outcome shall be available. Major Compliance</p> <p>Specific Guidance:</p> <p>For 6.3.1: The system should aim to reduce the risks of reprisal.</p> <p>Guidance:</p> <p>See also to Criterion 1.2.</p> <p>Dispute resolution mechanisms should be established through open and consensual agreements with relevant affected parties.</p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
		<p>Complaints should be dealt with by mechanisms such as Joint Consultative Committees (JCC), with gender representation as necessary. Grievances may be internal (employees) or external.</p> <p>For scheme and independent smallholders, refer to '<i>Guidance for Independent Smallholders under Group Certification</i>', June 2010, and '<i>Guidance on Scheme Smallholders</i>', July 2009.</p> <p>Where a resolution is not found mutually, complaints can be brought to the attention of the RSPO Complaints System.</p> <p>Refer to helpful texts for guidance, such as the Human Rights Commission (HRC) endorsed '<i>Guiding Principles on Business and Human Rights: Implementing the UN "Protect, Respect and Remedy" Framework</i>', 2011.</p>
6.4	Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own	<p>6.4.1 A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place. Major Compliance</p> <p>6.4.2 A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land. Minor Compliance</p> <p>6.4.3 The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available.</p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
	representative institutions.	<p>Major Compliance</p> <p>Specific Guidance:</p> <p>For 6.4.2: Companies should make best efforts to ensure that equal opportunities have been provided to both female and male heads of households to hold land titles in smallholder schemes.</p> <p>Guidance:</p> <p>This criterion should be considered in conjunction with Criteria 2.2 and 2.3, and the associated Guidance.</p>
6.5	Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.	<p>6.5.1 Documentation of pay and conditions shall be available. Major Compliance</p> <p>6.5.2 Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official. Major Compliance</p> <p>6.5.3 Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, in accordance with Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446) or above, where no such public facilities are available or accessible (not applicable to smallholders). Minor Compliance</p> <p>6.5.4 Growers and millers shall make demonstrable efforts to monitor and where able, improve workers' access to adequate, sufficient and affordable food.</p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
		<p>Minor Compliance</p> <p>Guidance:</p> <p>Refer to Minimum Wage Order 2012.</p>
6.6	<p>The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</p>	<p>6.6.1 A published statement in local languages recognising freedom of association shall be available. Major Compliance</p> <p>6.6.2 Minutes of meetings with main trade unions or workers representatives shall be documented. Minor Compliance</p> <p>Guidance:</p> <p>The right of employees, including foreign workers and contract workers (only for employees with contract-of-service employment), to form associations and bargain collectively with their employer should be respected, in accordance with the Employment Act 1955, Industrial Relations Act 1967, Labour Ordinance (including Sabah Labour Ordinance & Sarawak Labour Ordinance), and Trade Unions Acts 1959.</p> <p>Labour laws and union agreements, or in their absence direct contracts of employment detailing payments and other conditions, should be available in the languages understood by the workers or explained carefully to them by a management official.</p> <p>In the Malaysian context, migrant/ transmigrant workers are known as Foreign Employees under Section 2 of the Employment Act 1955 (Act 265). With regards to permits, visit pass & etc., it is covered under the Immigration Act 1959/1963, and also the Immigration Regulation 1963.</p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
6.7	Children are not employed or exploited.	<p>6.7.1 There shall be documentary evidence that minimum age requirements are met. Major Compliance</p> <p>Guidance:</p> <p>Growers and millers should clearly define the minimum working age, together with working hours. Only workers above the minimum school leaving age in the country or who are at least 15 years old may be employed. The minimum age of workers will not be less than stated under national regulations. Any hazardous work should not be done by those under 18, as per International Labour Organisation (ILO) Convention 138 and other relevant regulations (refer to Annex 2 and Annex 3).</p> <p>Please refer to ‘<i>Guidance for Independent Smallholders under Group Certification</i>’, June 2010, and ‘<i>Guidance on Scheme Smallholders</i>’, July 2009 for additional guidance on family farms.</p> <p>Hazardous work may include, but not restricted to use of machinery, handling of chemicals and FFB harvesting.</p>
6.8	Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.	<p>6.8.1 A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. Major Compliance</p> <p>6.8.2 Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. Major Compliance</p> <p>6.8.3 It shall be demonstrated that recruitment selection, hiring and promotion where relevant are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available.</p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
		<p>Minor Compliance</p> <p>Guidance:</p> <p>Examples of compliance can be appropriate documentation (e.g. job advertisements, job descriptions, etc.), and/or information obtained via interviews with relevant stakeholders such as affected groups which may include women, local communities, foreign workers, and migrant workers, etc.</p> <p>Notwithstanding national legislation and regulation, medical conditions should not be used in a discriminatory way.</p> <p>The grievance procedures detailed in Criterion 6.3 apply. Positive discrimination to provide employment and benefits to specific communities is acceptable as part of negotiated agreements.</p> <p>It shall be demonstrated that recruitment and selection of foreign plantation workers are based on passing the medical fitness by the country of origin and later in Malaysia by FOMEMA.</p>
6.9	There is no harassment or abuse in the work place, and reproductive rights are protected.	<p>6.9.1 A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce. Major Compliance</p> <p>6.9.2 A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce. Major Compliance</p> <p>6.9.3 A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce.</p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
		<p>Minor Compliance</p> <p>Specific Guidance:</p> <p>For 6.9.1 and 6.9.2: These policies should include education for women and awareness of the workforce. There should be programmes provided for particular issues faced by women, such as violence and sexual harassment in the workplace. A gender committee specifically to address areas of concern to women will be used to comply with this Criterion. This committee, which should include representatives from all areas of work, will consider matters such as: training on women's rights; counselling for women affected by violence; child care facilities to be provided by the growers and millers; women to be allowed to breastfeed up to nine months before resuming chemical spraying or usage tasks; and women to be given specific break times to enable effective breastfeeding.</p> <p>For 6.9.2: see Indicator 4.6.12.</p> <p>Guidance:</p> <p>There should be a clear policy developed in consultation with employees, contract workers and other relevant stakeholders, and the policy should be publicly available. Progress in implementing the policy should be regularly monitored, and the results of monitoring activities should be recorded.</p> <p>Notwithstanding national legislation and regulation, reproductive rights are respected.</p>
6.10	Growers and millers deal fairly and transparently with smallholders and other local businesses.	<p>6.10.1 Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available.</p> <p>Minor Compliance</p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
		<p>6.10.2 Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation). Major Compliance</p> <p>6.10.3 Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. Minor Compliance</p> <p>6.10.4 Agreed payments shall be made in a timely manner. Minor Compliance</p> <p>Guidance:</p> <p>Transactions with smallholders should consider issues such as the role of middle men, transport and storage of FFB, quality and grading. The need to recycle the nutrients in FFB (see Criterion 4.2) should also be considered; where it is not practicable to recycle wastes to smallholders, compensation for the value of the nutrients exported can be made through the FFB price.</p> <p>Smallholders should have access to the grievance procedure under Criterion 6.3 if they consider that they are not receiving a fair price for FFB, whether or not middle men are involved.</p> <p>The need for a fair and transparent pricing mechanism is particularly important for outgrowers who are contractually obliged to sell all FFB to a particular mill.</p> <p>If mills require smallholders to change practices to meet the RSPO Principles and Criteria, consideration should be given to the costs of such changes, and the possibility of advance payments for FFB can be considered.</p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
6.11	Growers and millers contribute to local sustainable development where appropriate.	<p>6.11.1 Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. Minor Compliance</p> <p>6.11.2 Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity. Minor Compliance</p> <p>Guidance:</p> <p>Contributions to local development should be based on the results of consultation with local communities. See also Criterion 6.2. Such consultation should be based on the principles of transparency, openness and participation, and should encourage communities to identify their own priorities and needs, including the different needs of men and women.</p> <p>Where candidates for employment are of equal merit, preference should always be given to members of local communities. Positive discrimination should not be recognised as conflicting with Criterion 6.8.</p> <p>Efforts should be made to identify independent smallholders in the supply base.</p> <p>Where sourcing of fruit is from identified independent smallholders, efforts should be made to contribute to the improvement of their farming practices.</p>
6.12	No forms of forced or trafficked labour are used.	<p>6.12.1 There shall be evidence that no forms of forced or trafficked labour are used. Major Compliance</p> <p>6.12.2 Where applicable, it shall be demonstrated that no contract substitution has occurred. Minor Compliance</p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
		<p>6.12.3 Where temporary or foreign workers are employed, a special labour policy and procedures shall be established and implemented. Major Compliance</p> <p>Specific Guidance:</p> <p>For 6.12.1: Workers should enter into employment voluntarily and freely, without the threat of a penalty, and should have the freedom to terminate employment without penalty given reasonable notice or as per agreement.</p> <p>For 6.12.3: The special labour policy should include:</p> <ul style="list-style-type: none"> • Statement of the non-discriminatory practices; • No contract substitution; • Post-arrival orientation programme to focus especially on language, safety, labour laws, cultural practices etc.; • Decent living conditions to be provided. <p>Guidance</p> <p>Foreign and non-resident workers should be legalised, and a separate employment agreement should be drawn up to meet immigration requirements and international standards. Any deductions made should not jeopardise a decent living wage.</p> <p>Passports should only be voluntarily surrendered.</p> <p>There should be evidence of due diligence in applying this to all sub-contract workers and suppliers.</p> <p>National guidance should be used on contract substitution.</p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
		See Annex 1 for further definitions of relevant terms.
6.13	Growers and millers respect human rights.	<p>6.13.1 A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1). Major Compliance</p> <p>6.13.2 As long as children of foreign workers in Sabah and Sarawak are ineligible to attend government school, the plantation companies should engage in a process to secure these children access to education as a moral obligation. Minor Compliance</p> <p>Specific Guidance</p> <p>For 6.13.2 If there is a minimum of 10 children of the plantation workers, the plantation is encouraged to set up a learning centre e.g. HUMANA. The plantation is encouraged to provide decent building/housing or provide transportation/accessibility to adjacent learning centres for the above purpose.</p> <p>Guidance:</p> <p>See also Criterion 6.3.</p> <p>All levels of operations will include contracted third parties (e.g. those involved in security).</p> <p>Note:</p> <p>From the UN Guiding Principles on Business and Human Rights:</p> <p><i>“The responsibility of business enterprises to respect human rights refers to internationally recognised human rights – understood, at a minimum, as those expressed in the International Bill of Human Rights and the principles concerning fundamental rights set out</i></p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
		<p><i>in the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work” (“The corporate responsibility to respect human rights” in Guiding Principles on Business and Human Rights).</i></p> <p>The RSPO WG on Human Rights will provide a mechanism to identify, prevent, mitigate and address human rights issues and impacts. The resulting Guidance will identify the relevant issues on human rights to all RSPO Members.</p>
PRINCIPLE 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS		
7.1	A comprehensive and participatory independent social and environmental impact assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.	<p>7.1.1 An independent social and environmental impact assessment (SEIA), undertaken through a participatory methodology including the relevant affected stakeholders, shall be documented. Major Compliance</p> <p>7.1.2 Appropriate management planning and operational procedures shall be developed and implemented to avoid or mitigate identified potential negative impacts. Minor Compliance</p> <p>7.1.3 Where the development includes an outgrower scheme, the impacts of the scheme and the implications of the way it is managed shall be given particular attention. Minor Compliance</p> <p>Guidance:</p> <p>See also Criteria 5.1 and 6.1.</p> <p>The terms of reference should be defined and impact assessment should be carried out by accredited independent experts, in order to ensure an objective process. Both should not be done by the same body. A participatory methodology including external stakeholder groups is essential to the identification of impacts, particularly social impacts. Stakeholders such as local communities, government departments and NGOs should be</p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
		<p>involved through the use of interviews and meetings, and by reviewing findings and plans for mitigation.</p> <p>It is recognised that oil palm development can cause both positive and negative impacts. These developments can lead to some indirect/secondary impacts which are not under the control of individual growers and millers. To this end, growers and millers should seek to identify the indirect/secondary impacts within the SEIA, and where possible work with partners to explore mechanisms to mitigate the negative indirect impacts and enhance the positive impacts.</p> <p>The potential impacts of all major proposed activities should be assessed in a participatory way prior to development. The assessment should include, in no order of preference and as a minimum:</p> <ul style="list-style-type: none"> • Assessment of the impacts of all major planned activities, including planting, mill operations, roads and other infrastructure; • Assessment, including stakeholder consultation, of High Conservation Values (see Criterion 7.3) that could be negatively affected; • Assessment of potential effects on adjacent natural ecosystems of planned developments, including whether development or expansion will increase pressure on nearby natural ecosystems; • Identification of watercourses and wetlands and assessment of potential effects on hydrology and land subsidence (peat) of planned developments. Measures should be planned and implemented to maintain the quantity, quality and access to water and land resources; • Baseline soil surveys and topographic information, including the identification of steep slopes, marginal and fragile soils, areas prone to erosion, degradation, subsidence (peat), and flooding; • Analysis of type of land to be used (forest, degraded forest, cleared land); • Analysis of land ownership and user rights; • Analysis of current land use patterns;

NO.	PRINCIPLES AND CRITERIA	INDICATORS
		<ul style="list-style-type: none"> • Assessment of potential social impacts on surrounding communities of a plantation, including an analysis of potential effects on livelihoods, and differential effects on women versus men, ethnic communities, and migrant versus long-term residents; • Identification of activities which may generate significant GHG emissions. <p>Plans and field operations should be developed and implemented to incorporate the results of the assessment. One potential outcome of the assessment process is that the development may not proceed because of the magnitude of potential impacts.</p> <p>For smallholder schemes, the scheme management should address this Criterion. For individual smallholders, this Criterion does not apply.</p> <p>For land areas less than 500ha, an internal assessment using selected components of SEIA and HCV assessments can be used.-Where such internal assessments identify significant environmentally or socially sensitive areas or issues, an independent assessment will be undertaken.</p> <p>Legal requirements for EIA, EMP, PMM, approval for mills as well as accreditation by independent experts are given in Annex 3.</p>
7.2	Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.	<p>7.2.1 Soil suitability maps or soil surveys adequate to establish the long-term suitability of land for oil palm cultivation shall be available and taken into account in plans and operations. Major Compliance</p> <p>7.2.2 Topographic information adequate to guide the planning of drainage and irrigation systems, roads and other infrastructure shall be available and taken into account in plans and operations. Minor Compliance</p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
		<p>Guidance:</p> <p>These activities can be linked to the Social and Environmental Impact Assessment (SEIA) (see Criterion 7.1) but need not be done by independent experts.</p> <p>Soil suitability maps or soil surveys should be appropriate to the scale of operation and should include information on soil types, topography, drainage system, rooting depth, moisture availability, stoniness and fertility to ensure long-term sustainability of the development. Soils requiring appropriate practices should be identified (see Criteria 4.3 and 7.4). This information should be used to plan planting programmes, etc. Measures should be planned to minimise erosion through appropriate use of heavy machinery, terracing on slopes, appropriate road construction, rapid establishment of cover, protection of riverbanks, etc. Areas located within the plantation perimeters that are considered unsuitable for long-term oil palm cultivation will be delineated in plans and included in operations for conservation or rehabilitation as appropriate (see Criterion 7.4).</p> <p>Assessing soil suitability is also important for smallholders, particularly where there are significant numbers operating in a particular location. Information should be collected on soil suitability by companies planning to purchase Fresh Fruit Bunches (FFB) from potential developments of independent smallholders in a particular location. Companies should assess this information and provide information to independent smallholders on soil suitability, and/or in conjunction with relevant government/public institutions and other organisations (including NGOs) provide information in order to assist independent smallholders to grow oil palm sustainably.</p>
7.3	New plantings since November 2005 have not replaced primary forest or any area required to maintain or enhance one or	<p>7.3.1 There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2). Major Compliance</p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
	<p>more High Conservation Values.</p>	<p>7.3.2 A comprehensive HCV assessment, including stakeholder consultation, shall be conducted prior to any conversion or new planting. This shall include a land use change analysis to determine changes to the vegetation since November 2005. This analysis shall be used, with proxies, to indicate changes to HCV status. Major Compliance</p> <p>7.3.3 Dates of land preparation and commencement shall be recorded. Minor Compliance</p> <p>7.3.4 An action plan shall be developed that describes operational actions consequent to the findings of the HCV assessment, and that references the grower's relevant operational procedures (see Criterion 5.2). Major Compliance</p> <p>7.3.5 Areas required by affected communities to meet their basic needs, taking into account potential positive and negative changes in livelihood resulting from proposed operations, shall be identified in consultation with the communities and incorporated into HCV assessments and management plans (see Criterion 5.2). Minor Compliance</p> <p>Specific Guidance:</p> <p>For 7.3.1: 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. Satellite or aerial photographs, land use maps and vegetation maps should be used to inform the HCV assessment.</p> <p>Where land has been cleared since November 2005, and without a prior and adequate HCV assessment, it will be excluded from the RSPO certification programme until an adequate HCV compensation plan has been developed and accepted by the RSPO.</p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
		<p>For 7.3.5: The management plan will be adaptive to changes in HCV 5 and 6. Decisions will be made in consultation with the affected communities.</p> <p>Guidance:</p> <p>This Criterion applies to forests and other vegetation types. This applies irrespective of any changes in land ownership or farm management that have taken place since November 2005. HCVs may be identified in restricted areas of a landholding, and in such cases new plantings can be planned to allow the HCVs to be maintained or enhanced.</p> <p>The HCV assessment process requires appropriate training and expertise, and will include consultation with local communities, particularly for identifying social HCVs. HCV assessments should be conducted according to the Global HCV Toolkit (2013) or according to the updated Malaysian HCV Toolkit once it is finalised.</p> <p>Developments should actively seek to utilise previously cleared and/or degraded land on mineral soil.</p> <p>Plantation development should not put direct or indirect pressure on forests through the use of all available agricultural land in an area.</p> <p>Where landscape level HCV maps have been developed, these should be taken into account in project planning, whether or not such maps form part of government land use plans.</p> <p>In case of small areas located either in hydrologically sensitive landscapes or in HCV areas where conversion can jeopardise large areas or species, an independent assessment will be required. HCV areas can be very small.</p> <p>Once established, new developments should comply with Criterion 5.2.</p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
		<p>No conversion to oil palm of Environmentally Sensitive Areas (ESAs) as per Peninsular Malaysia's National Physical Plan (NPP) and respective State Structure Plans, Totally Protected Areas (TPA) or gazetted Forest Reserves (as designated under the relevant State Forestry Enactments).</p> <p>Existing plantation developments, within the degraded portions of gazetted Forest Reserves, with prior approval from the relevant state authorities and in full compliance to all other RSPO Provisions and Protocols prior to the implementation of this revised MYNI 2014, may seek for certification.</p> <p>ESA rankings and management criteria as per the NPP are listed in Annex 3.</p> <p>No new plantings on floodplains (reference to be made to State DID).</p>
7.4	Extensive planting on steep terrain, and/or marginal and fragile soils, including peat, is avoided.	<p>7.4.1 Maps identifying marginal and fragile soils, including excessive gradients and peat soils, shall be available and used to identify areas to be avoided. All new plantings should not be cultivated on land more than 300m above sea level unless specified by local legislation. Minor Compliance</p> <p>7.4.2 Where limited planting on fragile and marginal soils, including peat, is proposed, plans shall be developed and implemented to protect them without incurring adverse impacts. Major Compliance</p> <p>Guidance:</p> <p>This activity should be integrated with the social and environmental impact assessment (SEIA) required by Criterion 7.1.</p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
		<p>Planting on extensive areas of peat soils and other fragile soils should be avoided (see Criterion 4.3). Adverse impacts may include hydrological risks or significantly increased risks (e.g. fire risk) in areas outside the plantation (see Criterion 5.5).</p> <p>Further guidance and definition of terms (specific to 7.4) as in Annex 1.</p>
7.5	<p>No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their free, prior and informed consent. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.</p>	<p>7.5.1 Evidence shall be available that affected local peoples understand they have the right to say 'no' to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the grower/miller is signed by these local peoples. Major Compliance</p> <p><i>Refer also to criteria 2.2, 2.3, 6.2, 6.4 and 7.6 for Indicators and Guidance on compliance.</i></p> <p>Guidance:</p> <p>This activity should be integrated with the Social and Environmental Impact Assessment (SEIA) required by Criterion 7.1.</p> <p>Where new plantings are considered to be acceptable, management plans and operations should maintain sacred sites. Agreements with indigenous peoples, local communities and other stakeholders should be made without coercion or other undue influence (see Guidance for Criterion 2.3).</p> <p>Relevant stakeholders include those affected by or concerned with the new plantings.</p> <p>Free, prior and informed consent (FPIC) is a guiding principle and should be applied to all RSPO members throughout the supply chain. Refer to RSPO approved FPIC guidance ('<i>FPIC and the RSPO; A Guide for Companies</i>', October 2008).</p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
		<p>Customary and user rights will be demonstrated through participatory user mapping as part of the FPIC process.</p> <p>Growers and millers should also refer to the guidance on consultation in Malaysia in Annex 4 of this document.</p>
7.6	<p>Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.</p>	<p>7.6.1 Documented identification and assessment of demonstrable legal, customary and user rights shall be available. Major Compliance</p> <p>7.6.2 A system for identifying people entitled to compensation shall be in place. Major Compliance</p> <p>7.6.3 A system for calculating and distributing fair compensation (monetary or otherwise) shall be in place. Major Compliance</p> <p>7.6.4 Communities that have lost access and rights to land for plantation expansion shall be given opportunities to benefit from plantation development. Minor Compliance</p> <p>7.6.5 The process and outcome of any compensation claims shall be documented and made publicly available. Minor Compliance</p> <p>7.6.6. Evidence shall be available that the company has made adequate efforts to enable affected communities and rights holders to have access to information and advice that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands. Minor Compliance</p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
		<p>Specific Guidance:</p> <p>For 7.6.1: This activity shall be integrated with the social and environmental impact assessment (SEIA) required by Criterion 7.1.</p> <p>For 7.6.6: This evidence needs to be confirmed by the local communities.</p> <p>Guidance:</p> <p>Refer to Criteria 2.2, 2.3 and 6.4 and associated Guidance.</p> <p>This requirement includes indigenous peoples (see Annex 4).</p> <p>Refer to RSPO approved FPIC guidance (<i>'FPIC and the RSPO; A Guide for Companies'</i>, October 2008)</p>
7.7	No use of fire in the preparation of new plantings other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.	<p>7.7.1 There shall be no land preparation by burning, other than in specific situations, as identified in the <i>'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003</i>, or comparable guidelines in other regions. Major Compliance</p> <p>7.7.2 In exceptional cases where fire has to be used for preparing land for planting, there shall be evidence of prior approval of the controlled burning as specified in <i>'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003</i>, or comparable guidelines in other regions. Minor Compliance</p> <p>Specific Guidance:</p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
		<p>For 7.7.2: This activity shall be integrated with the social and environmental impact assessment (SEIA) required by Criterion 7.1.</p> <p>Guidance:</p> <p>Fire should be used only where an assessment has demonstrated that it is the most effective and least environmentally damaging option for minimising the risk of severe pest and disease outbreaks, and exceptional levels of caution are required for use of fire on peat. This should be subject to regulatory provisions under respective national environmental legislation. Extension/training programmes for smallholders may be necessary.</p>
7.8	Preamble	<p><i>It is noted that oil palm and all other agricultural crops emit and sequester greenhouse gases (GHG). There has already been significant progress by the oil palm sector, especially in relation to reducing GHG emissions relating to operations. Acknowledging both the importance of GHGs, and the current difficulties of determining emissions, the following new Criterion is introduced to demonstrate RSPO's commitment to establishing a credible basis for the Principles and Criteria on GHGs.</i></p> <p><i>Growers and millers commit to reporting on projected GHG emissions associated with new developments. However, it is recognised that these emissions cannot be projected with accuracy with current knowledge and methodology.</i></p> <p><i>Growers and millers commit to plan development in such a way to minimise net GHG emissions towards a goal of low carbon development (noting the recommendations agreed by consensus of the RSPO GHG WG2).</i></p> <p><i>Growers and millers commit to an implementation period for promoting best practices in reporting to the RSPO, and after December 31st 2016 to public reporting. Growers and millers make these commitments with the support of all other stakeholder groups of the RSPO.</i></p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
7.8	New plantation developments are designed to minimise net greenhouse gas emissions.	<p>7.8.1: The carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development shall be identified and estimated. Major Compliance</p> <p>7.8.2: There shall be a plan to minimise net GHG emissions which takes into account avoidance of land areas with high carbon stocks and/or sequestration options. Minor Compliance</p> <p>Specific Guidance:</p> <p>For 7.8.1: GHG identification and estimates can be integrated into existing processes such as HCV and soil assessments.</p> <p>The RSPO carbon assessment tool for new plantings will be available to identify and estimate the carbon stocks. It is acknowledged that there are other tools and methodologies currently in use; the RSPO Emission Reduction (ERWG) working group will not exclude these, and will include these in the review process.</p> <p>The RSPO PalmGHG tool or an RSPO-endorsed equivalent will be used to estimate future GHG emissions from new developments using, amongst others, the data from the RSPO carbon assessment tool for new plantings.</p> <p>Parties seeking to use an alternative tool for new plantings will have to demonstrate its equivalence to the RSPO for endorsement.</p> <p>For 7.8.2: Growers and millers should plan to implement RSPO best management practices for the minimisation of emissions during the development of new plantations.</p> <p>Growers are strongly encouraged to establish new plantings on mineral soils, in low carbon stock areas, and cultivated areas, which the current users are willing to develop into oil palm. Millers are encouraged to adopt low-emission management practices (e.g. better management of palm oil mill effluent (POME), efficient boilers etc.) in new</p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
		<p>developments. Growers and millers are encouraged to consider setting up additional areas or buffer zones in order to minimise the net emissions from the development / the carbon loss from any cleared HCS areas.</p> <p>Guidance</p> <p>This Criterion covers plantations, mill operations, roads and other infrastructure. It is recognised that there may be significant changes between the planned and final development area, hence the assessment may need to be updated before the time of implementation.</p> <p>Public reporting is desirable, but remains voluntary until the end of the implementation period.</p> <p>During the implementation period until December 31st 2016 (as specified in Criterion 5.6), reporting on GHG will be to the RSPO ERWG which will use the information reported to review and fine tune the tools, emission factors and methodologies, and provide additional guidance on the process. During the implementation period the RSPO ERWG will seek to further develop and continually improve the RSPO carbon assessment tool for new plantings, recognising the challenges associated with estimating carbon stocks and projecting GHG emissions from new developments.</p> <p>Thereafter growers and millers will ensure that new plantation developments are designed to minimise net GHG emissions and commit to reporting publicly on this.</p> <p>Once established, new developments should report on-going operational, land use and land use change emissions under Criterion 5.6.</p> <p>For definition of HCS and LCS, there are ongoing works in Malaysia and other parts of the world to further clarify this, as well as under the RSPO ERWG to provide the definitions of HCS and LCS. The RSPO ERWG will provide guidance to growers for implementation.</p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
		<p>(Note: Without an interpreted threshold under the NI, the generic guidance as provided in the P&C 2013, Annex 2, applies as the following:</p> <p><u>Guidance on low carbon stock areas:</u> Low carbon stock areas are defined as those with (above and below ground) carbon stores, where the losses as a result of conversion are equal or smaller to the gains in carbon stock within the new development area including set aside areas (non-planted areas) over the period of one rotation.)</p>
PRINCIPLE 8: COMMITMENT TO CONTINUAL IMPROVEMENT IN KEY AREAS OF ACTIVITY		
8.1	<p>Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.</p>	<p>8.1.1 The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> • Reduction in use of pesticides(Criterion 4.6); • Environmental impacts (Criteria 4.3, 5.1 and 5.2); • Waste reduction (Criterion 5.3); • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); • Social impacts (Criterion 6.1); • Encourage optimising the yield of the supply base. <p>Major Compliance</p> <p>Guidance:</p> <p>Growers should have a system to improve practices in line with new information and techniques, and a mechanism for disseminating this information throughout the workforce.</p>

NO.	PRINCIPLES AND CRITERIA	INDICATORS
		<p>For smallholders, there should be systematic guidance and training for continual improvement.</p> <p>When dealing with external supply base, yield improvement is encouraged.</p>

List of Annexes:

Annex 1 – Definitions

***Annex 2 – Key International Laws and Conventions
Applicable to the Production of Palm Oil***

***Annex 3 – Related Laws, Regulations and Guidelines
used in Malaysian Palm Oil Industry in
relation to respective Principles and Criteria***

***Annex 4 – Guidance Notes for Determining Validity of
Claims in Relation to Land and User Rights
within Existing and Future Plantations*** (cross
reference to Criteria 2.2, 2.3, 6.2, 6.3, 6.4, 6.11,
7.3, 7.5 and 7.6.)

Glossary

***Members of the Malaysian National Interpretation Task
Force***

Annex 1: Definitions

Contract – any agreement whether oral or in writing and whether expressed or implied whereby one person agrees to employ another as an employee and that other agrees to serve his employer as an employee and includes an apprenticeship contract.

Contract substitution - Contract substitution occurs when the employment contract signed by the employee at his or her domicile country differs from the contract offered on arrival in Malaysia by the employer.

Environmental Impact Assessment: A process of predicting and evaluating the effects of an action or series of actions on the environment, then using the conclusions as a tool in planning and decision-making.

Family farm: A farm operated and mostly owned by a family, for the growing of oil palm, sometimes along with subsistence production of other crops, and where the family provides the majority of the labour used. Such farms provide the principal source of income, and the planted area of oil palm is below 50 hectares in size. Work by children is acceptable on family farms, under adult supervision; when not interfering with education programmes; when children are part of the family and when they are not exposed to hazardous working conditions.

Grower: The person or entity that owns and/or manages an oil palm development.

High Conservation Value (HCV) Areas: The areas necessary to maintain or enhance one or more High Conservation Values (HCVs):

- **HCV 1 – Species diversity.** Concentrations of biological diversity including endemic species, and rare, threatened or endangered species, that are significant at global, regional or national levels.

- **HCV 2 – Landscape-level ecosystems and mosaics.** Large landscape-level ecosystems and ecosystem mosaics that are significant at global, regional or national levels, and that contain viable populations of the great majority of the naturally occurring species in natural patterns of distribution and abundance.

- **HCV 3 – Ecosystems and habitats.** Rare, threatened, or endangered ecosystems, habitats or refugia.

- **HCV 4 – Critical ecosystem services.** Basic ecosystem services in critical situations, including protection of water catchments and control of erosion of vulnerable soils and slopes.

- **HCV 5 – Community needs.** Sites and resources fundamental for satisfying the basic necessities of local communities or indigenous peoples (for livelihoods, health, nutrition, water, etc.), identified through engagement with these communities or indigenous peoples.

- **HCV 6 – Cultural values.** Sites, resources, habitats and landscapes of global or national cultural, archaeological or historical significance, and/or of critical cultural, ecological, economic or religious/sacred importance for the traditional cultures of local communities.

Note: RSPO will develop coherent guidance for standardised identification, management and monitoring (and other types

of relevant guidance) of HCVs which would include guidance for compatibility of national toolkits as necessary.

Integrated Pest Management (IPM): IPM is the careful consideration of all available pest control techniques and subsequent integration of appropriate measures that discourage the development of pest populations and keep pesticides and other interventions to levels that are economically justified and reduce or minimize risks to human health and the environment. IPM emphasizes the growth of a healthy crop with the least possible disruption to agro-ecosystems and encourages natural pest control mechanisms. (FAO 2013: <http://www.fao.org/agriculture/crops/core-themes/theme/pests/ipm/en/>)

ISO Standards: Standards developed by the International Organization for Standardization (ISO: see <http://www.iso.ch/iso>).

Livelihood: A person's or a group's way of making a living, from their environment or in the economy, including how they provision their basic needs and assure themselves and following generations secure access to food, clean water, health, education, housing and the materials needed for their life and comfort either through their own direct use of natural resources or through exchange, barter, trade or engagement in the market.

A livelihood includes not just access to resources but the knowledge and institutions that make this possible such as time for community participation and integration, personal, local or traditional ecological knowledge, skills, endowments and practices, the assets that are intrinsic to that way of making a living (e.g. farms, fields, pastures, crops, stock, natural resources, tools, machinery and intangible cultural

properties) and their position in the legal, political and social fabric of society.

The risk of livelihood failure determines the level of vulnerability of a person or a group to income, food, health and nutritional insecurity. Therefore, livelihoods are secure when they have secure ownership of, or access to, resources and income earning activities, including reserves and assets, to offset risks, ease shocks and meet contingencies.

(Compiled from various definitions of livelihoods from DfID, IDS and FAO and academic texts from: <http://www.fao.org/docrep/X0051T/X0051t05.htm>).

Miller: A person or entity that operates a Palm Oil Mill.

Natural vegetation: Areas where many of the principal characteristics and key elements of native ecosystems such as complexity, structure and diversity are present.

Operations: All activities planned and/or undertaken by the management unit within the boundaries of the palm oil mill and its supply base.

Operator: A person or entity that runs a business, machine, facility etc.

Origin of fresh fruit bunch (FFB): Source of FFB entering a mill (see Indicator 4.1.4). RSPO members acknowledge the need for responsible operators to practise due diligence in sourcing of FFB from third parties to reduce the risk that non-certified products are entering the certified supply chain. However it is also recognised that there are significant challenges in tracing all such supplies back to their point of origin. Therefore, as a minimum the mill must record the

particulars of the party from which the FFB was sourced at the mill gate.

Note: As stated in the preamble, the millers will commit to a process whereby they aim to source third party FFB from identified, legal and responsible sources.

Outgrowers: Farmers, where the sale of FFB is exclusively contracted to the grower/miller. Outgrowers may be smallholders.

Pesticide: Substances or mixture of substances intended for preventing, destroying, repelling or mitigating any pest. Pesticides are categorized into four main substituent chemicals: herbicides; fungicides; insecticides and bactericides.

Plan – A time-bound and detailed scheme, programme, or method for achieving objective(s) and desired outcome(s). Plans shall have clear targets with timelines for delivery, actions to be taken and a process for monitoring progress, adapting plans to changing circumstances and reporting. Plans shall also include the identification of named individuals or positions responsible for the delivery of the plan. There shall be evidence that sufficient resources are available to carry out the plan and the plan is implemented in full.

Plantation: The land containing oil palm and associated land uses such as infrastructure (e.g., roads), riparian zones and conservation set-asides.

Primary Forest: A primary forest is a forest that has never been logged and has developed following natural disturbances and under natural processes, regardless of its age. Also included as primary, are forests that are used inconsequentially by indigenous and local communities living

MYNI 2014

traditional lifestyles relevant for the conservation and sustainable use of biological diversity. The present cover is normally relatively close to the natural composition and has arisen (predominantly) through natural regeneration. (From FAO Second Expert Meeting On Harmonizing Forest-related Definitions for Use by Various Stakeholders, 2001, http://www.fao.org/documents/show_cdr.asp?url_file=/DOCR EP/005/Y4171E/Y4171E11.htm).

Note: National interpretations should consider whether a more specific definition is required.

Prophylactic: A treatment or course of action applied as a preventive measure.

Restore: Returning degraded or converted areas within the plantation to a semi-natural state.

Rights are legal, social, or ethical principles of freedom or entitlement:

- **Customary rights:** Patterns of long-standing community land and resource usage in accordance with indigenous peoples' customary laws, values, customs and traditions, including seasonal or cyclical use rather than formal legal title to land and resources issued by the State. (From World Bank Operational Policy 4.10 - <http://go.worldbank.org/6L01FZTD20>).
- **Legal rights:** Rights given to individual(s), entities and others through applicable local, national or ratified international laws and regulations
- **User rights:** Rights for the use of land and resources that can be defined by local custom, mutual agreements, or prescribed by other entities holding access rights. (From FSC Principles & Criteria: <https://ic.fsc.org/download.revised-fsc-pc-v-5-0-high-resolution.a-871.pdf>)

- **Demonstrable rights** are those rights that are demonstrated through participatory user mapping as part of an FPIC process.

Note: Where there is a national interpretation, these rights shall be further defined taking into account national obligations, constitutions, local laws and regulations, consistent with the generic definitions, including development of adequate guidance on a process to avoid or resolve any conflicts between customary rights (as defined above) and the nationally recognised customary rights.

Smallholders: Farmers growing oil palm, sometimes along with subsistence production of other crops, where the family provides the majority of labour and the farm provides the principal source of income and where the planted area of oil palm is usually below 50 hectares in size.

- **Scheme smallholders:** Smallholders that may be structurally bound by contract, credit agreement or by planning to a particular mill, but the association is not necessarily limited to such linkages. Other terms commonly used for scheme smallholders include associated and/or plasma smallholders.
- **Independent smallholders:** Smallholders that are not bound by any contract, credit agreement or planning to a particular mill.

Stakeholders: An individual or group with a legitimate and/or demonstrable interest in, or who is directly affected by, the activities of an organisation and the consequences of those activities.

Undue influence: The exertion by a third party of any kind of control such that a person signs a contract or other agreement

which, absent the influence of the third party, he would not have signed.

Workforce: The total number of workers employed by the management unit either directly or indirectly. This includes contract workers and consultants.

- **Transmigrant worker:** a person who migrates from one part of the country to another with a view to being employed otherwise than on his own account.
- **Foreign Worker:** a person who is not a citizen at the country of employment.
- **Temporary Worker:** a person who is engaged under contract of service for a fixed duration.
- **Non-resident Employee:** is defined as any person who does not belong to Sabah/ Sarawak as provided for under Section 71 of the Immigration Act, 1959/1963.

Definitions/Guidance for Criteria 4.3 and 7.4

Excessive gradient which shall be avoided are those that are 25 degrees or greater. Soil conservation measures (e.g. terracing, platforms, cover crop, etc.) should be applied for terrain with gradients between 9 and 25 degrees.

Soil suitability should be determined using crop and environmental suitability criteria. Those identified as marginal and/or problematic should be avoided if the soil cannot be improved through agro management input.

Problem and marginal soils may include podzols soils such as BRIS (beach ridges interspersed with swale) and kerangas soil, and potential or actual acid sulphate soils. Suitability of these soils is also influenced by other factors including rainfall, terrain and management practices. Areas with these soils within new plantations may only be developed for new plantations provided that adequate management plans based on best management practices are in place. Failing which plantings should be avoided on these soils.

Fragile soils on which extensive planting shall be avoided include peat soils and mangrove sites.

Extensive planting on steep terrain – any individual contiguous planted area on steep terrain (25 degrees greater than 25 ha within the new development area and the total area of planting on steep terrain shall be no more than 1% of a new development area.

Limited planting on steep terrain- individual areas of contiguous planted area on steep terrain (25 degrees) smaller than 25 ha each and in total no more than 1% of a new development area.

Extensive planting on fragile soils including peat – Peat is referred to a soil profile with more than half of the top 100 cm consists of organic soil materials as defined by Malaysian Soil Taxonomy - Revised Second Edition (Paramanathan, 2010). Planting on peat areas with depth of 3m or more is not allowed within a new development. Planting on peat should also not be allowed if drainability assessments have identified areas unsuitable for oil palm replanting or indicates high risk of serious flooding and/or salt water intrusion within two crop cycles. Planting on peat domes or fibric/woody peat should be avoided as well as any other areas identified to be excluded in EIA, HCV assessment and carbon stock assessment (refer 7.1, 7.3 and 7.8).

Annex 2: Key international laws and conventions applicable to the production of palm oil

The following is a listing of the key international laws and conventions applicable to the production of palm oil which should be taken into account as appropriate in developing national interpretations. National Interpretations shall identify which of the listed international standards and/or conventions have been ratified and when in the relevant country. The RSPO P&C strive to achieve international best practice so all RSPO members must comply with the relevant parts of the P&Cs where they refer to the standards and/or conventions even if they have not been ratified nationally. Nonetheless, the following listings are strictly non-exhaustive and merely serve as guidance. Each member shall conduct their own research in respect of laws currently in force in ensuring compliance with the same and in meeting the obligations expected of a Member under the RSPO Principal and Criteria.

Principles	International Standards	Key Provisions	Details for Implementation	Malaysia Signatory (s) Ratification (R)	Relevant National Laws
Ethical Business Conduct	United Nations Conventions Against Corruption (2003)	Article 12	Article 65	Malaysia (R)	<ul style="list-style-type: none"> • Malaysia Anti-Corruption Commission (MACC) Act 2009 • Anti-Corruption Act 1997 • Penal Code • Anti-Money Laundering And Anti-Terrorism Financing Act 2001 • Financial Services Act 2013

					<ul style="list-style-type: none"> Whistleblower Protection Act 2010
Respect for Human Rights	United Nations Guiding Principles on Business and Human Rights (2011)	Principles 11 to 24		Adopted by Malaysia	
Just Land Acquisition	ILO Convention 169 (1989) on indigenous and Tribal Peoples	Articles 13 – 19		Not Ratified by Malaysia	
	UN Declaration on the Rights of Indigenous Peoples (2007)	Articles 25 & 26		Adopted by Malaysia	Malaysian Federal Constitution is a dynamic document with several provisions that protects orang Asli's rights, including Articles 5, 6, 8, 10, 11 and 12.

	UN Convention on Biological Diversity (1992)	Article 10 (c)		Malaysia (R)	<p>Protect and encourage customary use of biological resources in accordance with traditional cultural practices that are compatible with conservation or sustainable use requirements</p> <ul style="list-style-type: none"> • Wildlife Conservation Act 2010 (Act 716) • Sabah Wildlife Conservation Enactment 1997 • Sarawak Wildlife Protection Ordinance 1998
Fair Representation and Participation of Indigenous and Tribal Peoples	UN Declaration on the Rights of Indigenous Peoples (2007)	Articles 10,11(2), 19, 28(1), 29(2) and 32(2)		Adopted by Malaysia	
	Convention on the Elimination of All Forms	UN CERD Committee		Not ratified by Malaysia	

	of Racial Discrimination (ICERD)				
	International Covenant on Economic, Social and Cultural Rights (ICESR)	UN Committee on Social Cultural and Economic Rights		Not ratified by Malaysia	
	Inter-American Human Rights System (IACHR)	Inter American Commission on Human Rights		Only applicable for the Americas	
	Indigenous and Tribal Peoples Convention, 1989 (No. 169)			Not ratified by Malaysia	
No Forced Labour	ILO Convention 29 (1930)	Article 5		Malaysia (R)	
	Abolition of Forced Labour Convention 105(1957)	Article 1		Not in force. Denounced on 10.1.1990	
	Labour Inspection Convention 81 (1947)			Malaysia (R)	

Protection of Children	ILO Convention 138 (1973) Minimum Age	Articles 1-3		Malaysia (R)	<ul style="list-style-type: none"> • Children and Young Person (Employment) Act 1966,[Applicable to Peninsular Malaysia only] & Children and Young Persons (Employment) (Amendment) Act 2010 • Sarawak Labour Ordinance • Sabah Labour Ordinance
	ILO Convention 182 (1999) Worst Form of Child Labour	Articles 1-7		Malaysia (R)	
	UN Declaration on the Rights of Indigenous Peoples (2007)	Articles 17(2), 21, 22(2)		Adopted by Malaysia	

	Convention on the Rights of the Child 1924			Malaysia (R)	
Freedom of Association and Collective Bargaining	ILO Convention 87(1948) Freedom of Association and Protection of Right to Organize			Not ratified by Malaysia	
	ILO Convention 87(1949) Right to Organize and Collective Bargaining	Articles 1-4		Malaysia (R)	Trade Unions Act 1959
	ILO Convention 141 (1975) Rural Workers Organization	Articles 2-3		Not ratified by Malaysia	
	UN Declaration on the Rights of Indigenous Peoples (2007)	Article 3		Adopted by Malaysia	
	Collective Bargaining Convention 154 (1981)			Not ratified by Malaysia	

Non Discriminati on & Equal Remunerati on	ILO Convention 100 (1951) Equal Remuneration	Articles 1 -3		Malaysia (R)	
	International Convention on the Elimination of All Forms of Racial Discrimination 1966			Not ratified by Malaysia	
	ILO Convention 111 (1958) Discrimination (Employment and Occupation)	Articles 1-2		Not ratified by Malaysia	
	Convention on the Elimination of All Forms of Discrimination against Women 1979			Malaysia (R)	
	UN Declaration on the Rights of Indigenous Peoples (2007)	Articles 2,8(2e),9,15(2),16(1), 21(2),22,24(1),29(1), 46(3)		Adopted by Malaysia	

Just Employment of Migrants	ILO Convention 97(1943) Migration for Employment			Not ratified by Malaysia	
	ILO Convention 143 (1975) Migrant Workers (Supplementary Provisions)	Articles 1-12		Not ratified by Malaysia	
	International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families 1990			Not ratified by Malaysia	
Protection of Plantation Workers	ILO Convention 110 (1958) Plantations	Articles 5-91		Not ratified by Malaysia	

Protection of Tenants and Sharecroppers	ILO Recommendation 132(1968) Tenants and Sharecroppers	Articles 4-8		Not ratified by Malaysia	
Protection of Smallholders	ILO Convention 117 (1962) Social Policy (Basic Aims and Standards)	Article 4		Not ratified by Malaysia	
Health and Safety	ILO Convention 184 (2001) Safety and Health in Agriculture	Article 7-21		Not ratified by Malaysia	
Control or Eliminate Use of Dangerous Chemicals and Pesticides	Stockholm Convention on Persistent Organic Pollutants (2001)	Articles 1-5		Malaysia (S)	Not legally binding for Malaysia
	FAO International Code of Conduct on the Distribution and Use of Pesticides (1985, Rev 2002)	Article 5		Malaysia (S)	

Control or Eliminate Use of Dangerous Chemicals and Pesticides	Rotterdam Conventions on Prior and Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade (1998)	Articles 1,5 and 6		Accession	
Climate Change	United National Framework Convention on Climate Change (UNFCCC)			Malaysia (R)	

Note:

A simple signature indicates that the state agrees to the document in principle but that it will only become legally binding after further ratification.

However, such signature means of authentication and expresses the willingness of the signatory state to continue the treaty-making process. The signature qualifies the signatory state to proceed to ratification, acceptance or approval. It also creates an obligation to refrain, in good faith, from acts that would defeat the object and the purpose of the treaty.

Glossary of Terms:

1. Adoption

"Adoption" is the formal act by which the form and content of a proposed treaty text are established. As a general rule, the adoption of the text of a treaty takes place through the expression of the consent of the states participating in the treaty-making process. Treaties that are negotiated within an international organization will usually be adopted by a resolution of a representative organ of the organization whose membership more or less corresponds to the potential participation in the treaty in question. A treaty can also be adopted by an international conference which has specifically been convened for setting up the treaty, by a vote of two thirds of the states present and voting, unless, by the same majority, they have decided to apply a different rule.

[Art.9, Vienna Convention of the Law of Treaties 1969]

2. Acceptance and Approval

The instruments of "acceptance" or "approval" of a treaty have the same legal effect as ratification and consequently express the consent of a state to be bound by a treaty. In the practice of certain states acceptance and approval have been used instead of ratification when, at a national level, constitutional law does not require the treaty to be ratified by the head of state.

[Arts.2 (1) (b) and 14 (2), Vienna Convention on the Law of Treaties 1969]

3. Act of Formal Confirmation

"Act of formal confirmation" is used as an equivalent for the term "ratification" when an international organization expresses its consent to be bound to a treaty.

[Arts.2 (1) (b bis) and 14, Vienna Convention on the Law of Treaties between States and International Organizations or between International Organizations 1986] 72

4. Ratification

Ratification defines the international act whereby a state indicates its consent to be bound to a treaty if the parties intended to show their consent by such an act. In the case of bilateral treaties, ratification is usually accomplished by exchanging the requisite instruments, while in the case of multilateral treaties the usual procedure is for the depositary to collect the ratifications of all states, keeping all parties informed of the situation. The institution of ratification grants states the necessary time-frame to seek the required approval for the treaty on the domestic level and to enact the necessary legislation to give domestic effect to that treaty.

[Arts.2 (1) (b), 14 (1) and 16, Vienna Convention on the Law of Treaties 1969]

5. **Signature ad referendum**

A representative may sign a treaty "ad referendum", i.e., under the condition that the signature is confirmed by his state. In this case, the signature becomes definitive once it is confirmed by the responsible organ.

[Art.12 (2) (b), Vienna Convention on the Law of Treaties 1969]

6. **Signature Subject to Ratification, Acceptance or Approval**

Where the signature is subject to ratification, acceptance or approval, the signature does not establish the consent to be bound. However, it is a means of authentication and expresses the willingness of the signatory state to continue the treaty-making process. The signature qualifies the signatory state to proceed to ratification, acceptance or approval. It also creates an obligation to refrain, in good faith, from acts that would defeat the object and the purpose of the treaty.

[Arts.10 and 18, Vienna Convention on the Law of Treaties 1969] 73

Annex 3: Related laws, regulations & guidelines used in Malaysian palm oil industry in relation to respective Principles and Criteria

Note: The following listings are strictly non-exhaustive and merely serve as guidance. Each member shall conduct their own research in respect of laws currently in force in ensuring compliance with the same and in meeting the obligations expected of a Member under the RSPO Principal and Criteria.

Criterion	Related Laws, Regulations & Guidelines
1.2	<ul style="list-style-type: none"> • National Land Code 1965 • Federal Territory Land Rules, 1975 • Johore Land Rules 1966 • Kedah Land Rules 1966 • Kedah Provisional Titles (Transitional) Rules 1967 • Kelantan Land Rules 1966 • Malacca Land Rules 1966 • Land Titles Rules (Malacca) 1966 • Negeri Sembilan Land Rules 1966 • Pahang Land Rules 1966 • Pahang Land Rules 1986 • Penang Land Rules 1965 • Land Titles Rules (Penang) 1965 • Perak land Rules 1966 • Perlis Land Rules 1987 • Sabah Land Ordinance 1930 • Sarawak Land Code (Sarawak Cap.81) • Selangor Land Rules 1966 • Terengganu Land Rules 1966
2.2	Sabah

	<ul style="list-style-type: none"> • Land (Subsidiary Title) Enactment 1972 – Sabah No. 9 of 1972 • Land Acquisition Ordinance (Cap.69) Together with the subsidiary legislation made thereunder • Land Ordinance Cap.68 Together with the subsidiary legislation made thereunder <p>Sarawak</p> <ul style="list-style-type: none"> • Sarawak Land Code (Sarawak Cap.81)
4.1	<ul style="list-style-type: none"> • MPOB Code of Good Agricultural Practice for Oil Palm • MSGAP Part2: OP [Malaysian Standard Good Agricultural Practice (GAP) Part 2: Oil Palm (<i>Elaeis Guineensis</i> Jacq.)]
4.3	<ul style="list-style-type: none"> • Street, Drainage & Building Act 1974 (Act 133) • MSGAP-Part 2 OP (4.4.2.2 – Where oil palm is grown on sloping land within the permissible level, appropriate soil conservation measures shall be undertaken to prevent soil erosion and siltation of drains, waterways and contamination of surface and groundwater through run-off of soil, nutrients or chemicals.) <p>Sabah</p> <ul style="list-style-type: none"> • Environmental Impact Assessment (Order 2005) <p>Sarawak</p> <ul style="list-style-type: none"> • Natural Resources and Environment (Amendment) Ordinance, 1997 • Natural Resources and Environment Board (NREB) • Natural Resource and Environment (Prescribed Activities) Order 1994 (Incorporating all amendments up to May 1997)
4.4	<ul style="list-style-type: none"> • Irrigation Areas Act 1953 (Revised 1989) • Garis Panduan Pembangunan Melibatkan Sungai dan Rizab Sungai, Department of Irrigation and Drainage Malaysia • Environmental Quality (Prescribed Premises) (Crude Palm Oil) Order 1977

Summary of Requirements Related to Width of Rivers River Width (m)	Minimum Width of River Reserve (m)	
	For Peninsular Malaysia and Sarawak	For Sabah
1-5	5	20 (for River Width > 3 metres)
5-10	10	
10-20	20	
20-40	40	
>40	50	

Sabah

- Drainage & Irrigation Ordinance 1956 (Sabah No.15 of 1956)
- Sabah Water Resources Enactment 1998

Sarawak

- Natural Resources and Environment (Prescribed Activities) Order 1994 (Incorporating all amendments up to May 1997)

4.5

- Destruction of Disease-Bearing Insects (1975)
- IPM definition in accordance to FAO (2013)

IPM is the careful consideration of all available pest control techniques and subsequent integration of appropriate measures that discourage the development of pest populations and keep pesticides and other interventions to levels that are economically justified and reduce or minimize risks to human health and the environment. IPM emphasizes the growth of a healthy crop with the least possible disruption to agro-

	ecosystems and encourages natural pest control mechanisms. (FAO 2013: http://www.fao.org/agriculture/crops/core-themes/theme/pests/ipm/en/)			
4.6	<ul style="list-style-type: none"> • WHO Type 1A or 1B or Stockholm & Rotterdam Conventions • Pesticides Act 1974 (Act 149) and Regulations • Food Act 1983 (Act 281) • Food Regulations, 1985 • OSH Act 1994 (Act 514) Regulations and Orders • Environment Quality (Scheduled Wastes) Regulations 2005 • Use & Standards Exposure of Chemicals Hazardous to Health (USECHH) Regulations 2000 - Chemical Health Risk Assessment (CHRA) • Poison Act & Regulations 1952 • Malaysian Laws on Poisons & Sale of Drugs • Estate Hospital Assistants (Registration) Act 1965 			
4.7	<ul style="list-style-type: none"> • OSH Act 1994 • Factories & Machinery Act 1967 (Act 139) & Regulations and Rules 			
4.8	<ul style="list-style-type: none"> • Factories & Machinery Act 1967 (Act 139) & Regulations and Rules 			
5.1	<ul style="list-style-type: none"> • ISO 14001 Environmental Management System (EMS) 			
	Region/ Regulation	Peninsular Malaysia (Source: Environmental Quality (Prescribed Activities) (Environmental Impact Assessment) Order 1987	Sabah (Source: Environment Protection Enactment (Prescribed Activities) (Environmental Impact Assessment) Order 2005	Sarawak (Source: The Natural Resources and Environment Ordinance The natural resources and environment (Prescribed Activities) order, 1997)
	List of Prescribed Activities Requiring Environmental	1.Agricultural programmes necessitating the resettlement of 100 families or more	List of Prescribed Activities Requiring Environmental Impact Assessment Report (EIA) for agriculture -	(i) Development of agricultural estates or plantations of an area exceeding 500 hectares-

	Impact Assessment Report (EIA) for Agriculture	<p>2. Development of agricultural estates covering an area of 500 hectares or more involving changes in types of agricultural use</p> <p>3. Drainage of wetland, wild-life habitat or of virgin forest covering an area of 100 hectares or more.</p>	<p>1. (i) Development of agricultural estates or plantations covering an area of 500 hectares or more;</p> <p>2. (ii) Development of agricultural estates or plantations involving change in type of crops covering an area of 500 hectares or more;</p> <p>3. (iii) Conversion of wetland forests into agricultural estates or plantations covering an area of 50 hectares or more; or</p> <p>(iv) Agricultural programmes involving the settlement of 100 families or more.</p>	<p>(a) from land under secondary or primary forests, or</p> <p>(b) which would involve the resettlement of more than 100 families; or</p> <p>(c) Which would involve modification in the use of the land.</p> <p>(ii) Conversion of mangrove swamps into agricultural estate having area exceeding 50 hectares.</p>
	List of Prescribed Activities Requiring Environment Management Plan EMP (Peninsular Malaysia) or Proposal for Mitigation Measures Report (PMM) – Sabah or Environmental Mitigation		<p>(i) Development of agricultural estates or plantations covering an area of 100 hectares or more but less than 500 hectares;</p> <p>(ii) Development of agricultural estates or plantations involving change in type of crops covering an area of 100 hectares or more but less than 500 hectares; or</p> <p>(iii) Conversion of wetland forests into agricultural estates or plantations covering an area of 20 hectares or more but less than 50 hectares.</p>	For Sarawak, Environmental Mitigation Measure (EMM) is applicable for replanting and new planting when ordered by the Environmental Controller of Sarawak.

	measures (Sarawak)			
	Requirement for registration of consultants	An EIA study has to be conducted by competent individuals who are registered with the Department of Environment (DOE) under the EIA Consultant Registration Scheme. The list of registered EIA consultants and details on the registration scheme are available at the DOE website, http://www.doe.gov.my	Preparation of EIA reports shall be undertaken by environmental consultants that are registered with the Sabah Environment Protection Department and hold valid certificates of practice.	Pursuant to Article 3 of the Natural Resources and Environment (Prescribed Activities) Order 1994, (Sarawak. L.N. 45/94) the EIA report must be prepared by such expert or authority as may be approved by the Natural Resources and Environment Board).
	Written Permission to Construct a Palm Oil Mills	Any person intending to construct on any land or any building; or carrying out work that would cause the land or building to become prescribed premises (crude palm oil mills, raw natural rubber processing mills, and treatment and disposal facilities of scheduled wastes), as stipulated under Section 19 of the Environmental Quality Act, 1974 must obtain prior written permission from the Director-General of Environmental Quality. (Applies to whole of Malaysia.)		
	Licence to occupy and operate a crude palm oil mill	A separate licence from DOE is required to occupy and operate crude palm oil mills (Applies to whole of Malaysia).		
5.2	<ul style="list-style-type: none"> • IUCN 2007 Red List of Threatened Species • Wildlife Protection Act 1972 (Revised 1976) & State Ordinances related to this Act • Wildlife Conservation Act 2010 • HCV Guidelines : “The HCVF Toolkit” available from www.proforest.net • National Parks Act 1980 • State Forestry Enactments (particularly Section 10 on protection forests) • National Parks (Johor) Corporation Enactment 1989 			

	<ul style="list-style-type: none"> • Perak State Parks Corporation Enactment 2001 • Parks Enactment (Sabah) 1984 <p>Sabah</p> <ul style="list-style-type: none"> • Enakmen Biodiversiti Sabah 2000 • Wildlife Conservation Enactment 1997 <p>Sarawak</p> <ul style="list-style-type: none"> • Biodiversity Centre Ordinance, 1996 • Wildlife Protection Ordinance, 1998 • National Parks and Nature Parks Ordinance (Sarawak) 1998
5.3	<ul style="list-style-type: none"> • Environmental Quality Act 1974 (Scheduled Wastes), Regulations, 2005 • Environmental Quality Act 1974(Act 127) and Regulations • Ministry of Health Guidelines-Municipal Waste Disposal
5.5	<ul style="list-style-type: none"> • Guidelines for implementation of ASEAN policy on zero-burning, 2003 • Environment Quality (Declared Activities)(Open Burning) Order 2003
5.6	<ul style="list-style-type: none"> • Road Transport Act 1987(Act 334) • Street, Drainage & Building Act 1974 (Act 133) • Water Act 1920 (Act 418) • Environmental Quality (Clean Air Regulation) 1978 • Environmental Quality (Control of Emission from Diesel Engines) Regulation 1996 • Environmental Quality (Control of Emission from Petrol Engines) Regulation 1996 • Environmental Quality (Control of Emission from Motorcycles Engines) Regulation 1996
6.1	<ul style="list-style-type: none"> • (Ref: Women & Family Development Ministry)
6.2	<ul style="list-style-type: none"> • Aboriginal People Act 1954 (Revised 1974)

	<ul style="list-style-type: none"> • Human Rights Commission
6.4	<ul style="list-style-type: none"> • Children & Young Persons (Employment) Act 1966
6.5	<ul style="list-style-type: none"> • Employment Act (1955) • Employment Acts & Regulations (Act 265) 2003 • Employment (Restriction) Act 1968 • Private Employment Agency Act 1981 • Employees Provident Fund Act 1951(Act 272) • Immigration Act 1959/1963 (Act 155) • Workers' Minimum Standards of Housing & Amenities Act 1990 (Act 446) • Employment Information Act 1953 • Employees Social Security Act 1969 (Amended 2003) • Workmen's Compensation Act 1952 (Act 273) • Estate Workers Minimum Standards Housing Act (1966) • Employment (Restriction)(Exemption) Order 1983 • Employment Provident Fund Rules 1991 • Workmen's Compensation Regulations 1953 • Wages Council Act 1947 • Minimum Wage Order 2012 <p>Sabah</p> <ul style="list-style-type: none"> • Sabah Labour Ordinance
6.6	<ul style="list-style-type: none"> • Trade Unions Act 1959 • Employment Act 1955 • Labour Ordinance (including Sabah Labour Ordinance & Sarawak Labour Ordinance)
6.7	<ul style="list-style-type: none"> • Factory and Machinery Act 1967, section 28 • Children and Young Person (Employment) Act 1966, section 2 (2), (4) & (5). [Applicable to Peninsular Malaysia only] • Labour Ordinance (Sarawak) 1952, section 73 (2),(3),(4) & (5) • Sabah Labour Ordinance 1950, section 72(2), (3), (4) & (5) • Pesticides (Highly Toxic Pesticides) Regulation 1966, section 3 (a)

	<ul style="list-style-type: none"> • Electricity Ordinance (Sarawak) 1956, section 31 (1) • Electricity Act 1949, section 50 (1) – Applicable to Peninsular Malaysia & Sabah only
6.9	<ul style="list-style-type: none"> • Sexual Harassment In The Workplace (Guidelines) • Code of Practice on Sexual Harassment In The Workplace (A Guide to the Malaysian)
6.10	<ul style="list-style-type: none"> • Sales Tax Act 1972 (Act 64) & Regulations • Environmental Quality (Prescribed Activities) (Environmental Impact Assessment) Order 1987) <p>Sabah</p> <ul style="list-style-type: none"> • Environment Protection Enactment 2002 • Environment Protection (Prescribed Activities) Order 2005 • (Environmental Impact Assessment) Order 2005 <p>Sarawak</p> <ul style="list-style-type: none"> • Natural Resources and Environment (Prescribed Activities) Order 1994 (Incorporating all amendments up to May 1997) • The Natural Resources & Environment Ordinance (Cap.84-Laws of Sarawak 1958 ed.) • Natural Resources and Environment (Amendment) Ordinance, 1997
7.1	<ul style="list-style-type: none"> • Environmental Quality (Prescribed Activities) (Environmental Impact Assessment) Order 1987) <p>Sabah</p> <ul style="list-style-type: none"> • Environment Protection Enactment 2002 • Environment Protection (Prescribed Activities) Order 2005 • (Environmental Impact Assessment) Order 2005 <p>Sarawak</p> <ul style="list-style-type: none"> • Natural Resources and Environment (Prescribed Activities) Order 1994 (Incorporating all amendments up to May 1997)

	<ul style="list-style-type: none"> • The Natural Resources & Environment Ordinance (Cap.84-Laws of Sarawak 1958 ed.) • Natural Resources and Environment (Amendment) Ordinance, 1997 <p>*Cross reference to table under Criterion 5.1 of Annex 3.</p>												
7.3	<ul style="list-style-type: none"> • Environmentally Sensitive Areas (ESAs) Ranking in National Physical Plan (NPP) <p>ESA Categories and Criteria:</p> <table border="1" data-bbox="394 521 1871 1206"> <thead> <tr> <th data-bbox="394 521 606 553">Rank</th> <th data-bbox="606 521 1377 553">Environmentally Sensitive Areas</th> <th data-bbox="1377 521 1871 553">Management Criteria</th> </tr> </thead> <tbody> <tr> <td data-bbox="394 553 606 813">ESA Rank 1</td> <td data-bbox="606 553 1377 813"> <ul style="list-style-type: none"> • Existing and proposed Protected Areas (PA). • Important small habitats outside the PA system: turtle landing sites, salt licks, important plant areas, limestone outcrops and natural wetlands of high conservation value. • Catchments of existing and proposed dams. • Areas above 1,000m contour. </td> <td data-bbox="1377 553 1871 813">No development, agriculture or logging shall be permitted except for ecotourism¹, research and education.</td> </tr> <tr> <td data-bbox="394 813 606 946">ESA Rank 2</td> <td data-bbox="606 813 1377 946"> <ul style="list-style-type: none"> • All other forests and wetlands outside Protected Areas. • 500m buffer zone around Rank 1 areas². • Areas between 300m-1,000m contour. </td> <td data-bbox="1377 813 1871 946">No development or agriculture. Sustainable logging and eco-tourism may be permitted subject to local constraints.</td> </tr> <tr> <td data-bbox="394 946 606 1206">ESA Rank 3</td> <td data-bbox="606 946 1377 1206"> <ul style="list-style-type: none"> • Marine park islands. • 500m buffer zone around Rank 2 areas². • Catchments of water intake and groundwater recharge zones. • Areas between 150m-300m contour, all areas with erosion risk above 150ton/ha/year, all areas experiencing critical or significant coastal erosion. </td> <td data-bbox="1377 946 1871 1206">Controlled development whereby the type and intensity of the development shall be strictly controlled depending on the nature of the constraints.</td> </tr> </tbody> </table> <p>¹ The National Ecotourism Plan (Ministry of Culture, Arts and Tourism 1997) adopts the World Conservation Union (IUCN) definition for ecotourism, i.e.: “Environmentally responsible travel to relatively undisturbed natural areas in order to enjoy and appreciate nature (and any other accompanying cultural features). One that promotes conservation, one that has low visitor impact and one that provides for beneficially active socioeconomic involvement of local populations.”</p> <p>² The widths of these buffer zones may be revised at the local level to take into consideration site-specific constraints.</p>	Rank	Environmentally Sensitive Areas	Management Criteria	ESA Rank 1	<ul style="list-style-type: none"> • Existing and proposed Protected Areas (PA). • Important small habitats outside the PA system: turtle landing sites, salt licks, important plant areas, limestone outcrops and natural wetlands of high conservation value. • Catchments of existing and proposed dams. • Areas above 1,000m contour. 	No development, agriculture or logging shall be permitted except for ecotourism ¹ , research and education.	ESA Rank 2	<ul style="list-style-type: none"> • All other forests and wetlands outside Protected Areas. • 500m buffer zone around Rank 1 areas². • Areas between 300m-1,000m contour. 	No development or agriculture. Sustainable logging and eco-tourism may be permitted subject to local constraints.	ESA Rank 3	<ul style="list-style-type: none"> • Marine park islands. • 500m buffer zone around Rank 2 areas². • Catchments of water intake and groundwater recharge zones. • Areas between 150m-300m contour, all areas with erosion risk above 150ton/ha/year, all areas experiencing critical or significant coastal erosion. 	Controlled development whereby the type and intensity of the development shall be strictly controlled depending on the nature of the constraints.
Rank	Environmentally Sensitive Areas	Management Criteria											
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7.4	<ul style="list-style-type: none"> • MSGAP Part2 : OP (4.4.1.3 – All new oil palm plantings should not be cultivated on land more than 300 m above sea level & 4.4.1.4 – All new oil palm plantings should not be cultivated on land of more than 25° slope unless as specified by local legislation.) • Garis Panduan Pembangunan di Kawasan Tanah Tinggi, Kem. Sains, Teknologi dan Alam Sekitar, 22 Jun 2002.
7.8	<p>That all new mills obtaining MPOB licensing will be required to have methane capture facilities. For increase of capacity for existing mills, methane capture or methane avoidance is compulsory. For existing mills, there are no requirements enforced yet.</p>

Annex 4: Guidance notes for determining validity of claims in relation to land and user rights within existing and future plantations (cross reference to Criteria 2.2, 2.3, 6.2, 6.3, 6.4, 6.11, 7.3, 7.5 and 7.6.)

Preamble

The main purpose of this **Guidance** is to assist plantation managers to determine which claims of customary or user rights that affect plantations are valid, and which are not. Although consultation to address customary and user rights in existing plantations is required by RSPO, the precise details presented in this Annex are to be regarded as guidelines and not as the only way to address the issues, this guidance can also be used in the context of the RSPO New Planting Procedure. Only once this has been determined, can progress be made on addressing customary and user rights that have been made in plantations. This Guidance takes the view that the definitions of “customary rights” used in current legislation do not cover all valid claims. Accordingly, this Guidance suggests a procedure that may be followed to determine valid claims, and also suggests some possible approaches to resolve valid claims.

This Guidance may be used in conjunction with addressing the following RSPO Criteria which touch on customary and user rights in plantations: 2.2, 2.3 and 6.4. The Guidance may also be relevant to some other Criteria, notably 6.2, 6.3 and 6.11, as well as 7.3, 7.5 and 7.6 (customary and user rights in new plantations).

MYNI 2014

The Guidance aims to be fair to all parties involved.

Description of customary and user rights

For the purpose of RSPO, “customary” and “user right” claims include but are not limited to those listed in the relevant State or national legislation, and in addition cover the following types of claims:

Water catchment areas (where land within a plantation unit represents part of a water catchment that flows into land occupied by an indigenous community).

Swidden agriculture [traditional farming system, usually with non-irrigated rice or tapioca as the main crop, where farm fields are abandoned to regeneration of natural vegetation, and the same fields are used again years later, after weeds have been suppressed by woody plants and natural soil fertility soil has recovered. Known by a variety of names including shifting or rotational agriculture, and nomulok (Sabah). The regenerating farms are known by a variety of names such as ko-umoh (Sabah) and temuda (Sarawak).]

Old settlements (where signs exist of past occupation, known locally by various names including tambawai, pogun)

Land included in the traditional tenure system of nomadic people

Areas traditionally used for hunting and harvesting of forest products

Orchard gardens of a mix of fruit trees, usually visited only for weeding and fruit harvesting; known as (dusun/kebun, Tumoh)

Criteria for claims of customary and user rights

Customary and user rights claims will be potentially accepted for investigation only if the claimants fulfil all three of the following criteria:

Citizen of Malaysia or persons meeting the criteria to be a Malaysian Citizen by registration; the persons involved, or their parents, grand-parents or great-grand-parents, were born within Malaysia before Malaysia Day (16 September 1963); member of an ethnic group indigenous to the State within which they are claiming rights (refer to Article 160 of the Federal Constitution for Orang Asli (“Aborigine”) in Peninsular Malaysia, Article 161A(6)(b) for Sabah; Article 161(A) for Sarawak).

Their lineage must be provable, that is: the individuals making claims must be able to demonstrate a geographical, historical and cultural connection to the specific area over which their claim is made.

Claimants must demonstrate that they maintain either regular, or periodic, or seasonal, or repeated or intermittent use of the land area over which the claims are made.

Procedure

The initial onus to investigate claims of customary or user rights lies with the company which holds title to the land over which the claims are made.

The company will initiate a process, or support any existing formal, equitable and mutually agreeable existing process, to investigate the claims.

The company will make an initial listing of persons who may have or appear to have valid claims. The listing will include, at minimum, the following details of each individual making a claim: name, Mykad or birth certificate number if available, usual place of residence, and summary details of their claims, stressing that recording of claims does not necessarily indicate acceptance of any claim.

The listing will be presented to two authorities, (a) the District Officer of the District within which the claims are being made (who may delegate follow-up to the most relevant district-level government officer), and to (b) the senior native chief of the district or sub-district or community within which the claims are being made (Batin in Peninsular Malaysia; Ketua Daerah in Sabah; Temenggong in Sarawak).

One designated person from each of these two authorities (State governmental and indigenous community) will be the two contact persons for subsequent follow-up by the company.

All steps, information and conclusions of the procedure must be documented.

Both authorities will be requested to form an ad hoc joint committee or joint working group to investigate the claims.

The joint committee or working group may include relevant representatives of native communities, such as penghulu, ketua kampung, ketua anak negeri, pemanca and members of the village security and development committees.

The work of the committee or working group and the interests of the claimants and/or the plantation may be assisted or guided by a relevant independent third party that is mutually agreed on.

Participatory mapping of the areas claimed will be done as an important basis for identifying and settling valid claims. Key tasks of the committee or working group include to: (a) distinguish between claims which are valid and which are not valid, according to the criteria outlined above in this Guidance, and (b) identify the details of the claims which are valid.

Claimants will be notified by the company of the initiation of the procedure, and will be advised that all steps, information and conclusions of the procedure must be documented if claims are to be accepted and resolved.

The results of the investigations may be used by the committee or working group to suggest an appropriate resolution. Alternatively, if the committee or working group is unable or unwilling to suggest a means to resolution, the

resolution will have to be made between the company and the claimants.

Additional notes

Court decisions (including – where relevant - native court, district court, high court, federal court and court of appeal) relating to claims of customary or user rights shall be taken into cognisance when following this guidance.

Hunting (a) Hunting of wild animals for non-commercial purposes may be recognised as a user right, but must accord with current legislation, (b) human safety and security take precedence over individual hunting right claims, (c) where appropriate, valid claimants or their community leaders are encouraged to liaise with State Wildlife Department or relevant authorities to develop an agreed (sustainable) hunting system.

New plantings claims Companies about to embark on new plantings where there may be customary or user rights claims are advised to proactively call for claims to be made, stating that claims should be made of local announcement, and that only valid claims will be accepted for resolution.

GLOSSARY

ASEAN	Association of South East Asian Nations
CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
COP	Code of Practice
DID	Department of Drainage and Irrigation, Malaysia
DOE	Department of Environment, Malaysia
EAIA	Environmental Aspect Impact Assessment
EIA	Environment Impact Assessment
EMP	Environmental Management Plan
EMS	Environmental Management System
ERWG	Emission Reduction Working Group
ESA	Environmentally Sensitive Area
FFB	Fresh Fruit Bunch
FOMEMA	Foreign Workers Medical Examination Monitoring Agency
GAP	Good Agricultural Practice
GHG	Greenhouse Gas
HCS	High Carbon Stock
HCV	High Conservation Value
HDPE	High Density Polyethylene
IPM	Integrated Pest Management
IUCN	International Union for Conservation of Nature and Natural Resources
JCC	Joint Consultative Committee
LCS	Low Carbon Stock
MPOB	Malaysian Palm Oil Board
MSGAP-OP	Malaysian Standard Good Agriculture Practices-Oil Palm
NPP	National Physical Plan
OER	Oil Extraction Rate
OSH	Occupational Safety & Health
PMM	Proposal for Mitigation Measures

POME	Palm Oil Mill Effluent
RTE	Rare, Threatened and Endangered species
SEIA	Social and Environment Impact Assessment
SOP	Standard Operating Procedures
USECHH	Use and Standards of Exposure of Chemicals Hazardous to Health

Members of the Malaysian National Interpretation Task Force	
Growers/Smallholders	Name of Representative
Boustead Plantation Berhad	Ahmad Rahman Mat Akat
Felda Global Ventures	Norazam Abdul Hameed Antonius Sani
IOI Corporation	Yeap Su Jean Too Heng Liew Tay Wai Chian William Siow
Kuala Lumpur Kepong Berhad	Jason Foong Huey Yuan Sin Chuan Eng Lee Kuan Yee
PPB Oil Palm/Wilmar International	Simon Siburat Foo Siew Theng Edrin Moss
Sime Darby Plantation Sdn Bhd	Sabarinah Marzuky Dr Shahrakbah Yacob Dr Aidil Chee Tahir (Sime Darby Berhad)
United Plantation Berhad	C. Mathews Dr Xavier Arulandoo Ho Shui Hing
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Nestlé S.A (Malaysia)	Kertijah Abdul Kadir
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Global Environment Centre (GEC)	Faizal Parish Julia Lo

HUTAN (Kinabatangan Orang-Utan Conservation Programme)	Harjinder Kler
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Social NGOs	
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Malaysia Palm Oil NGO Coalition (MPONGOC)	Jannie Lasimbang Jaswinder Kaur Kler
Sabah Environmental Protection Association (SEPA)	Irwin Wong Lanash Thanda
Jaringan Orang Asal SeMalaysia (JOAS)	Thomas Jalong
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ii) Wild Asia Sdn Bhd	Sheila Senathirajah
iii) Malayan Agricultural Producers Association (MAPA)	V.T. Chandrasegaran
Government	
i) Forest Research Institute Malaysia (FRIM)	Dr Elizabeth Philip Dr Shamsudin Musa
ii) Sarawak Land Consolidation & Rehabilitation Authority (SALCRA)	Jeffrey Stephen Beti Robert Ensali Milton James Adam
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i) Sirim QAS International	Radziah Mohd Daud Ruzita Abd Gani Valence Shem
ii) TUV Rheinland Sdn Bhd	Carol Ng

iii)	Intertek Certification Int Sdn Bhd	Augustine Loh
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ii)	Sime Darby Plantation Sdn Bhd	Briony Octavia Homer Mun Cecilia Tan Siew Imm (Sime Darby Berhad) Lee Swee Yin Nadiyah Mohamed Nazri Nurul Hayati Ibrahim

-End of Document-