MSPO Basic SIA Training

Empowering Auditors & Internal SIA Assessor for MSPO Standards.

Endorsed by Malaysian Sustainable Palm Oil (MSPO)

MSPO Basic SIA Training Module

Endorsed Training Provider (ETP) shall design its module with the following requirements as minimum

MSPO MS 2530:2022

MSPO SIA Assessment Procedure

Guidance Documents from MSPO

+

Other Value-added topic

- **Legal**
- **OSH**
- **Social Security**
- **Environmental**
- **Social**
- **SA8000**

Clarification about MSPO SIA Assessor

The term "SIA Assessor" holds two distinct meanings:

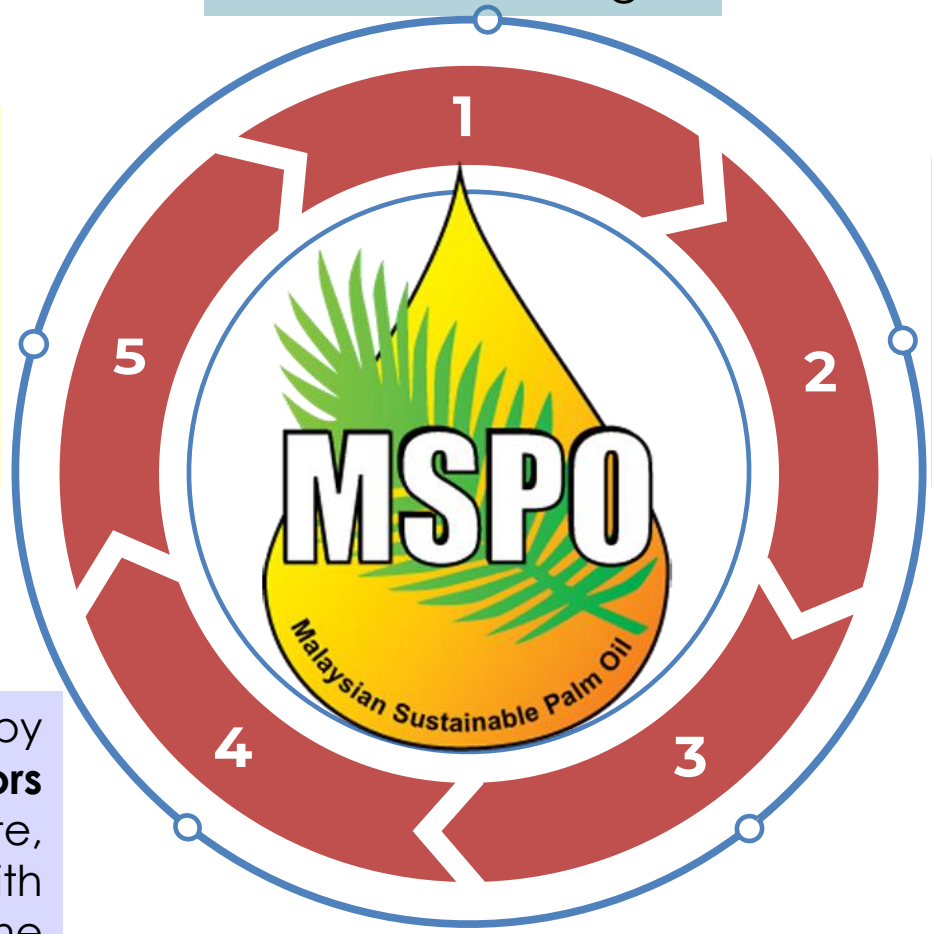
1. Internal SIA Assessor (Company Use Only): Trained by external training providers (e.g., ETP like OSHISIS), limited to conducting SIA only within their own organization.

2. SIA Assessor Endorsed by MSPO: Listed on the official MSPO website and trained directly under the MSPO, as a Scheme Owner.

SIA by the **SIA internal assessor** shall be conducted by a qualified assessor from the same organization, using the official SIA Guidelines, with no submission to the scheme owner required—but the report must be available for MSPO auditors.

SIA Process

The assessment must be conducted by **MSPO-endorsed SIA external assessors** listed on the scheme owner's website, following the official SIA Guidelines, with the draft report submitted via the designated platform within 90 days of the site visit.



Internal assessors must complete 3 days of Basic SIA Training (per MSPO SIA Guidelines) and 3 days of MSPO Awareness Training (MS2530:2022), both conducted by MSPO Endorsed Training Providers (ETPs).

Qualification

External assessors must complete 5 days of MSPO SIA Assessor Training by the scheme owner and 3 days of MSPO Awareness Training (MS2530:2022) by approved ETPs.

SOCIAL IMPACT ASSESSMENT

SIA

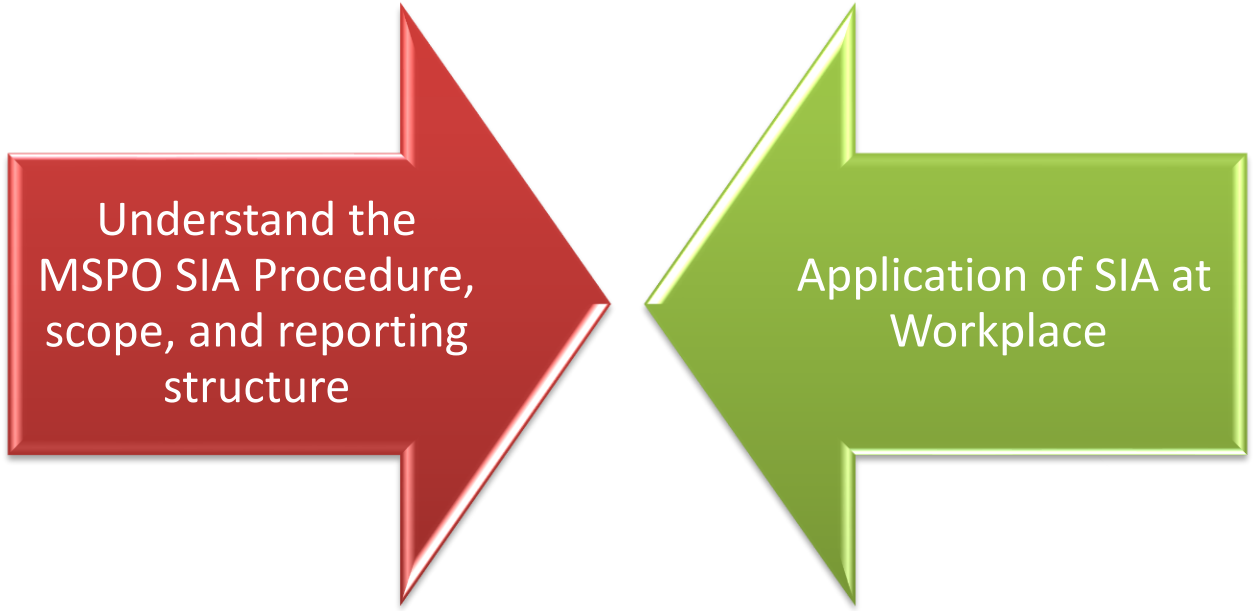
Basic

Training

Main Objectives

Understand the MSPO SIA Procedure, scope, and reporting structure

Develop the competency required to assess social impacts within the MSPO framework

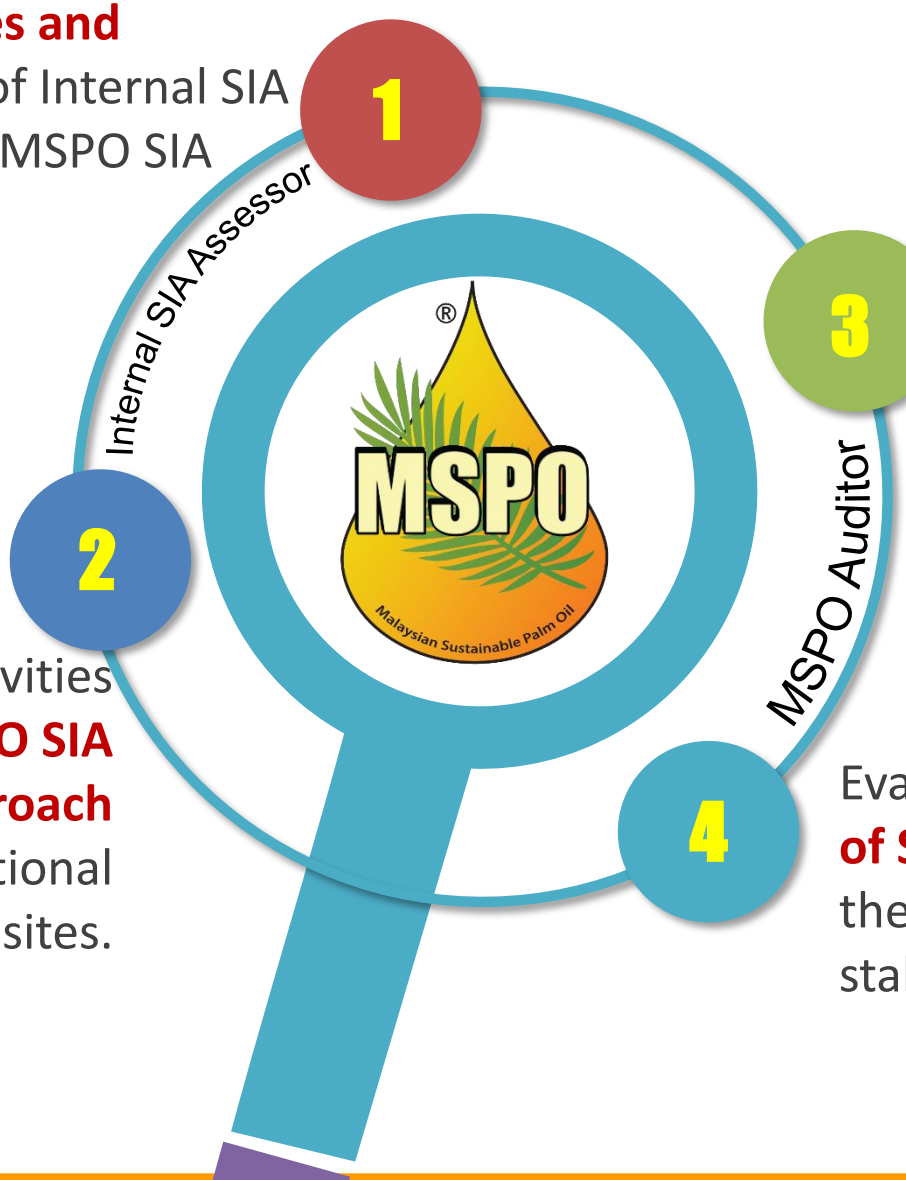


Conduct SIA in accordance with the MSPO SIA Guidelines and Approach Document

Apply the step-by-step SIA process, including stakeholder engagement, mitigation planning, and reporting

Scope of the Training

Understand the defined **roles and competency requirements** of Internal SIA Assessors as outlined in the MSPO SIA Procedure.



Carry out Internal SIA activities in alignment with the **MSPO SIA Guidelines and Approach document** across operational sites.

Use this training as guidance to uphold the MSPO Certification Scheme Document requirements during **stakeholder consultations**.

Evaluate the **completeness and quality of SIA reports** and verify alignment with the MSPO SIA Guidelines and stakeholder expectations.

MSPO Basic SIA Training

Training Overview

Framework of syllabus

Focus Area

The MSPO Basic Social Impact Assessment (SIA) Training is a structured program aligned with the MSPO SIA Procedure (2025) and the SIA Guidelines & Approach (2022), developed by the MSPO Scheme Owner. This course is designed to qualify individuals as Internal SIA Assessors and also serves as a mandatory requirement for MSPO Auditors to strengthen their competence in auditing social components of the MSPO certification.

Participants are equipped with the knowledge to identify and assess social impacts, engage stakeholders, comply with legal requirements (e.g. Employment Act, Act 446, TIP Act), and report findings aligned with MS2530:2022 standards, sustainability, and ESG expectations. The training also emphasizes the development of a Social Management Plan (SMP) and prepares participants for audit readiness and responsible decision-making in line with MSPO certification.

MSPO Basic SIA Training

Framework of syllabus

Focus Area

Objective of MSPO Basic SIA Training:

1. **Conduct Social Impact Assessments (SIA)** in accordance with the MSPO SIA Guidelines, Procedure, and MS2530:2022 requirements.

2. **Implement the full SIA process**, including stakeholder engagement, impact assessment, mitigation planning, and Social Management Plan (SMP) development.

3. **Prepare and manage SIA reports** and records to support internal implementation, MSPO audit readiness and completing certification audit process

4. Understand legal and certification requirements, **qualifying participants** to serve as Internal SIA Assessors and support MSPO audit activities.

MSPO Basic SIA Training

Framework of syllabus

Day 1: Introduction & MSPO SIA Foundation

Module of MSPO Basic SIA Training:

Chapter 1: Welcome and Course Overview

- Introduction to the course structure and objectives.

Module 1: Introduction to Social Elements & Sustainable Development

Learning Outcome

Participants will gain a foundational understanding of how Malaysia's evolving economic structure, societal trends, and lifestyle changes influence social development within the palm oil sector. The module introduces key sustainability concepts including the Sustainable Development Goals (SDGs), Malaysia's SDG Roadmap, and the 5Ps framework (People, Planet, Prosperity, Peace, Partnership), enabling participants to connect global sustainability agendas with local social expectations and MSPO requirements.

MSPO Basic SIA Training

Framework of syllabus

Day 1: Introduction & MSPO SIA Foundation

Module of MSPO Basic SIA Training:

Module 1: Introduction to Social Elements & Sustainable Development

Topic Cover:

- Malaysia's Structural Economic Change: Past, Present, and Future
- Economy, Lifestyle & Modern Era Needs
- Concept of Sustainability and the SDGs
- Malaysia SDG Roadmap & 5Ps

MSPO Basic SIA Training

Module of MSPO Basic SIA Training:

Framework of syllabus

Day 1: Introduction & MSPO SIA Foundation

Module 2: MSPO SIA Requirement & Assessor Roles

Learning Outcome

Participants will develop a clear understanding of the MSPO requirements for conducting Social Impact Assessments (SIA), including when SIA is required and the differences between internal and external assessors. The module equips participants with knowledge of the roles and responsibilities of key stakeholders—such as the scheme owner, assessors, organisation, and auditors—and outlines the competency criteria and reporting procedures in accordance with the MSPO SIA Procedure. By the end of this module, participants will be able to assess SIA report readiness, understand audit expectations, and differentiate between major and minor non-conformities related to SIA during MSPO certification audits.

MSPO Basic SIA Training

Module of MSPO Basic SIA Training:

Framework of syllabus

Day 1: Introduction & MSPO SIA Foundation

Module 2: MSPO SIA Requirement & Assessor Roles

Topic Cover:

- General: Enablers of MSPO Governance and Qualification Framework
- MSPO Requirement for SIA (When and Why)
- Internal vs External SIA
- Scope of Assessment (Group vs Individual)
- Roles & Responsibilities – Scheme Owner, MSPO SIA Assessor, Organisation & MSPO Auditor
- Competency Requirements (Internal & External Assessors)
- MSPO SIA Procedure & Submission Flow
- Importance of SIA Report Readiness for Audit
- Audit Findings Related to SIA: Major vs Minor Non-Conformities

MSPO Basic SIA Training

Module of MSPO Basic SIA Training:

Framework of syllabus

Day 1: Introduction & MSPO SIA Foundation

Module 3: Understanding Social Impact & Socio-Economy

Learning Outcome

Participants will gain a clear understanding of what constitutes social impact in the context of MSPO, including its definitions, examples, and how it affects communities and stakeholders. The module explores the differences between positive and negative impacts, and helps participants analyze key areas such as socio-psychological well-being, economic livelihood, cultural heritage, governance systems, and local infrastructure. Participants will also learn to differentiate between the terms 'social', 'economic', and 'socio-economic' using structured references such as the Hacking (2006) framework, enabling more accurate identification and evaluation of social impacts during SIA activities.

MSPO Basic SIA Training

Module of MSPO Basic SIA Training:

Framework of syllabus

Day 1: Introduction & MSPO SIA Foundation

Module 3: Understanding Social Impact & Socio-Economy

Topic Cover:

- Definition and Examples of Social Impact
- Positive vs Negative Impact
- Socio-psychological, Economic, Cultural, Infrastructure, Governance Impacts
- Terms: ‘social’, ‘economic’, and ‘socio-economic’

MSPO Basic SIA Training

Module of MSPO Basic SIA Training:

Framework of syllabus

Day 1: Introduction & MSPO SIA Foundation

Module 4: Conflict Identification, Causes & Resolution

Learning Outcome

Participants will understand the concept of social conflict within the context of MSPO, including its definition, root causes, and how it may arise during social impact assessments. This module introduces five common types of conflict—value, interest, structural, relationship, and informational—and explores how these conflicts may impact communities and stakeholder relationships. Participants will also learn key resolution strategies and the role of SIA in identifying, managing, and mitigating social conflict to support transparent, inclusive, and sustainable certification outcomes.

MSPO Basic SIA Training

Module of MSPO Basic SIA Training:

Framework of syllabus

Day 1: Introduction & MSPO SIA Foundation

Module 4: Conflict Identification, Causes & Resolution

Topic Cover:

- What is Social Conflict?
- Common Causes (Value, Interest, Structural, Relationship, Information)
- Conflict Resolution Strategies
- Role of SIA in Managing Social Conflict

MSPO Basic SIA Training

Module of MSPO Basic SIA Training:

Framework of syllabus

Day 2: MSPO Standard Clauses & Legal Context, SIA Process Flow & Field Practices

Module 5: MSPO Social Principles & Legal Context

Learning Outcome

Participants will gain a comprehensive understanding of the MSPO social principles—specifically Principles 1, 3, 4, and 5—and their connection to key social clauses in the MSPO standard. This module helps participants interpret how social requirements align with national legal frameworks, including laws such as the Workers' Minimum Standards of Housing and Amenities Act 1990 (Act 446), Occupational Safety and Health Act 1994 (Act 514), Anti-Trafficking in Persons and Anti-Smuggling of Migrants Act 2007 (ATIPSOM / Act 670), and others. By the end of this module, participants will be able to identify compliance expectations related to labour rights, welfare, and stakeholder protection under MSPO.

MSPO Basic SIA Training

Module of MSPO Basic SIA Training:

Framework of syllabus

Day 2: MSPO Standard Clauses & Legal Context, SIA Process Flow & Field Practices

Module 5: MSPO Social Principles & Legal Context

Topic Cover:

- MSPO Social Principles (Principle 1, 3, 4, 5)
- Key MSPO Clauses on Social Aspects
- Connection to Labour Rights & Legal Framework (Acts 446, 670, TIP, etc.)

MSPO Basic SIA Training

Module of MSPO Basic SIA Training:

Framework of syllabus

Day 2: MSPO Standard Clauses & Legal Context, SIA Process Flow & Field Practices

Module 6: SIA Process, Principles & Planning

Learning Outcome

Participants will gain a clear understanding of the Social Impact Assessment (SIA) process as required under MSPO and international references such as IAIA. This module introduces key SIA principles including participation, gender considerations, food security, and the importance of baseline data. Participants will be guided through the step-by-step SIA process flow and learn how to effectively plan assessments using practical tools such as the pre-consultation checklist. By the end of this module, participants will be equipped to prepare and initiate SIA activities in line with MSPO expectations.

MSPO Basic SIA Training

Module of MSPO Basic SIA Training:

Framework of syllabus

Day 2: MSPO Standard Clauses & Legal Context, SIA Process Flow & Field Practices

Module 6: SIA Process, Principles & Planning

Topic Cover:

- SIA Definition (IAIA, MSPO)
- SIA Principles (Participation, Gender, Food Security, Baseline Data)
- SIA Process Flow (Step-by-step overview)
- Planning and Pre-Consultation Checklist

MSPO Basic SIA Training

Module of MSPO Basic SIA Training:

Framework of syllabus

Day 2: MSPO Standard Clauses & Legal Context, SIA Process Flow & Field Practices

Module 7: Scoping, Site Visit & Data Collection

Learning Outcome

Participants will understand the purpose and importance of scoping within the SIA process, including how it helps define relevant issues and guide effective data collection. This module equips participants with knowledge on practical tools and techniques such as mapping, GPS usage, literature reviews, and onsite observations. It also emphasizes the documentation of community profiles and local conditions as part of the evidence-gathering process. By the end of this module, participants will be capable of conducting comprehensive site visits and collecting relevant data to support meaningful social impact assessments.

MSPO Basic SIA Training

Module of MSPO Basic SIA Training:

Framework of syllabus

Day 2: MSPO Standard Clauses & Legal Context, SIA Process Flow & Field Practices

Module 7: Scoping, Site Visit & Data Collection

Topic Cover:

- Scoping Assessment (What & Why)
- Mapping, GPS, Literature Review
- Onsite Observation & Documentation
- Community Profile Considerations

MSPO Basic SIA Training

Module of MSPO Basic SIA Training:

Framework of syllabus

Day 2: MSPO Standard Clauses & Legal Context, SIA Process Flow & Field Practices

Module 8: Stakeholder Identification, Consultation & Ethics

Learning Outcome

Participants will gain the ability to identify, classify, and engage with relevant stakeholders throughout the SIA process. This module introduces stakeholder mapping and classification methods, emphasizing inclusive engagement and the importance of respecting the Free, Prior, and Informed Consent (FPIC) principle. Participants will also explore ethical considerations in SIA—including confidentiality, integrity, informed consent, and anonymity—to ensure that consultations are conducted respectfully and responsibly. By the end of this module, participants will be able to manage stakeholder relationships in a transparent and ethical manner.

MSPO Basic SIA Training

Module of MSPO Basic SIA Training:

Framework of syllabus

Day 2: MSPO Standard Clauses & Legal Context, SIA Process Flow & Field Practices

Module 8: Stakeholder Identification, Consultation & Ethics

Topic Cover:

- Stakeholder Mapping and Classification
- Consultation Process & FPIC
- Inclusive Engagement Practices
- Ethics in SIA (Confidentiality, Informed Consent, Integrity, Anonymity)

MSPO Basic SIA Training

Module of MSPO Basic SIA Training:

Framework of syllabus

Day 3: From Consultation, SIA Reporting to Sustainability Reporting

Module 9: Participatory Approach, Management Plan & Reporting

Learning Outcome

Participants will understand the importance of participatory approaches in the Social Impact Assessment (SIA) process, including meaningful stakeholder involvement and inclusive decision-making. This module equips participants with the ability to develop practical mitigation and management plans, identify appropriate monitoring indicators, and structure reporting components in line with MSPO requirements. By the end of this module, participants will be able to produce effective SIA reports, implement follow-up reviews, and ensure continuous improvement through timely updates to the management plan.

MSPO Basic SIA Training

Module of MSPO Basic SIA Training:

Framework of syllabus

Day 3: From Consultation, SIA Reporting to Sustainability Reporting

Module 9: Participatory Approach, Management Plan & Reporting

Topic Cover:

- Participatory Process & Stakeholder Involvement
- Developing Mitigation & Management Plan
- Monitoring Indicators
- Reporting Components
- Post-SIA Review & Update

MSPO Basic SIA Training

Module of MSPO Basic SIA Training:

Framework of syllabus

Day 3: From Consultation, SIA Reporting to Sustainability Reporting

Module 10: ESG, NSRF & Global Alignment

Learning Outcome

Participants will gain foundational knowledge of Environmental, Social, and Governance (ESG) concepts and their relevance to sustainable development. This module introduces the interconnection between ESG, the Sustainable Development Goals (SDGs), and global reporting frameworks such as GRI, FTSE Russell, and the ISSB-aligned National Sustainability Reporting Framework (NSRF) for Malaysia. By the end of this module, participants will understand how SIA activities contribute to ESG performance and support national and international sustainability reporting expectations.

MSPO Basic SIA Training

Module of MSPO Basic SIA Training:

Framework of syllabus

Day 3: From Consultation, SIA Reporting to Sustainability Reporting

Module 10: ESG, NSRF & Global Alignment

Topic Cover:

- What is ESG?
- ESG-SDG-GRI Interconnection
- ESG Score (FTSE Russell)
- NSRF & ISSB Framework for Malaysia
- How SIA Supports ESG & National Reporting

MSPO Basic SIA Training

Module of MSPO Basic SIA Training:

Framework of syllabus

Day 3: From Consultation, SIA Reporting to Sustainability Reporting

Module 11: SIA Guideline and Template Review

Learning Outcome

Participants will consolidate their understanding of the SIA process by reviewing key elements of the MSPO SIA Guidelines (Chapters 1–6), including the structure and function of Tables 1–18. This module reinforces how to apply the guidelines according to different operational scales and ensures participants are confident in using the SIA checklist and report templates. By the end of this module, participants will be able to navigate the MSPO SIA reporting tools effectively and produce reports that meet the standard's expectations.

MSPO Basic SIA Training

Module of MSPO Basic SIA Training:

Framework of syllabus

Day 3: From Consultation, SIA Reporting to Sustainability Reporting

Module 11: SIA Guideline and Template Review

Topic Cover:

- MSPO SIA Guidelines Chapters 1–6
- Explanation of Tables 1–18
- Categorized SIA Reporting by Operational Scale
- Use of Checklist & Templates

Module 1

Introduction to Social Elements & Sustainable Development

Module 1: Introduction to Social Elements & Sustainable Development

Learning Outcome

Participants will gain a foundational understanding of how Malaysia's evolving economic structure, societal trends, and lifestyle changes influence social development within the palm oil sector. The module introduces key sustainability concepts including the Sustainable Development Goals (SDGs), Malaysia's SDG Roadmap, and the 5Ps framework (People, Planet, Prosperity, Peace, Partnership), enabling participants to connect global sustainability agendas with local social expectations and MSPO requirements.

MALAYSIA'S STRUCTURAL ECONOMIC CHANGE: PAST, PRESENT, AND FUTURE

2000-present

The rise of China's export-oriented manufacturing sector created a huge competition

"China Brand = Cheap, low cost"

And the high environmental costs of Malaysia's resource-based development

Starting in 2015, it well characterized by the United Nations' Agenda 2030

Need to upgrade its education and innovation systems, the key to overcoming the "middle-income trap" and becoming a high-income country

1946-1969

Aan era of political change as well as social and economic change.

This was also a period of massive economic change, entailing the first period of real nation-building, with increased investments in infrastructure (roads, rail, power, and ports) and in human capital (health and education)

04

03

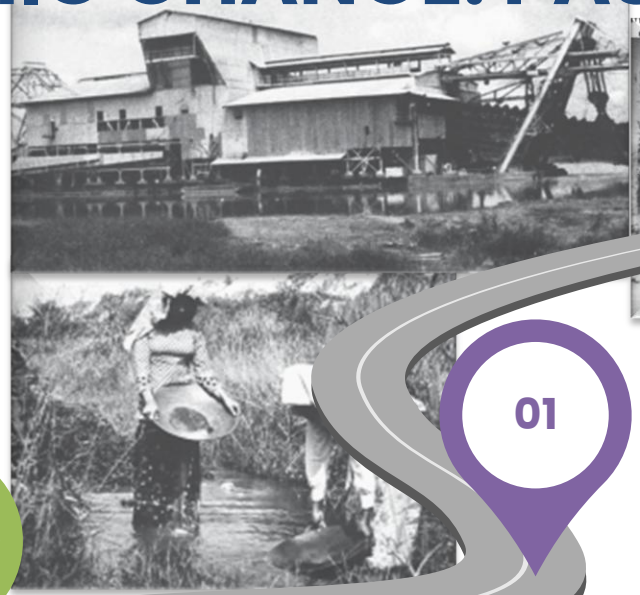
1970-2000

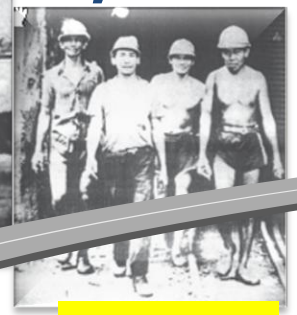
The new era of New Economic Policy (NEP) - pro-Malay policies introduced

The diversification into urban-based services, and middle-skilled labour-intensive industry.

Heavily dependence on a few export sectors (oil and gas, oil palm, electronics)

02





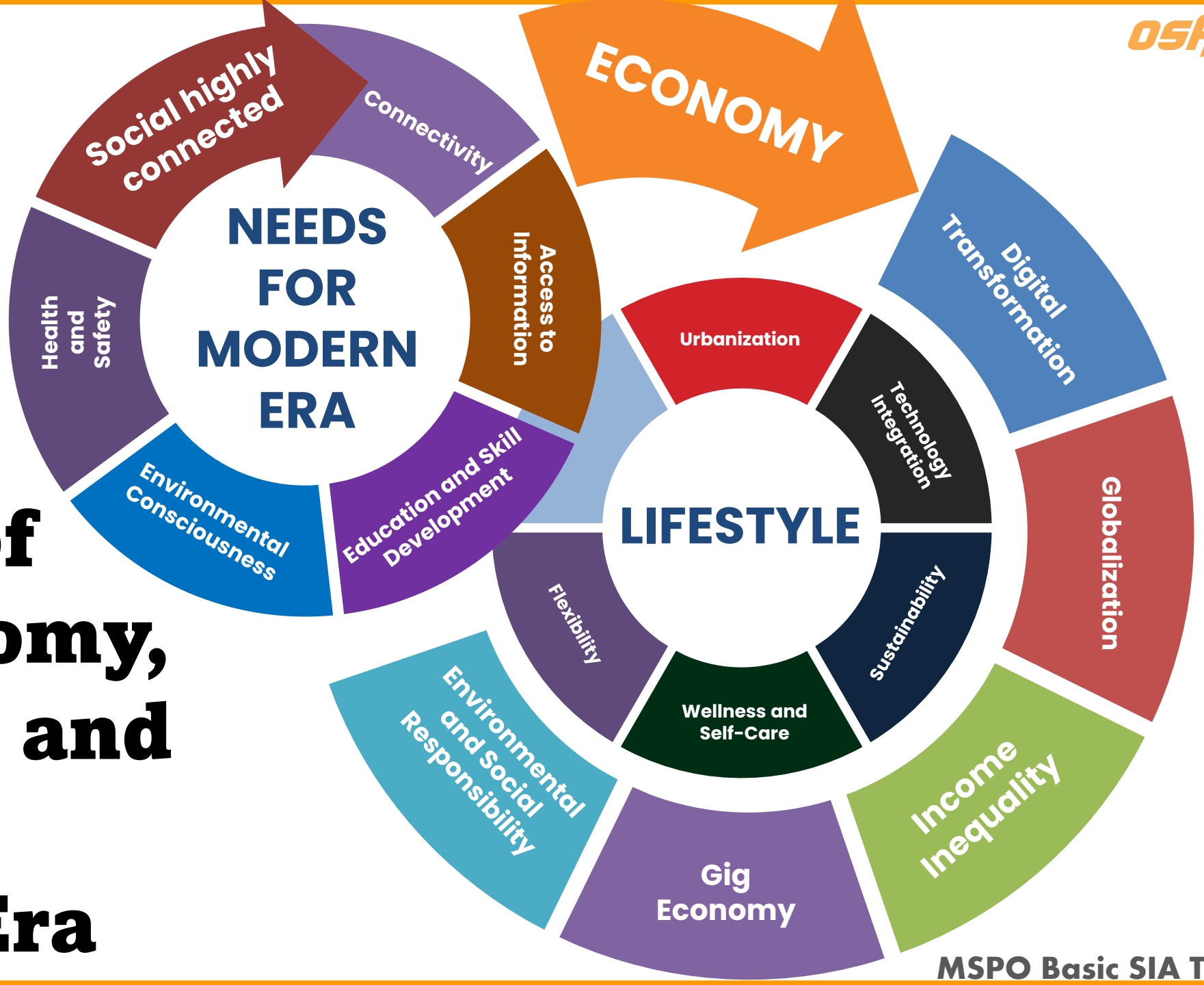
1900-1945

01

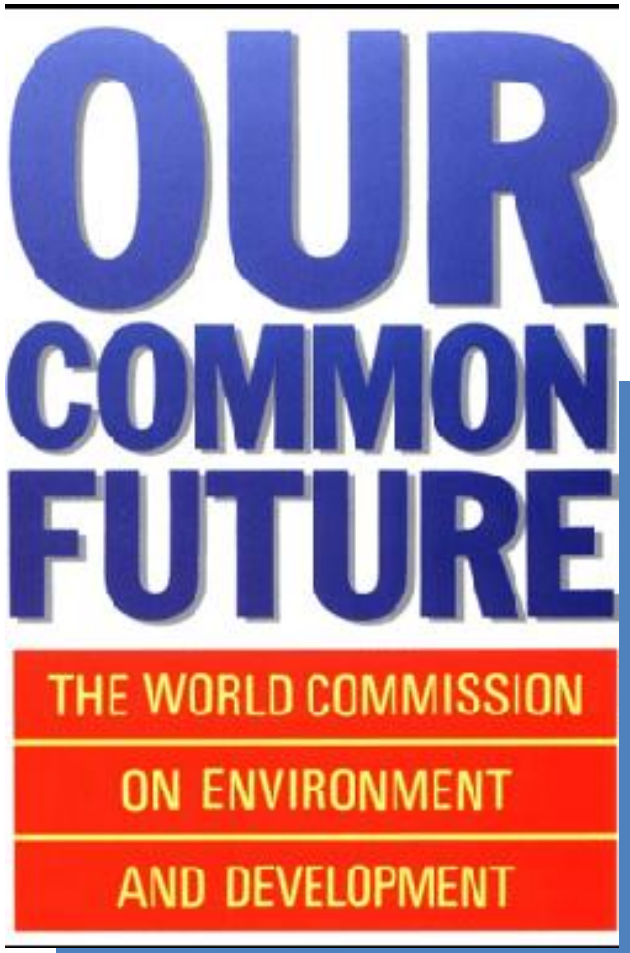
the era of Colonial-led, resource-based growth

Malaysia benefited from three geographical factors - tropical climate, natural resources & major trade route Europe - East Asia

Aspects of our Economy, Lifestyle, and Needs of Modern Era



> Sustainable development is development that meets the needs of present without comprising the needs of future generations to meet their own needs



Brundtland's Commission Report – United Nation's World Commission On Environment and Development (Our Common Future)

Sustainable – People, Planet & Profitability (3Ps)

Workplace woes: Workplace discrimination is common in Malaysia

By TASNIM LOKMAN, QISTINA ATIKAH - January 28, 2018 @ 9:05am

MALAYSIA stands where it is today from the hard work of its multicultural society who come together as one.

Despite the adversities faced, its people continue to live in peace and harmony for more than six decades.

Everyone has the right to work, own a home and drive, regardless of gender, race and religion.

Despite Malaysia's first-class employment standards, many suffer from workplace discrimination in the public and private sectors.

A public relations officer from a property development company said she was always left out in conversations

The sustainability of a company's operation also depends on how the organization manages social issues and how to deal with them

Environmental
Overload
Hazard from load
Road Safety
Noise

Who?
are the stakeholders and what are the relevant issues?

Issue to
community

Benefits from company operations

TURUNKAN HARGA RACUN & BAJA
NAIKKAN HARGA SAWIT RM450
HAPUSKAN CUKAI EKSAIS SAWIT
CUKAI KASTAM KEATAS
PEKEBUN KECIL
BERI SUBSIDI BAJA DAN RACUN
KEPADA PEKEBUN KECIL
HAPUSKAN CUKAI GST!
NAIKKAN HARGA SAWIT MINIMUM RM 450.00
Minimize conflict

Social Responsibility

Transformation: social benefits to smallholders (Society)

Module 1

Introduction to Sustainable Development Goal (SDG)

SDG is an abbreviation for Sustainable Development Goals. These SDGs serve as an important blueprint for the country to formulate policies to ensure a sustainable future for the people. This includes all the development challenges of the modern world including economic, social, political and environmental
(Department of Statistics Malaysia, 2020).

Economic | **Social** | **Political** | Environmental

What is SDG?

External Info

Sustainability

Malaysia

Employment Data

Key Indicators of Labour Market

Development Plan

Malaysia Township Development Plan

1 NO POVERTY
2 ZERO HUNGER
3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
5 GENDER EQUALITY
6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
10 REDUCED INEQUALITIES
11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
14 LIFE BELOW WATER
15 LIFE ON LAND
16 PEACE, JUSTICE AND STRONG INSTITUTIONS
17 PARTNERSHIPS FOR THE GOALS
SUSTAINABLE DEVELOPMENT GOALS

> A global commitment towards a more sustainable, resilient and inclusive development

Malaysia together with other 192 world leaders adopted the 2030 Agenda for Sustainable Development (2030 Agenda) at the United Nations General Assembly in New York on 25 September 2015.

National SDG Council
(chaired by Prime Minister)

Establish direction for SDG implementation, set national agenda and milestones and prepare reporting to UN High Level Political Forum

Steering Committee
(chaired by Director General of EPU)

Formulate SDG Roadmap, monitor progress of targets, identify issues and report to National SDG Council

Working Committee INCLUSIVITY

Goal 1 : No Poverty
Goal 2 : Zero Hunger
Goal 5 : Gender Equality
Goal 10 : Reduced Inequality

Working Committee WELL-BEING

Goal 3 : Good Health & Well-being
Goal 11 : Sustainable Cities and Communities
Goal 16 : Peace, Justice and Strong

Working Committee HUMAN CAPITAL

Goal 4 : Quality Education

Working Committee ENVIRONMENT & NATURAL RESOURCES

Goal 6 : Clean Water and Sanitation
Goal 7 : Affordable and Clean Energy
Goal 12 : Responsible Consumption and Production

Working Committee ECONOMIC GROWTH

Goal 8 : Decent Work and Economic Growth
Goal 9: Industry, Innovation and Infrastructure
Goal 17 : Partnerships

SUSTAINABLE DEVELOPMENT GOALS

SDG ROADMAP FOR MALAYSIA

Phase 1: 2016 - 2020

MALAYSIA SDG ROADMAP

NEW STRAITS TIMES | BUSINESS TIMES

NST VIRAL | CRIME & COURTS | NATION | GOVERNMENT / PI

Anwar: Malaysia sets national SDG indicator targets

By Bernama - November 7, 2023 @ 10:52pm

Prime Minister Datuk Seri Anwar Ibrahim said the national SDG indicator and initiatives will be translated into the Phase 2 Sustainable Development Goals Roadmap to be published next month. BERNAMA PIC

KUALA LUMPUR: Malaysia has for the first time set Sustainable Development Goals (SDGs) indicator targets and finalised nine accelerator initiatives to achieve the SDGs in the country.

Prime Minister Datuk Seri Anwar Ibrahim said the national SDG indicator and initiatives will be translated into the Phase 2 Sustainable Development Goals Roadmap to be published next month.

He said this was among the matters finalised at the National SDG Council meeting for this year, which he chaired today (November 7), to ensure a more effective implementation of SDGs in achieving the 2030 Agenda for Sustainable Development (Agenda 2030), which is seven years away.

The National SDG Council meeting also decided that the National SDG Centre (PSN) under the Economic Ministry, be tasked with increasing SDG coordination actions at the national level, improving national SDG achievements as well as increasing awareness in SDG implementation and adoption of environmental, social and corporate governance (ESG) principles.

INDIKATOR MATLAMAT PEMBANGUNAN MAMPAN

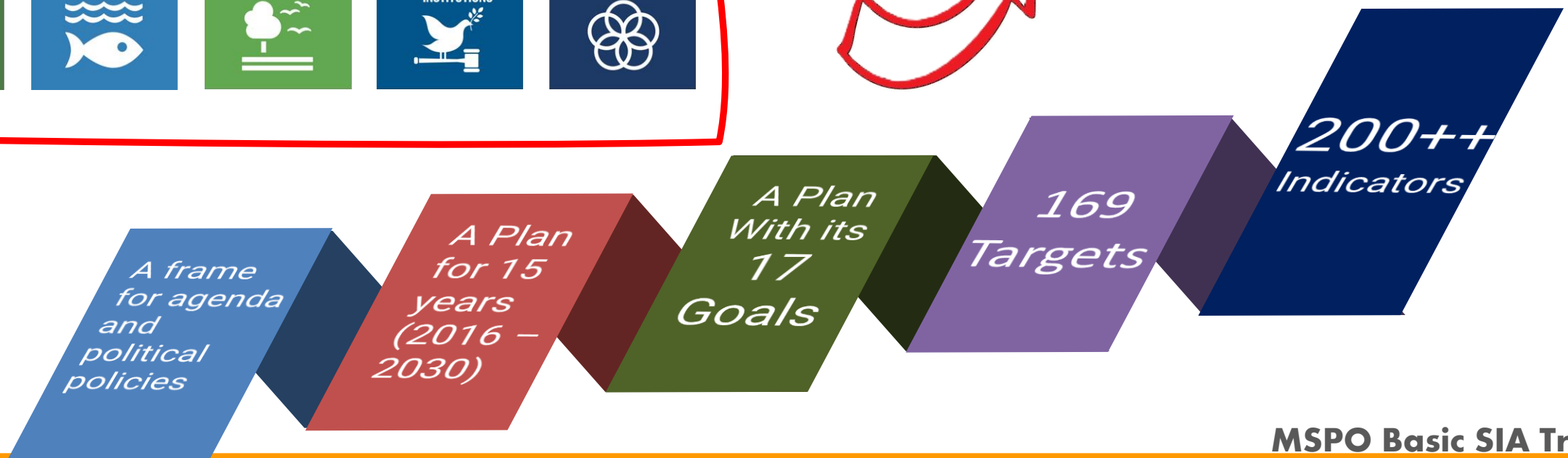
SUSTAINABLE DEVELOPMENT GOALS (SDG) INDICATORS

MALAYSIA 2021

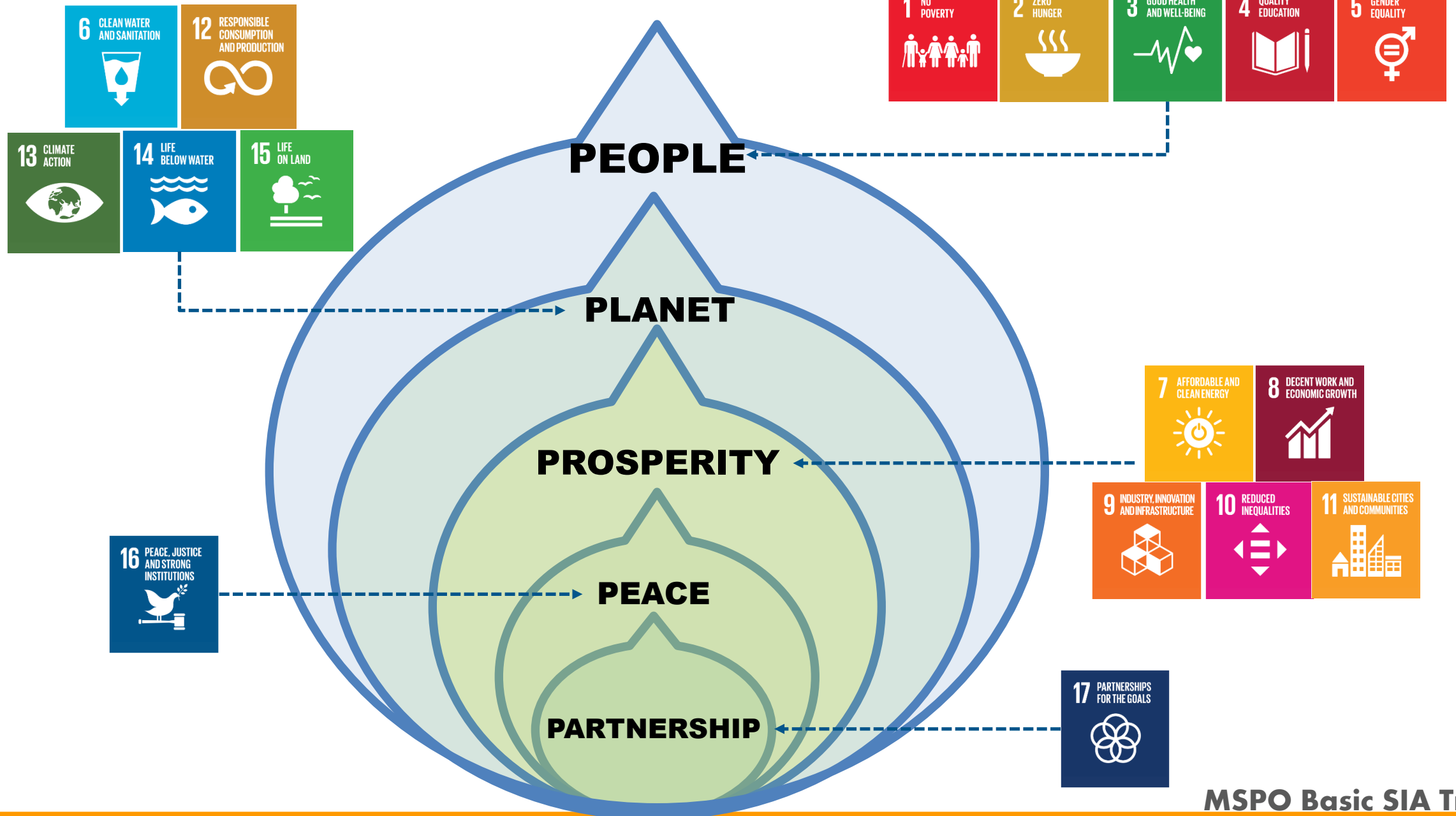
8	**8.8.1**	**a. Kadar kecederaan pekerjaan** *a. Rates of occupational injuries*	2019: 271 2020: 218 2021: 143	**Bagi setiap 100,000 pekerja** *Per 100,000 workers*	**Jabatan Keselamatan dan Kesihatan Pekerjaan Malaysia** *Department of Occupational Safety and Health Malaysia*
	8.8.1	**b. Kadar kecederaan maut pekerjaan** *a. Rates of fatal occupational injuries*	2019: 3.83 2020: 2.09 2021: 2.00	**Bagi setiap 100,000 pekerja** *Per 100,000 workers*	**Jabatan Keselamatan dan Kesihatan Pekerjaan Malaysia** *Department of Occupational Safety and Health Malaysia*
	8.8.1	**c. Kadar kecederaan bukan maut pekerjaan** *a. Rates of fatal occupational injuries*	2019: 267 2020: 216 2021: 141	**Bagi setiap 100,000 pekerja** *Per 100,000 workers*	**Jabatan Keselamatan dan Kesihatan Pekerjaan Malaysia** *Department of Occupational Safety and Health Malaysia*

SDG is a universal set of goals, targets, and indicators

5 Dimensions



Link between 5Ps & SDG



Module 2

MSPO SIA Requirement

Module 2: MSPO SIA Requirement & Assessor Roles

Learning Outcome

Participants will develop a clear understanding of the MSPO requirements for conducting Social Impact Assessments (SIA), including when SIA is required and the differences between internal and external assessors. The module equips participants with knowledge of the roles and responsibilities of key stakeholders—such as the scheme owner, assessors, organisation, and auditors—and outlines the competency criteria and reporting procedures in accordance with the MSPO SIA Procedure. By the end of this module, participants will be able to assess SIA report readiness, understand audit expectations, and differentiate between major and minor non-conformities related to SIA during MSPO certification audits.

MSPO Requirement on SIA

	New plantings / New establishment	Replanting	Significant changes	At 5 years intervals
Organised Smallholder	When there is a new planting	Replanting program	-	From previous SIA
Small-medium plantations	When there is a new planting	Replanting program	-	From previous SIA
Large plantations	When there is a new planting	Replanting program	-	From previous SIA
Palm Oil Mill	When there is a new establishment	-	Affects the social & environment	From previous SIA
Palm Oil Processing facilities	When there is a new establishment	-	Affects the social & environment	From previous SIA
Dealers	When there is a new establishment	-	Affects the social & environment	From previous SIA

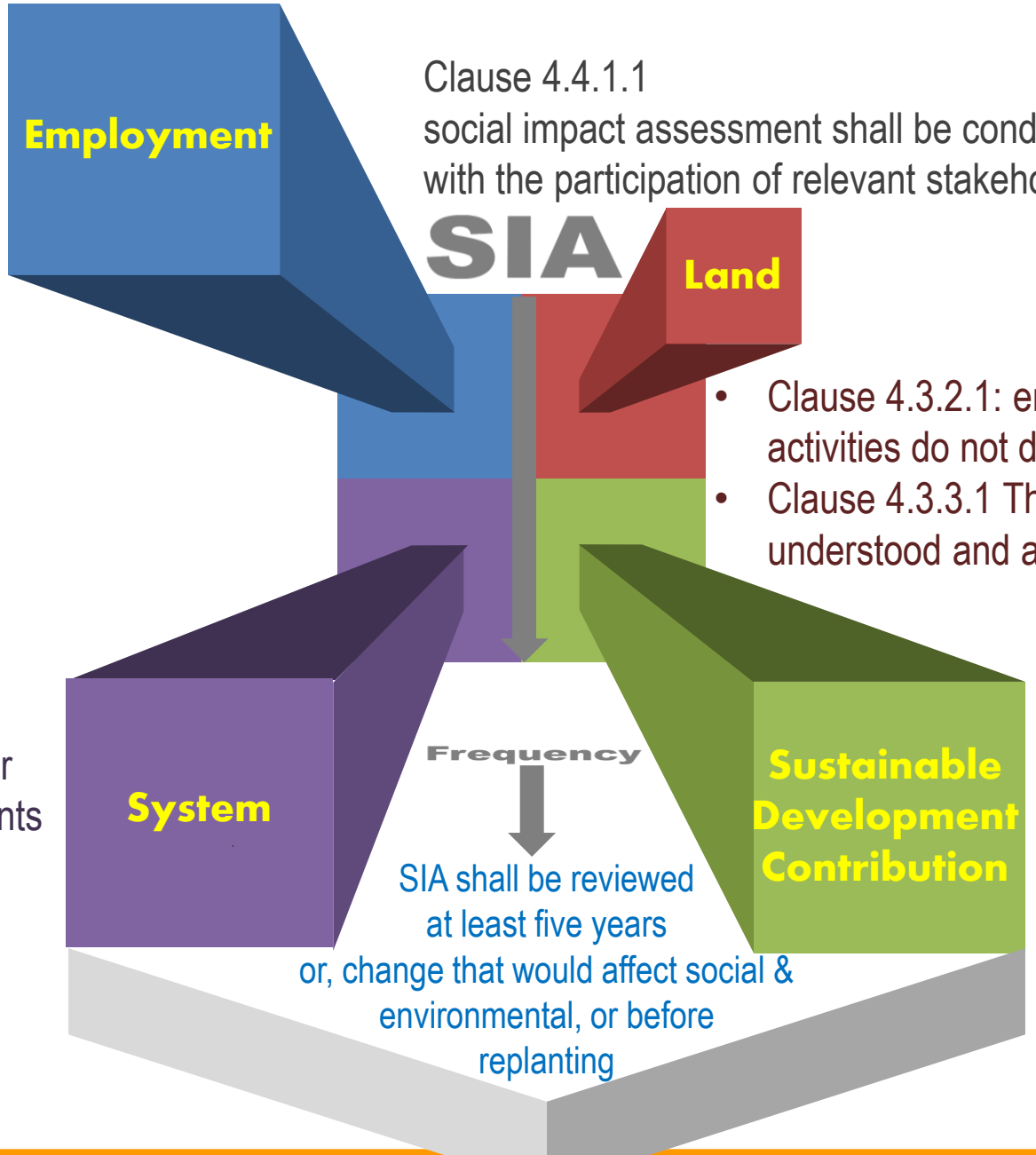
MSPO Requirement on Social Aspects

- Clause 4.4.3.1 Establishment of human rights policy
- Clause 4.4.3.2 No forms of forced or trafficked labour
- Clause 4.4.3.3: Provide equal opportunity and treatment
- Clause 4.4.3.9: Provide social benefits
- Clause 4.4.3.10: No child labour.
- Clause 4.4.3.11: Respect the right to form/join trade unions

- Clause 4.1.8.1: Establish system or procedure for dealing with complaints and grievances

- Clause 4.2.1.1: Establish the Communication and Consultation procedures

Clause 4.4.1.1
social impact assessment shall be conducted with the participation of relevant stakeholders



- Clause 4.3.2.1: ensure that oil palm cultivation activities do not diminish the rights of others to land.
- Clause 4.3.3.1 The rights of customary land are understood and are not being threatened or reduced.

Clause 4.1.7.1: contribute to local sustainable development in consultation with indigenous people and local communities through appropriate programmes

Enablers of MSPO Governance and Qualification Framework

No	Parties	Roles	Endorsed by/recognized by	How They Qualify
1	MSPO	Scheme Owner: Governs and promotes the MSPO certification system	Established and mandated by the Government of Malaysia	Functions as the official body responsible for developing and maintaining the scheme
2	Standard Malaysia (DSM)	National Accreditation Body: Accredits Certification Bodies (CBs) for MSPO	Recognized by IAF and established by the Government of Malaysia	Qualified as the national authority for accreditation and standard governance
3	Certification Body (CB)	Certifies operating units and appoints auditors	Accredited by DSM (Department of Standards Malaysia)	Comply with MSPO Certification Scheme Procedure and pass DSM accreditation audit
4	Endorsed Training Provider (ETP)	Conducts competency-based training programs (e.g., Lead Auditor, SIA, GHG)	Endorsed by MSPO Scheme Owner	Qualified after meeting MSPO's training provider criteria; listed on MSPO website
5	MSPO Auditor	Conducts audits for MSPO certification	Trained by ETP and attached to Accredited CB	Qualified after meeting competency criteria set in MSPO Scheme Procedure
6	Peer Reviewer	Independently reviews audit reports for compliance with MSPO Certification Scheme Procedure	Registered and Recognized by MSPO	Qualified by MSPO and listed on the MSPO official website

Enablers of MSPO Governance and Qualification Framework

No	Parties	Roles	Endorsed by/recognized by	How They Qualify
7	SIA Assessor	Assesses and evaluates social impact of operating units	Trained by MSPO Scheme Owner (External) / ETP (Internal)	External: Registered with MSPO; Internal: Appointed by the operating organisation
8	HCV Assessor	Assesses and evaluates HCV impact of operating units	Trained by MSPO Scheme Owner (External) / ETP (Internal)	External: Registered with MSPO; Internal: Appointed by the operating organisation

MSPO Stakeholders Driving SIA Excellence

- **MSPO**: Governs and promotes the SIA framework.
- **DSM**: Accredits Certification Bodies for audit credibility.
- **CBs**: Certify sites and appoint qualified auditors.
- **ETPs**: Train competent SIA assessors.
- **SIA Assessor:** Conduct SIA Processes aligned with Procedures & Guidelines
- **Auditors**: Conduct field audits aligned with MSPO SIA procedures.
- **Peer Reviewers**: Independently verify audit reports.

All parties ensure effective SIA implementation, enhancing MSPO's image, integrity, and industry reputation.

Module 2

MSPO Social Impact Assessment (SIA) Procedure

Social Impact Assessment Procedure

2. Introduction

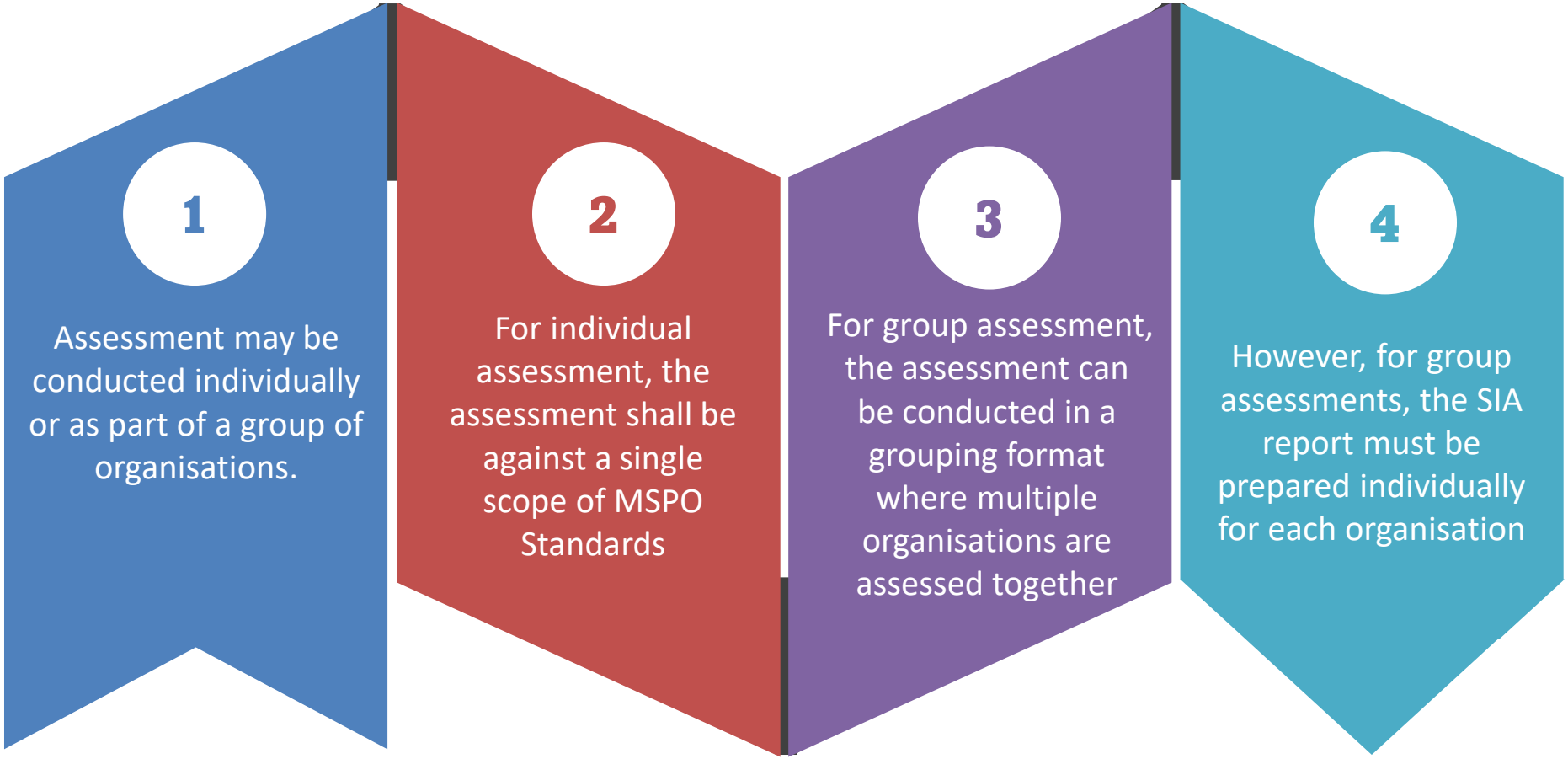
> The document outlines key components, requirements, and implementation arrangements under MSPO SIA.

The Social Impact Assessment (SIA) is a mandatory component for MSPO certification. It evaluates the social consequences—both positive and negative—of planned interventions (e.g. policies, projects, programs). According to IAIA, SIA helps manage these changes to promote a resilient and equitable biophysical and human environment.

To support this, MSPO developed the SIA Guidelines and Approach document, providing stakeholders with a structured, user-friendly framework to carry out assessments in line with MSPO Standards.

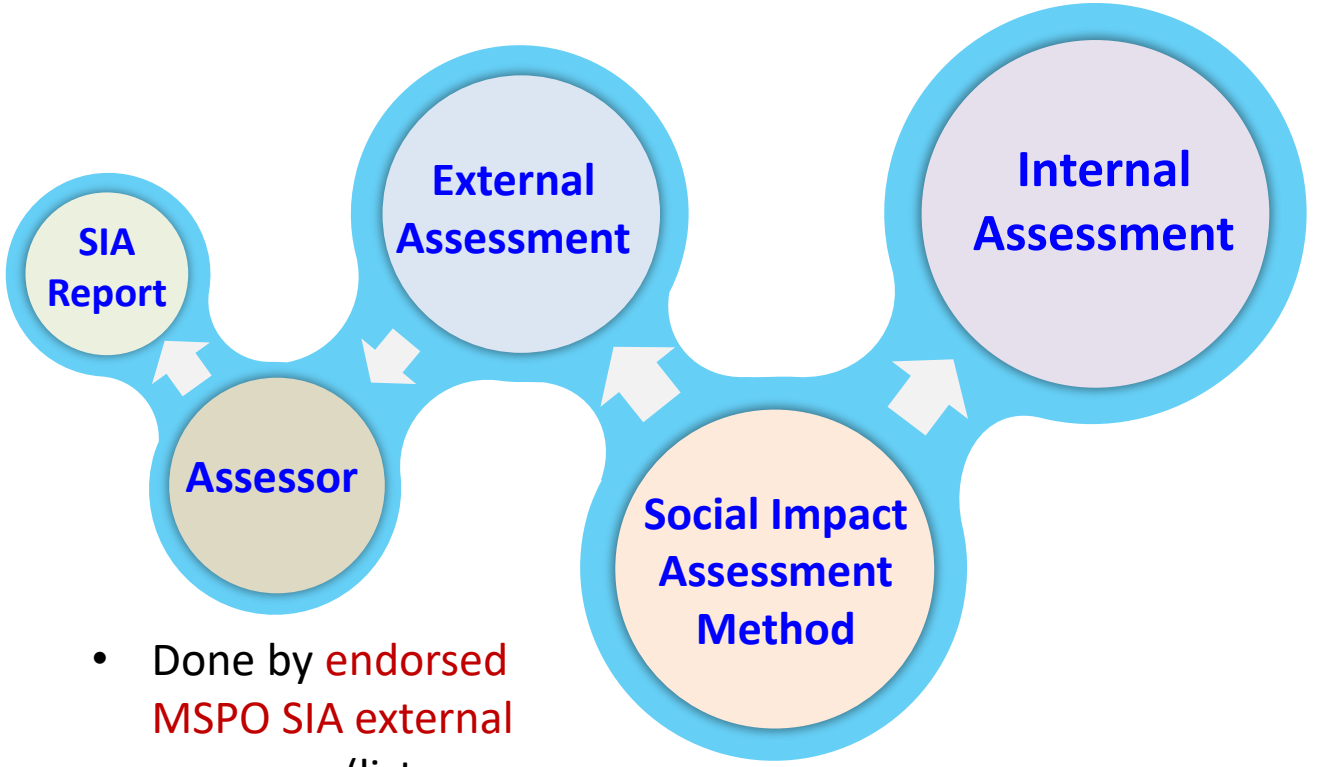
This procedure also sets the quality benchmarks for SIA execution and upholds the credibility of SIA assessors.

3. Scope of Assessment



4. Social Impact Assessment

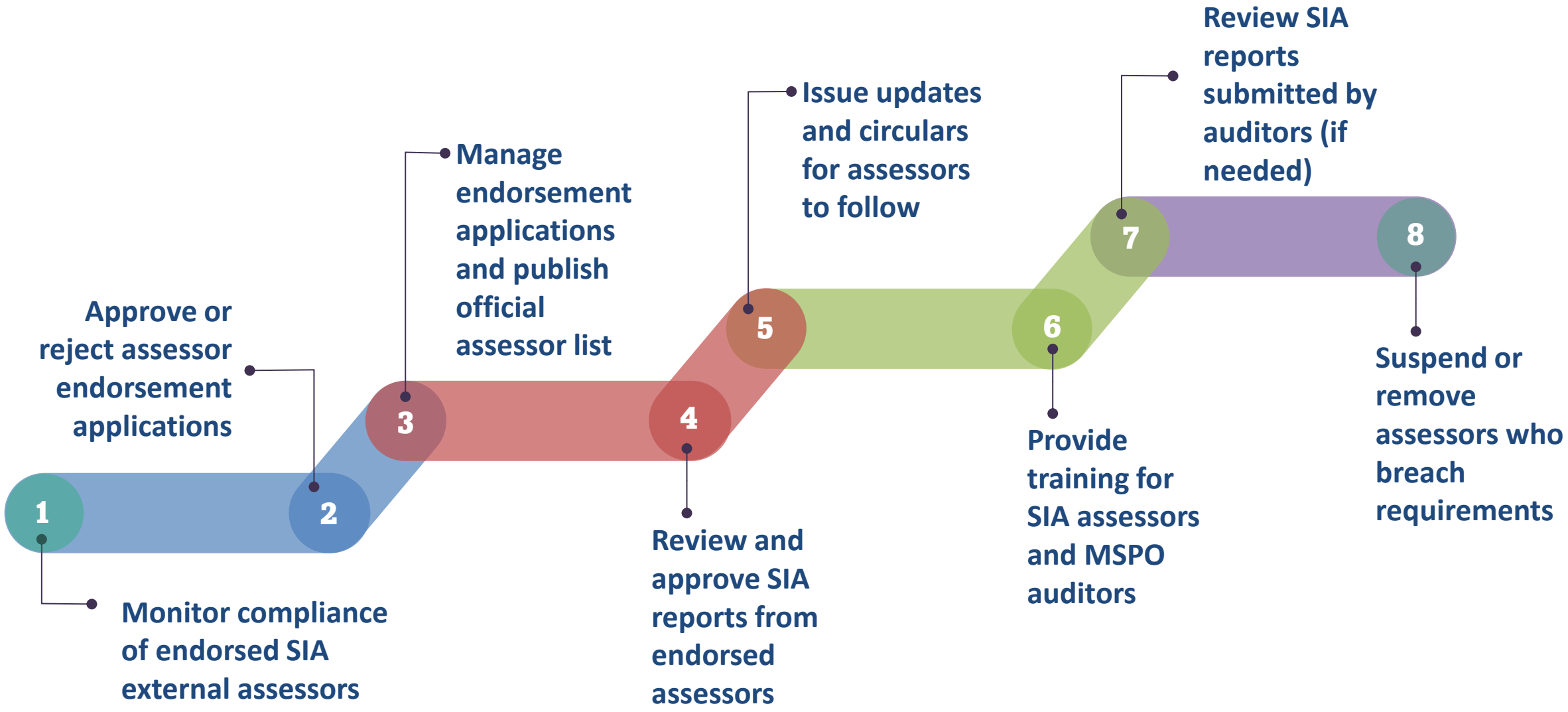
- Assessors must submit the full draft report to the scheme owner within 90 days after the site visit.
- Scheme owner will review the report within 30 days.
- If rejected, assessors have 30 days to revise and resubmit.



- Done by endorsed MSPO SIA external assessors (list available on MSPO website).
- Must follow the **SIA Guidelines and Approach for MSPO Standards**.

- Done by the organisation's own team (internal assessor).
- The assessor must be competent.
- The SIA report does not need to be submitted to the Scheme Owner.
- Report must be accessible to auditors during MSPO audits.
- If the organisation already has an SIA report, it must be comparable with the latest MSPO SIA Guidelines (via gap analysis), update if needed, and be ready for audit review.

5.1 Roles & Responsibility of Scheme Owner



5.2 MSPO SIA Assessor

Can be
- internal assessor (appointed by company) or
- external assessor (endorsed by scheme owner)

1

Must follow the **SIA Guidelines and Approach for MSPO**

2

conduct assessments within MSPO-certified areas

3

If done by a team, a **lead assessor** must be appointed

4

For external assessments, the lead assessor must be **endorsed by MSPO**

5

Team members' qualifications must be approved by the lead assessor

6

5.3 Role of the Organisation (MSPO SIA)

01

Internal assessments must follow the **SIA Guidelines and Approach for MSPO Standards**

02

External assessments must use only **endorsed MSPO SIA assessors**

03

Must implement and monitor the action plan from the SIA report (subject to verification during audit)

5.4 Role of the MSPO Auditor (SIA)

Check SIA reports for accuracy, completeness, and compliance with MSPO SIA Guidelines

Evaluate whether social impacts are addressed effectively and meet stakeholder needs

Confirm that reports by external assessors are reviewed and accepted by the scheme owner

Must complete 3-day MSPO Basic SIA Training from an MSPO Endorsed Training Provider

6.1 Competency Criteria for Endorsed MSPO SIA External Assessor

01

Education

Minimum: Honours Degree in Anthropology, Sociology, Geography, Economics, Law, or other relevant fields

02

Experience

- Completed at least 3 SIA projects in the last 5 years
- At least 2 of those must be in the oil palm industry(Exemption for those who joined MSPO SIA Training 1/2024)

03

Contents

- 3 days of MSPO SIA Assessor Training
- 3 days of MSPO Awareness Training (MS2530:2022)

6.2 Endorsement of MSPO SIA Assessors

1) Only assessors endorsed by MSPO can perform external SIA assessments
2) New applicants must attend MSPO SIA Assessor Training
3) Endorsed assessors cannot assess organisations they audited in the last 3 years (to avoid conflict of interest)
4) Must not be involved in MSPO audits (as auditor/lead/training) for the same organisation for 5 years
5) Only endorsed assessors will be listed on the official MSPO website

6.3 Competency Criteria for MSPO SIA Internal Assessor

01

Education

- Minimum: Secondary education
- Must be able to read, write, and communicate effectively

02

Experience

- At least 3 years working in the oil palm industry
- Experience with SIA activities is a plus

03

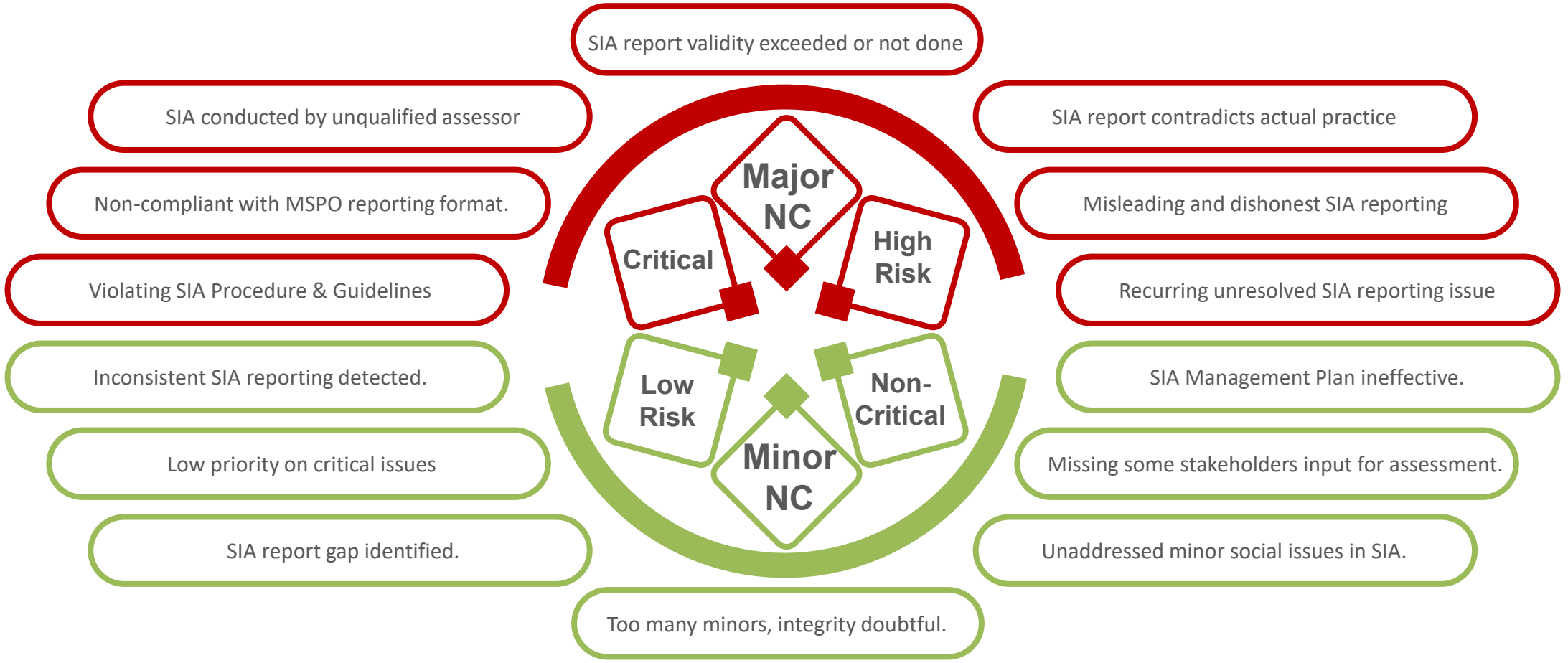
Contents

- 3 days of Basic SIA Training (MSPO Guidelines)
- 3 days of MSPO Awareness Training (MS2530:2022 Standards)(Both by MSPO Endorsed Training Providers)

Determine Assessor's Criteria

What are the ideal criteria for an Internal SIA Assessor to comply with MSPO SIA Procedure and give added value to the system?

Audit Findings Related to SIA: Major vs Minor Non-Conformities



Discussion

Internal SIA Assessor

Top Management

External SIA Assessor

The company management is evaluating whether to engage an external professional SIA assessor or rely on an internally appointed SIA assessor. Discuss the pros and cons of both options in terms of factors that you may identify.

Module 3

Understanding Social Impact & Socio-Economy

Module 3: Understanding Social Impact & Socio-Economy

Learning Outcome

Participants will gain a clear understanding of what constitutes social impact in the context of MSPO, including its definitions, examples, and how it affects communities and stakeholders. The module explores the differences between positive and negative impacts, and helps participants analyze key areas such as socio-psychological well-being, economic livelihood, cultural heritage, governance systems, and local infrastructure. Participants will also learn to differentiate between the terms ‘social’, ‘economic’, and ‘socio-economic’ using structured references such as the Hacking (2006) framework, enabling more accurate identification and evaluation of social impacts during SIA activities.

What is Social Impact?

"Social impacts are the consequences to human populations of any public or private actions that alter the ways in which people live, work, play, relate to one another, organize to meet their needs and generally cope as members of society."

MASALAH KESIHATAN MENTAL
53% RAKYAT MALAYSIA BERDEPAN TEKANAN TINGGI DI TEMPAT KERJA
SELANGOR DALAM • USAHA TRANSFORMASI DIGITAL DAN PEMELIHARAAN ALAM SEKITAR, KATA

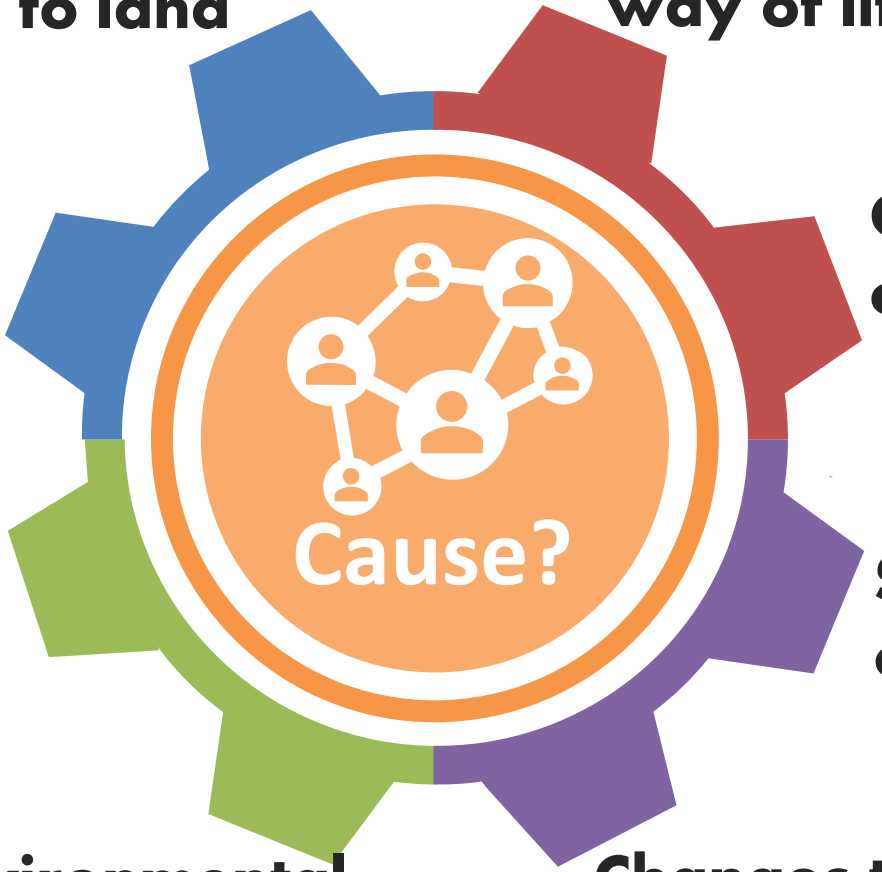
ARKIB
BA
BERITA ALHIJRAH
MANSUH PT3
KURANGKAN TEKANAN GURU & MURID
KI TERMASUK KAKITANGAN KKM MAUT DIREMPUH LORI KETIKA MENUKAR TAYAR PANCIT DI KUALA SELANGOR. SELA

Social Impact

Change of traditional/customary land ownership and user rights to land

Changes to way of life

Fear and concern for disease and illness, safety, crime rate, their future and that of their children



Cultural changes

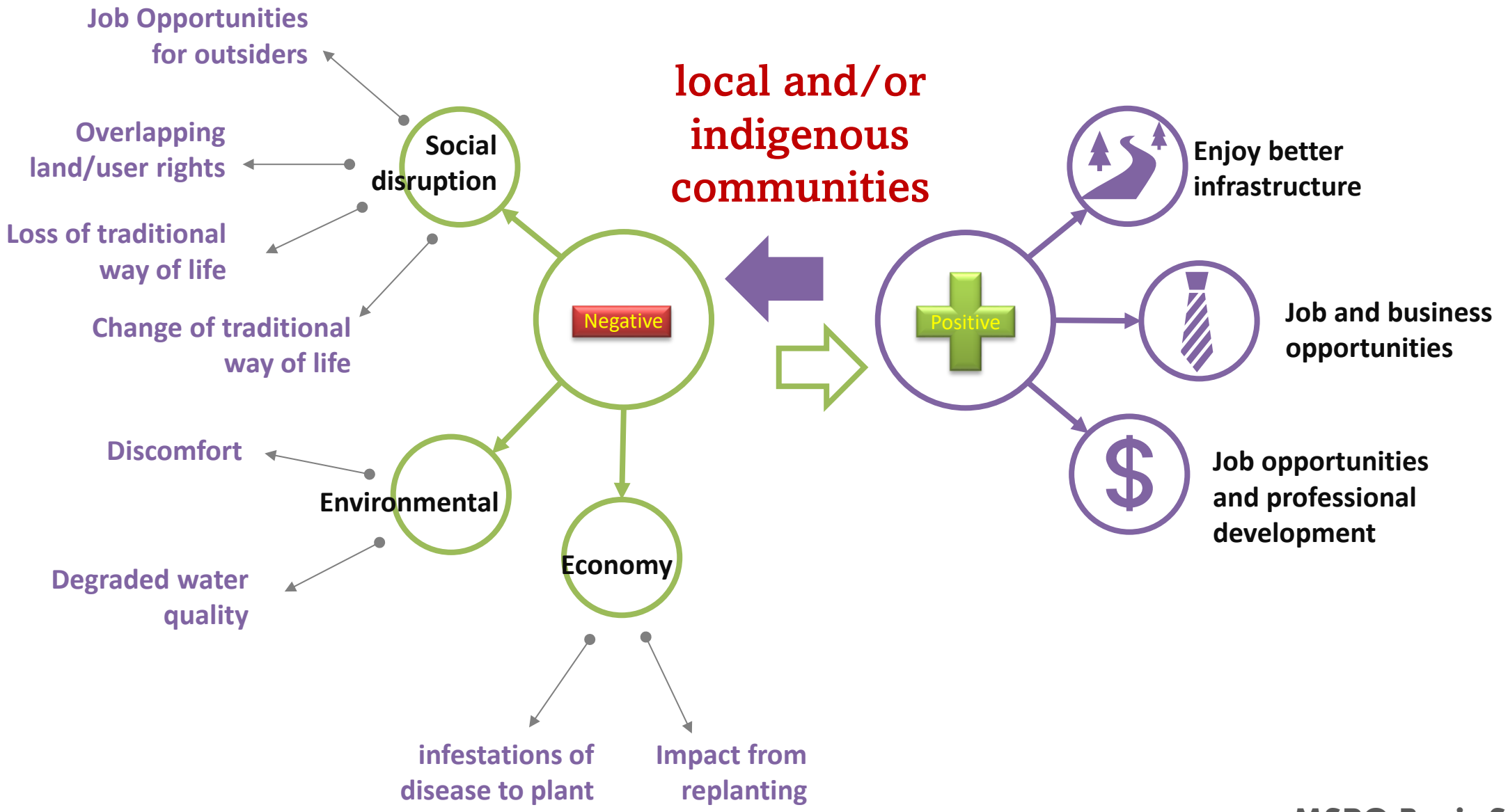
Changes to their overall well-being, livelihood, health and food security

Socio-economic changes

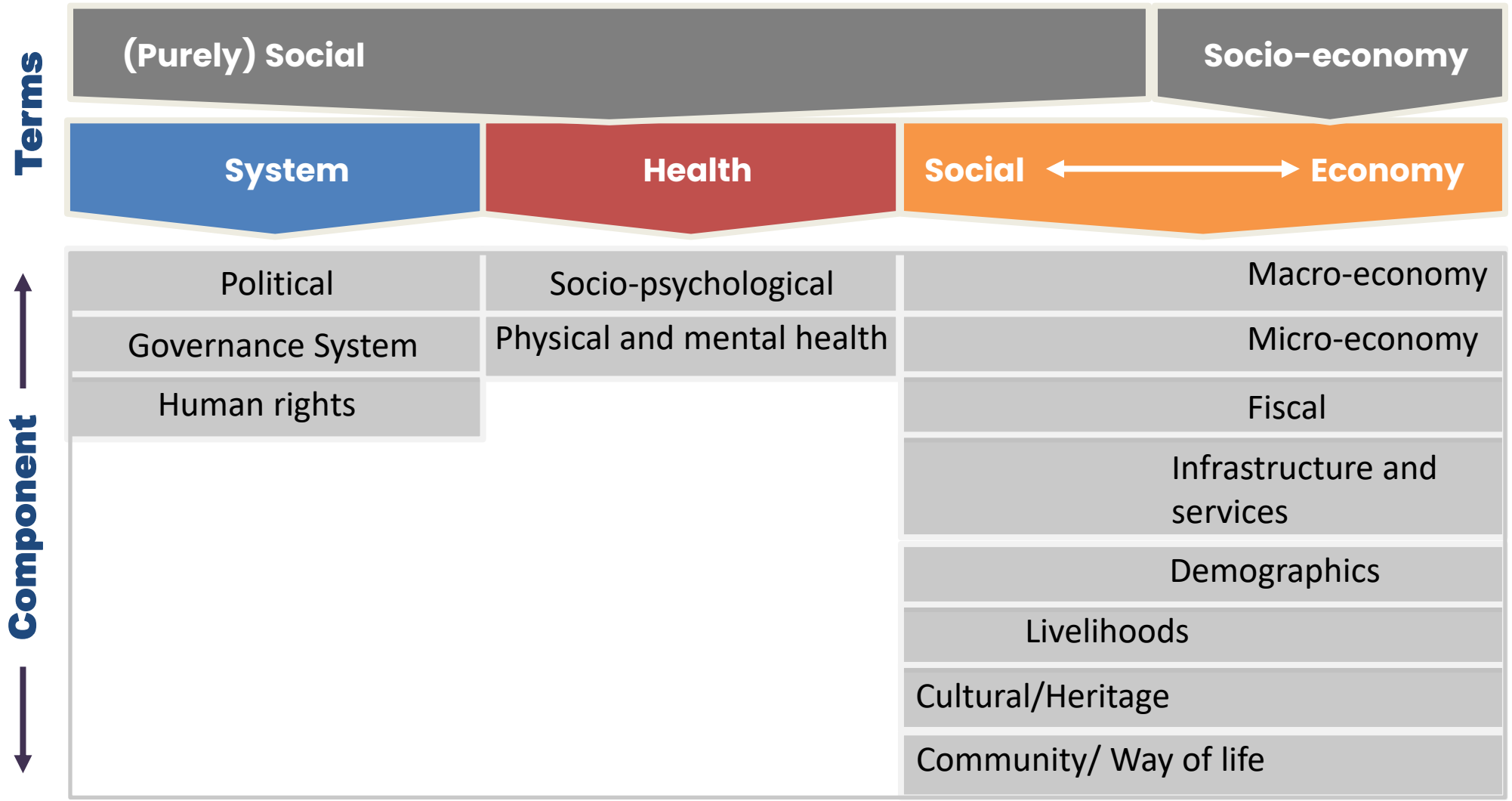
Environmental changes

Changes to the community

Social Impact



‘social’, ‘economic’ and ‘socio-economic’



Source: Adapted from Hacking, 2006

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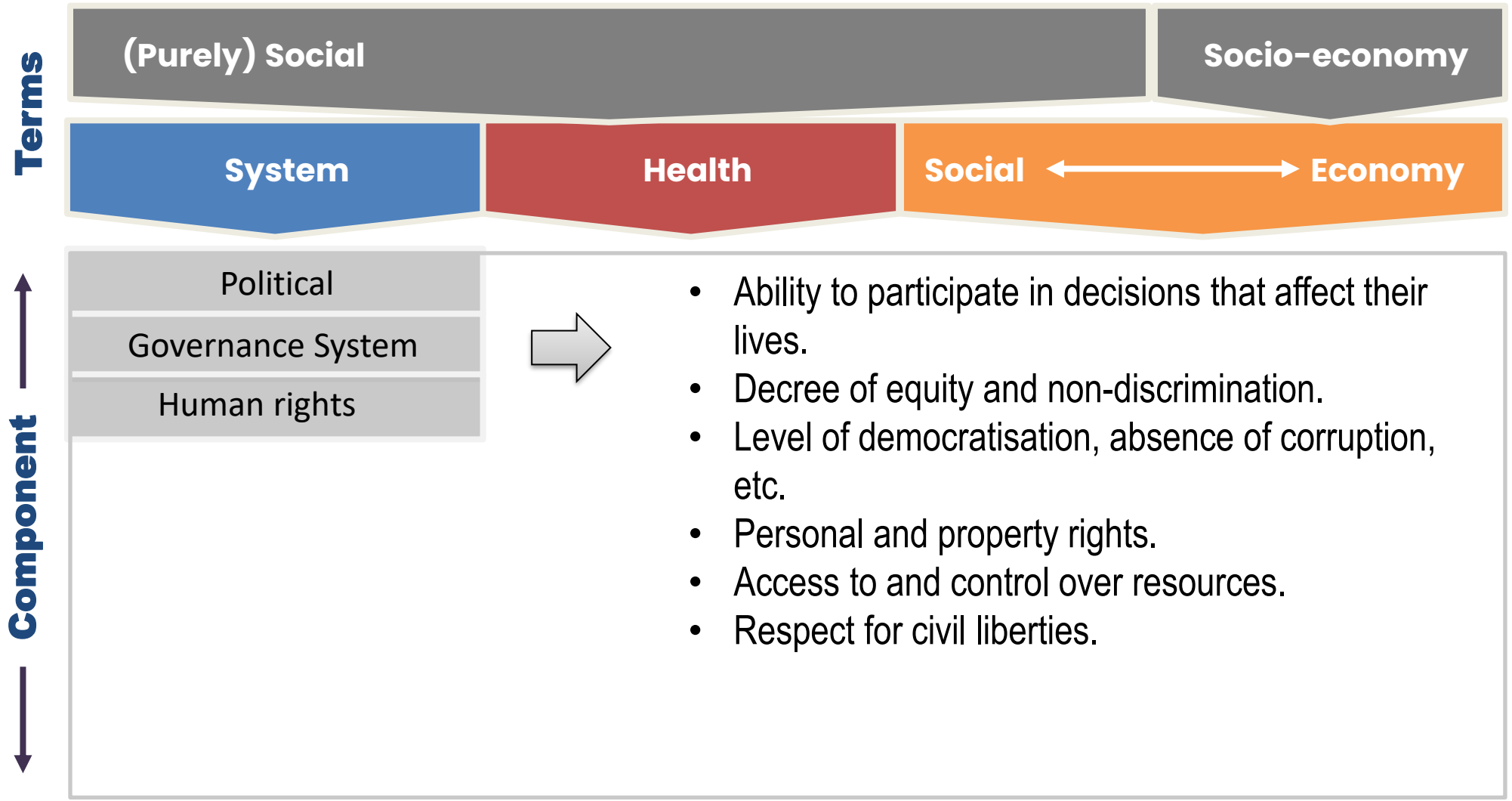

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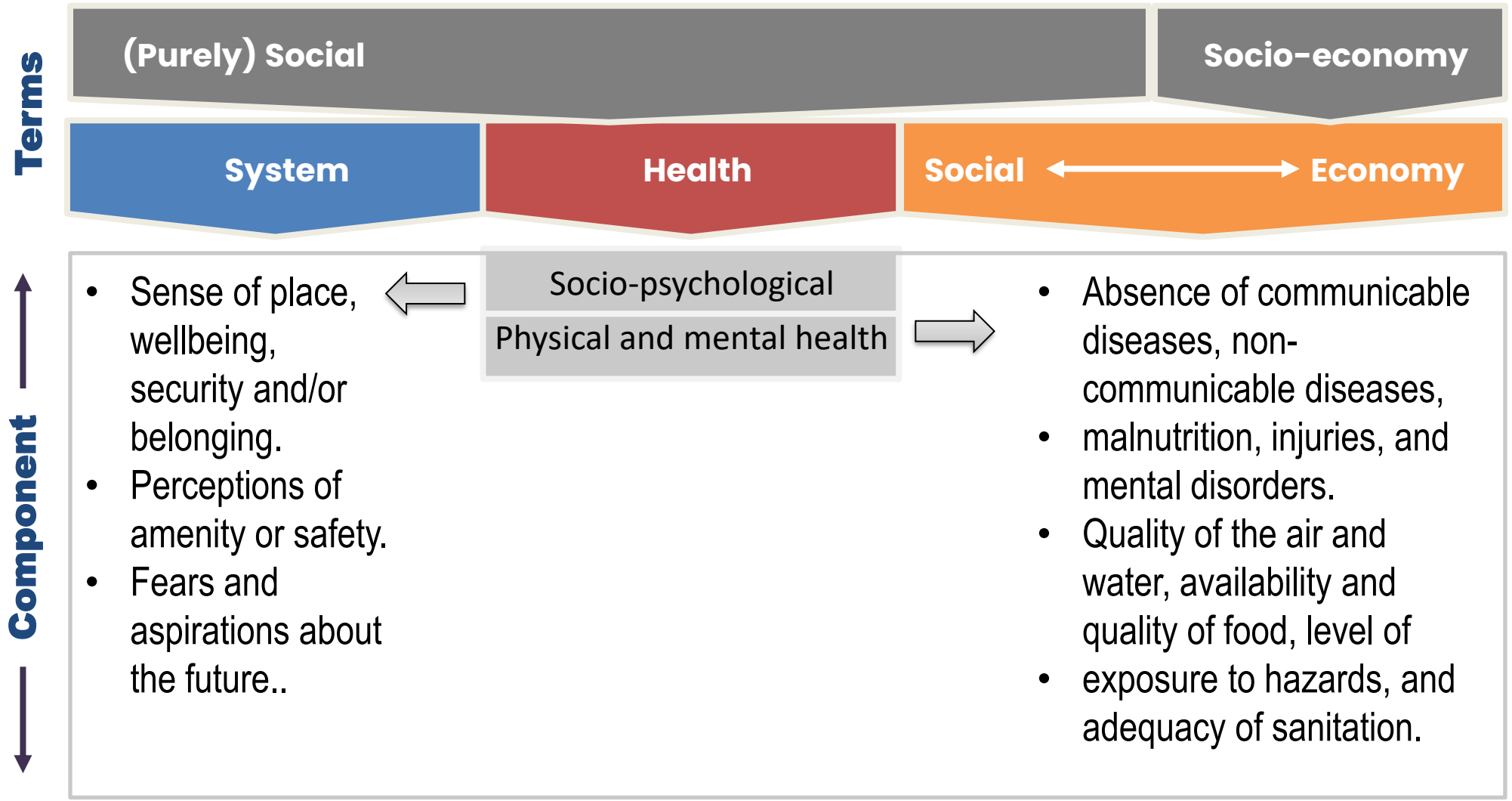

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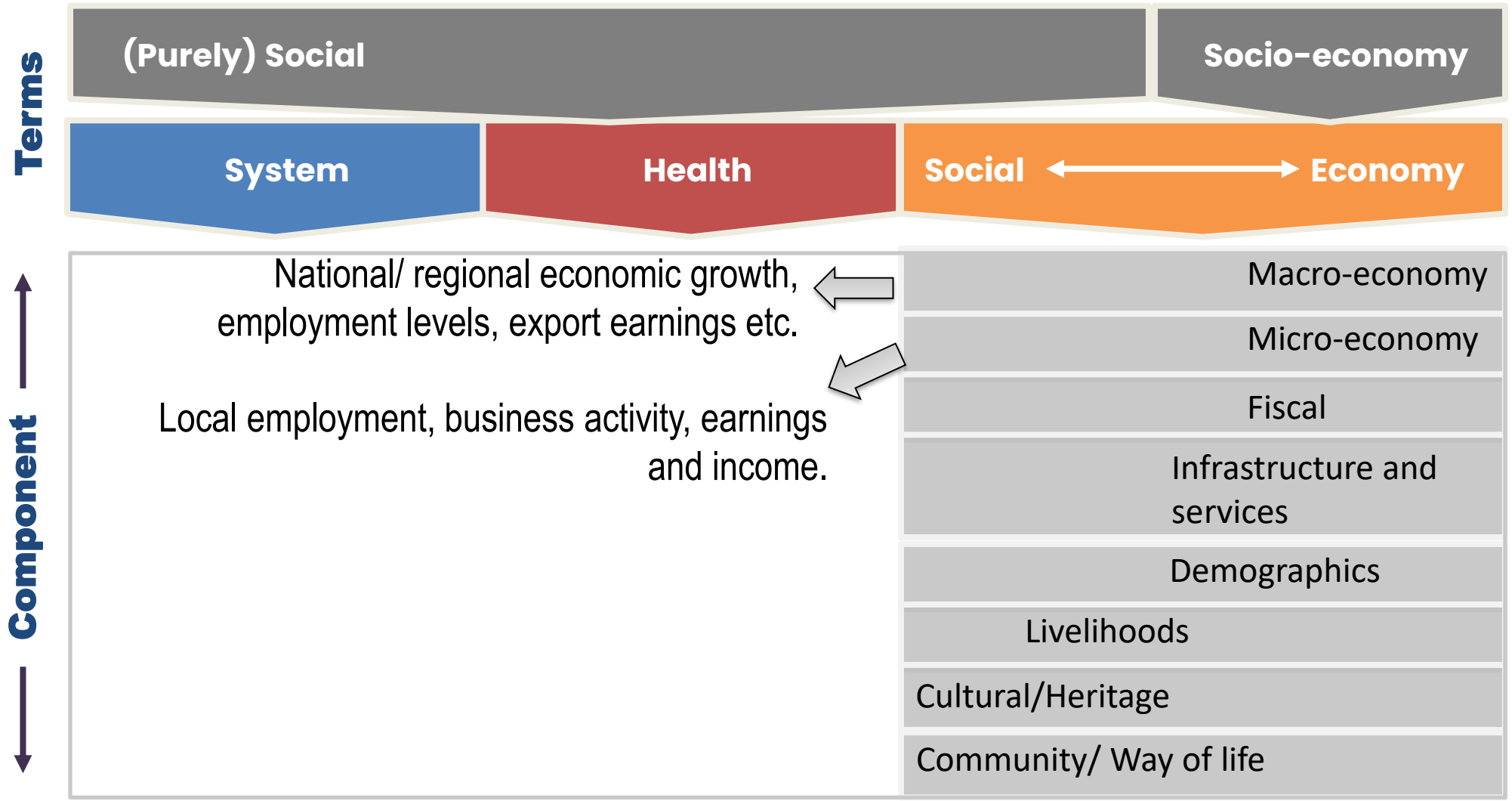

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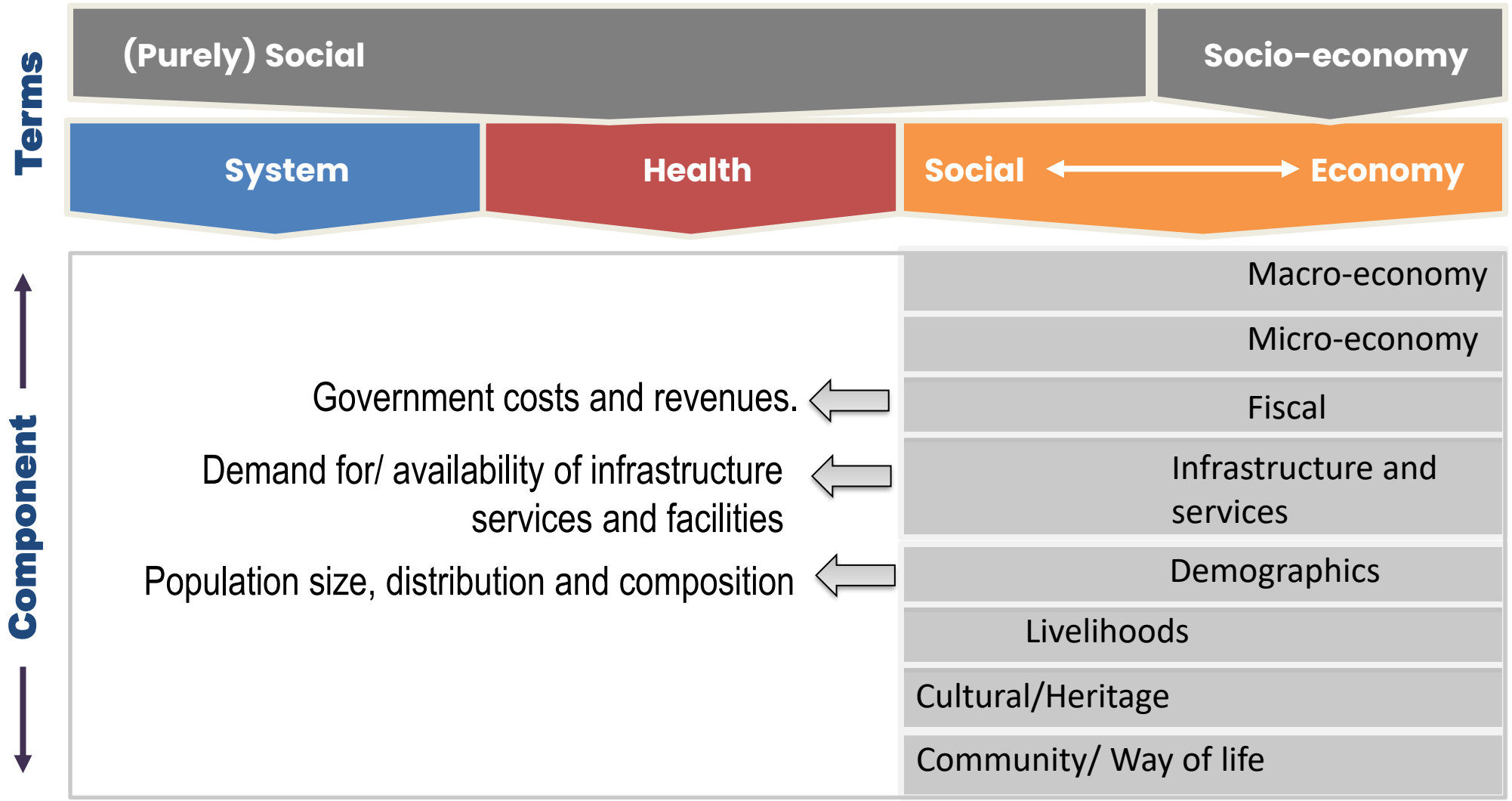

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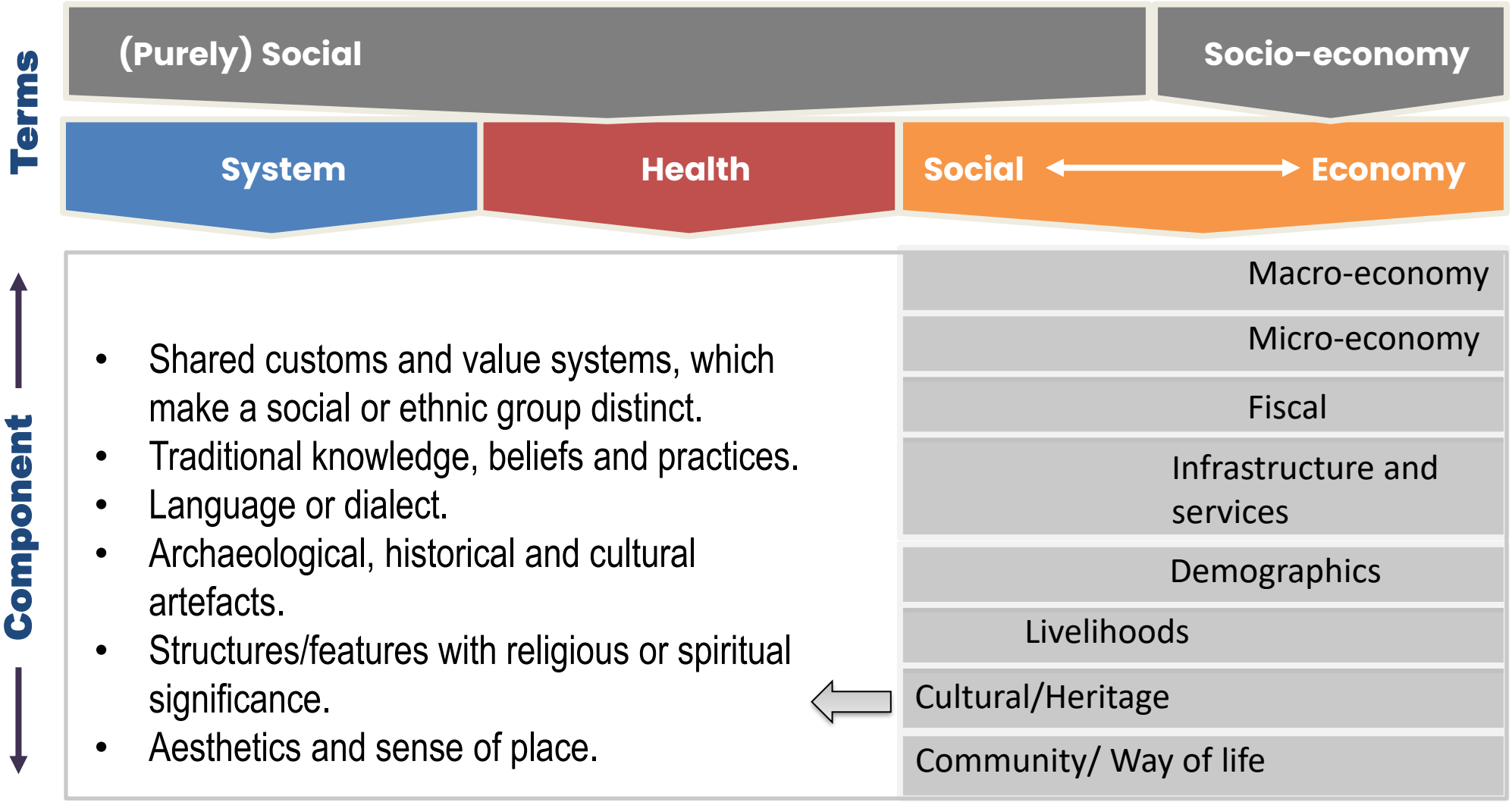

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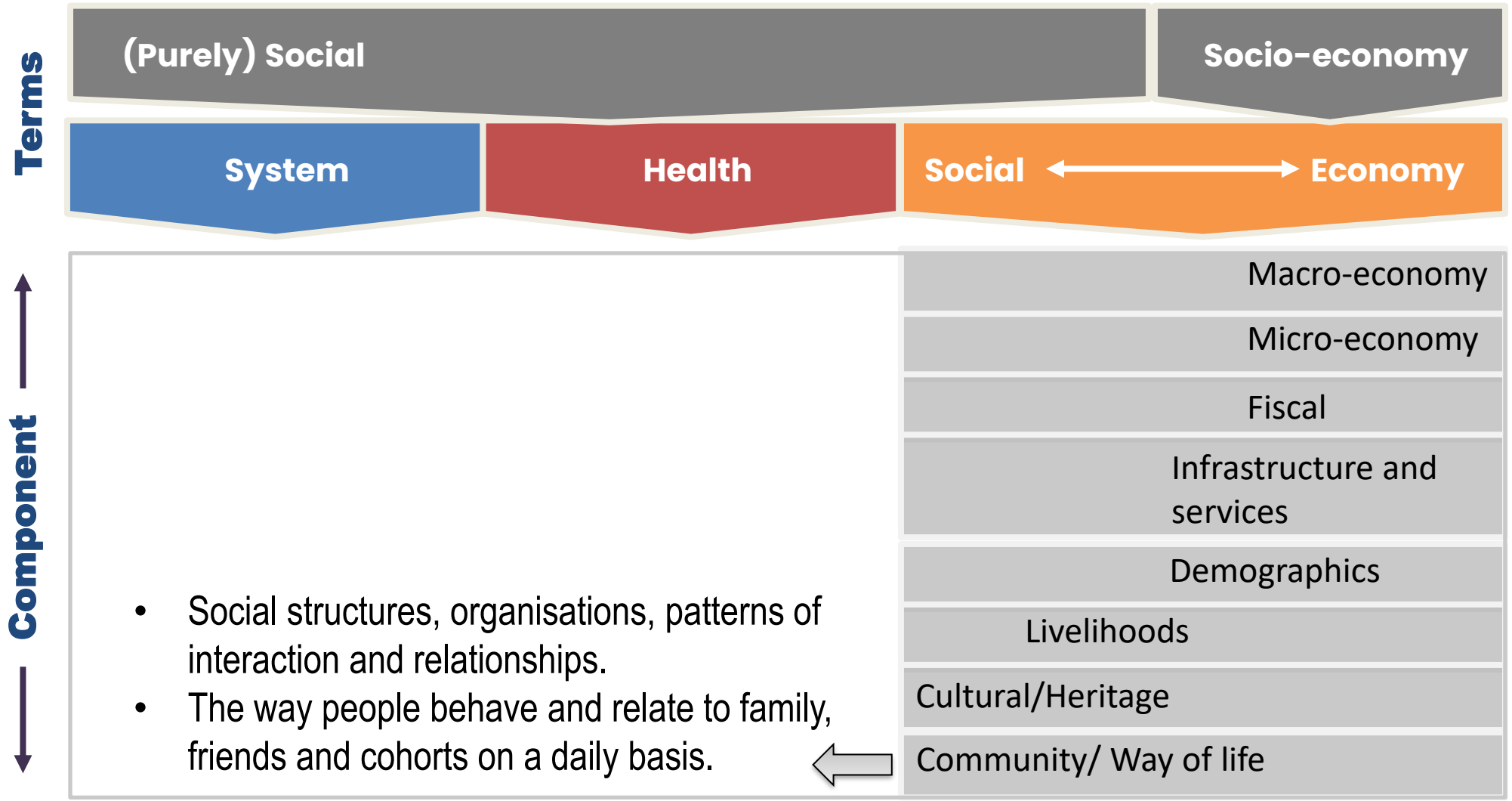


Source: Adapted from Hacking, 2006

Group Activity

Based on information and perception, discuss the socio-economic issues that exist in your area and anticipate the situation that occurs among the community that may affect aspects of the social impact study.

Assess Your Area..

Terms		Issue?			
		NO ISSUE	CONCERNED	ISSUE	CONFLICT
System	Political				
	Governance System				
	Human rights				
Health	Socio-psychological				
	Physical and mental health				
Social	Livelihoods				
	Cultural/Heritage				
	Community/ Way of life				
Social-Economy	Infrastructure and services				
	Demographics				
Economy	Macro-economy				
	Micro-economy				
	Fiscal				

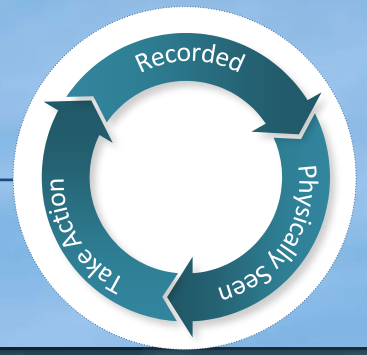
Module 4

Conflict Identification, Causes & Resolution

Module 4: Conflict Identification, Causes & Resolution

Learning Outcome

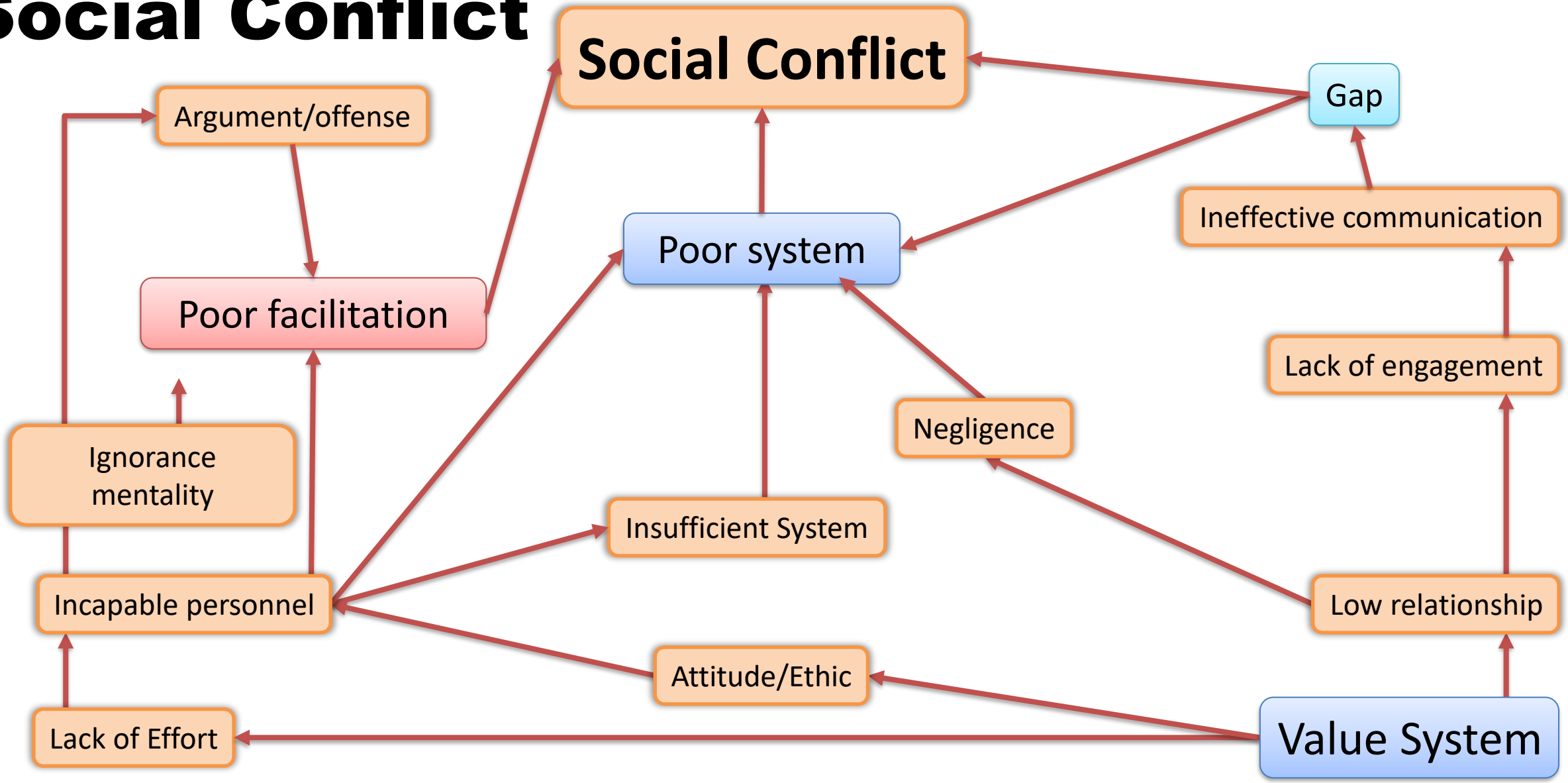
Participants will understand the concept of social conflict within the context of MSPO, including its definition, root causes, and how it may arise during social impact assessments. This module introduces five common types of conflict—value, interest, structural, relationship, and informational—and explores how these conflicts may impact communities and stakeholder relationships. Participants will also learn key resolution strategies and the role of SIA in identifying, managing, and mitigating social conflict to support transparent, inclusive, and sustainable certification outcomes.



Social Conflict

Application System

Relationships Among Causes of Social Conflict

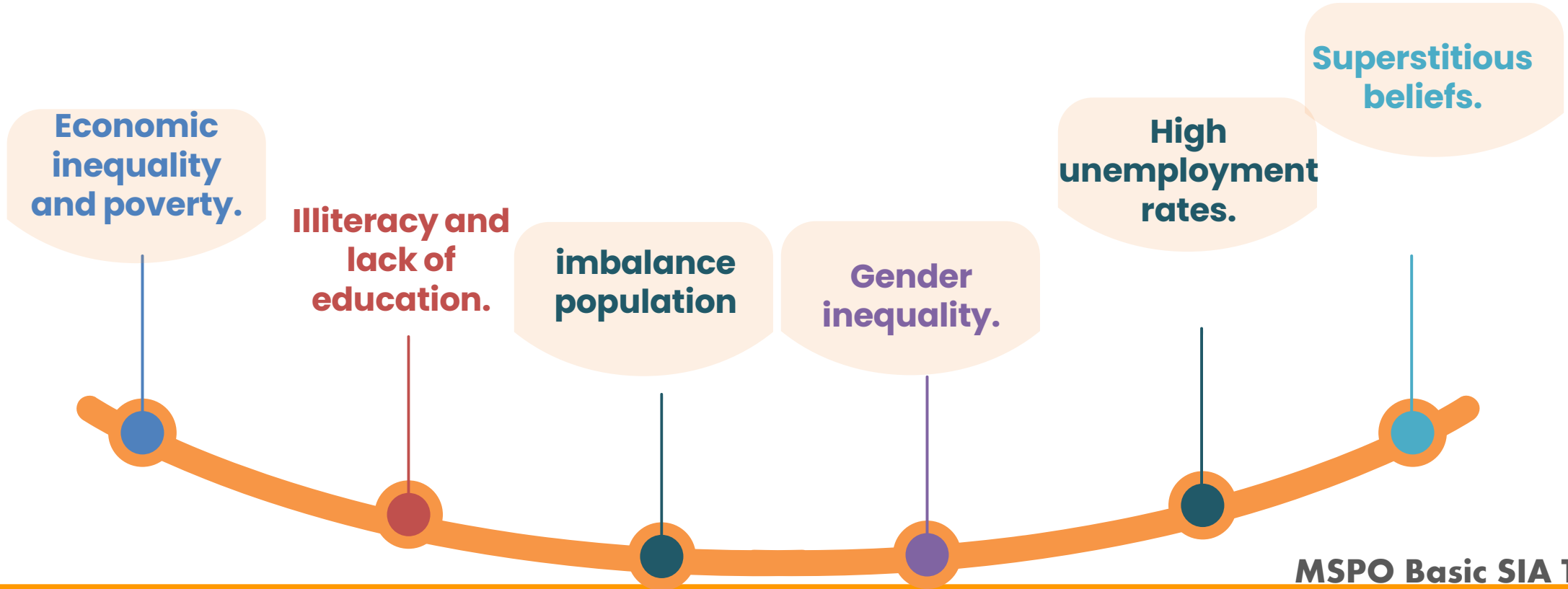


Cause Of Social Conflict

System Failure

inherited social issue

Unethical practice



Social Conflict?

01

Conflicts arise when two groups or individuals interact in the same situation but interpret the situation differently

01

Social Conflict?

01

Conflicts arise when two groups or individuals interact in the same situation but interpret the situation differently

01

02

It happened because of different sets of settings, information pertaining to the universe, awareness, background, disposition, reason, or outlook.

02

03

In a particular mood, individuals think, digest, and perceive from their own perspective. Their response can be either verbal, silent or a physical reaction. A solution should consider the complexity of the issue causing the conflict.

03

Cause of Conflict

5 Causes of Conflict

	How has it happened?	Mechanism to handle
1. Information Conflicts	Arise when people have different or insufficient information, or disagree over what data is relevant	Allowing sufficient time to be heard, in a respectful environment facilitated by a neutral person can allow parties to clear up information disparities.
2. Value Conflicts	Created when people have perceived or actual incompatible belief systems. Where a person or group tries to impose its values on others or claims exclusive right to a set of values, disputes arise.	While values may be non-negotiable, they can be discussed, and people can learn to live peacefully and coherently alongside each other.

Cause of Conflict

5 Causes of Conflict

	How has it happened?	Mechanism to handle
3. Interest Conflicts	Caused by competition over perceived or actual incompatible needs. Such conflicts may occur over issues of money, resources, or time.	Parties often mistakenly believe that in order to satisfy their own needs, those of their opponent must be sacrificed. A mediator can help identify ways to dovetail interests and create opportunities for mutual gain.
4. Relationship Conflicts	Occur when there are misperceptions, strong negative emotions, or poor communication. One person may distrust the other and believe that the other person's actions are motivated by malice or an intent to harm the other.	Relationship conflicts may be addressed by allowing each person uninterrupted time to talk through the issues and respond to the other person's concerns.

Cause of Conflict

5 Causes of Conflict

	How has it happened?	Mechanism to handle
5. Structural Conflicts	Caused by oppressive behaviors exerted on others. Limited resources or opportunity as well as organization structures often promote conflict behavior.	The parties may well benefit from mediation since the forum will help neutralize the power imbalance.

Can you identify the cause and type of conflict? .. and state the appropriate mechanism for resolution?

Why is there conflict in society?

1 Misunderstanding
Poor communication & interaction within the community member

2 Personality differences
Interpersonal conflict from family background, values, attitudes, traditions, culture, education, and socialization process

3 Information Deficiency
Lack of close communication and transformation of rigid information create misunderstanding among the people

4 Goal Differences
Caused by performance-based goal set by organization. It can create disharmony among group members. They can not do work effectively.

5 Lack of Role Clarification
The absence of role exposition in community generates conflict. It can create role conflict that effect the overlapping authority and intersecting power.

6 Threat To Status
Status is the social rank that has a certain degree in society. Conflict arises when change threats the group that protects a certain status quo value/agenda

7 Lack of Trust
Lack of mutual trust among society members creates conflict. It generates barriers to achieving goals.

8 Scarce Resources
Limited resources generate conflict as scarcity motivates people to compete with others to achieve objectives.

9 Poor Communication
The poor communication system creates the problem of exact transformation of information among the group members, which leads to conflict among them.

10 Organizational Changes
It can change formal interactions between organizations to other parties depending on new policies as well as the ability to maintain existing systems and relationships.

Module 5

MSPO Social Principles & Legal Context

Module 5: MSPO Social Principles & Legal Context

Learning Outcome

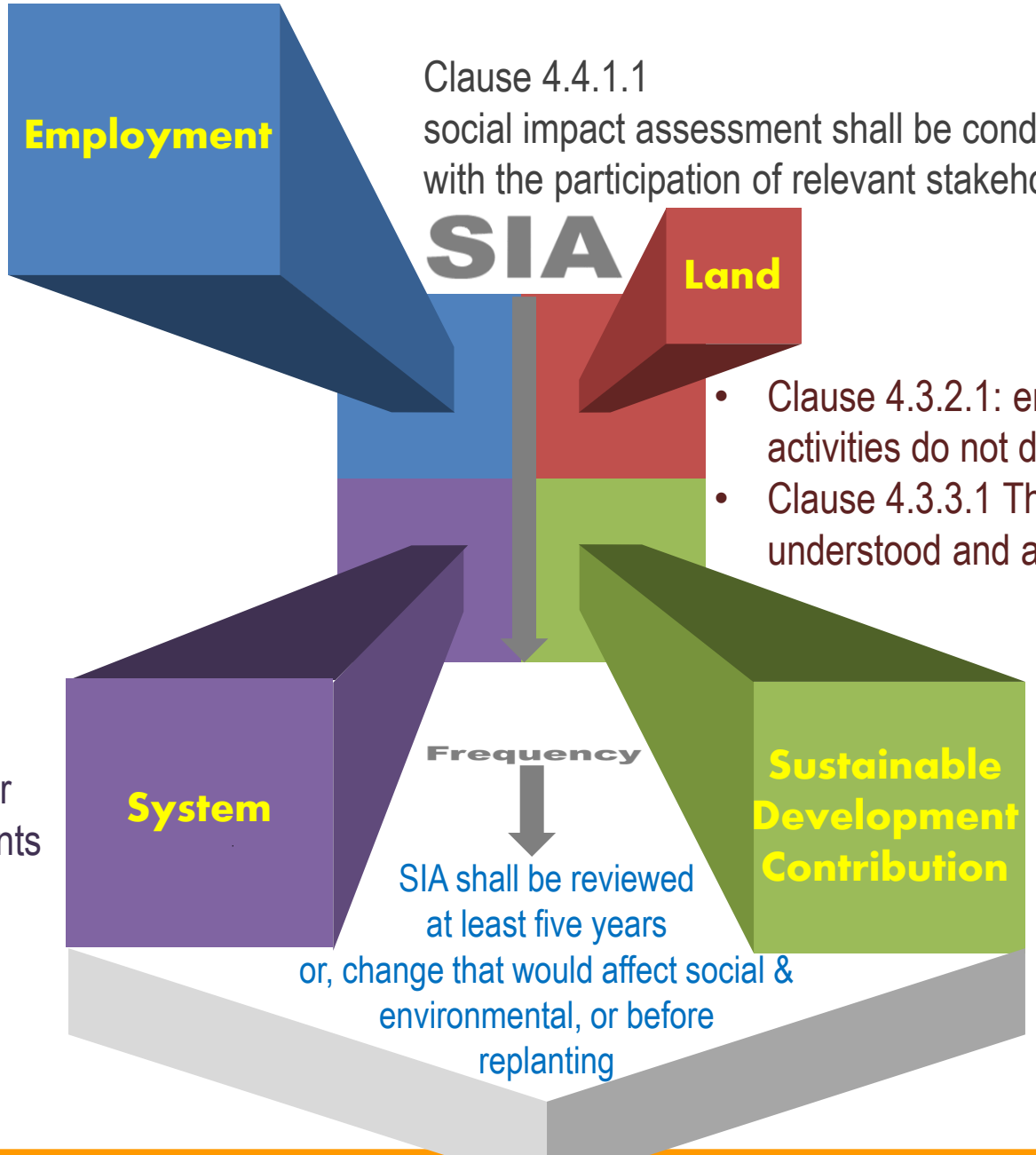
Participants will gain a comprehensive understanding of the MSPO social principles—specifically Principles 1, 3, 4, and 5—and their connection to key social clauses in the MSPO standard. This module helps participants interpret how social requirements align with national legal frameworks, including laws such as the Workers' Minimum Standards of Housing and Amenities Act 1990 (Act 446), Occupational Safety and Health Act 1994 (Act 514), Anti-Trafficking in Persons and Anti-Smuggling of Migrants Act 2007 (ATIPSOM / Act 670), and others. By the end of this module, participants will be able to identify compliance expectations related to labour rights, welfare, and stakeholder protection under MSPO.

MSPO Requirement on Social Aspects

- Clause 4.4.3.1 Establishment of human rights policy
- Clause 4.4.3.2 No forms of forced or trafficked labour
- Clause 4.4.3.3: Provide equal opportunity and treatment
- Clause 4.4.3.9: Provide social benefits
- Clause 4.4.3.10: No child labour.
- Clause 4.4.3.11: Respect the right to form/join trade unions

- Clause 4.1.8.1: Establish system or procedure for dealing with complaints and grievances
- Clause 4.2.1.1: Establish the Communication and Consultation procedures

Clause 4.4.1.1
social impact assessment shall be conducted with the participation of relevant stakeholders



- Clause 4.3.2.1: ensure that oil palm cultivation activities do not diminish the rights of others to land.
- Clause 4.3.3.1 The rights of customary land are understood and are not being threatened or reduced.

Clause 4.1.7.1: contribute to local sustainable development in consultation with indigenous people and local communities through appropriate programmes

MSPO Principles & ISO Standards Supporting ESG Implementation

MSPO principles align with ISO standards to support ESG implementation in palm oil operations.

MS 2530:2022 – Principle 5; Environment, Natural Resources, Biodiversity, And Ecosystem Services

MS 2530:2022 – Principle 4; Responsibility To Social, Health, Safety And Employment Conditions

MS 2530:2022 – Principle 1,2,3; Management Commitment And Responsibility, Transparency, Compliance With Legal And Other Requirements

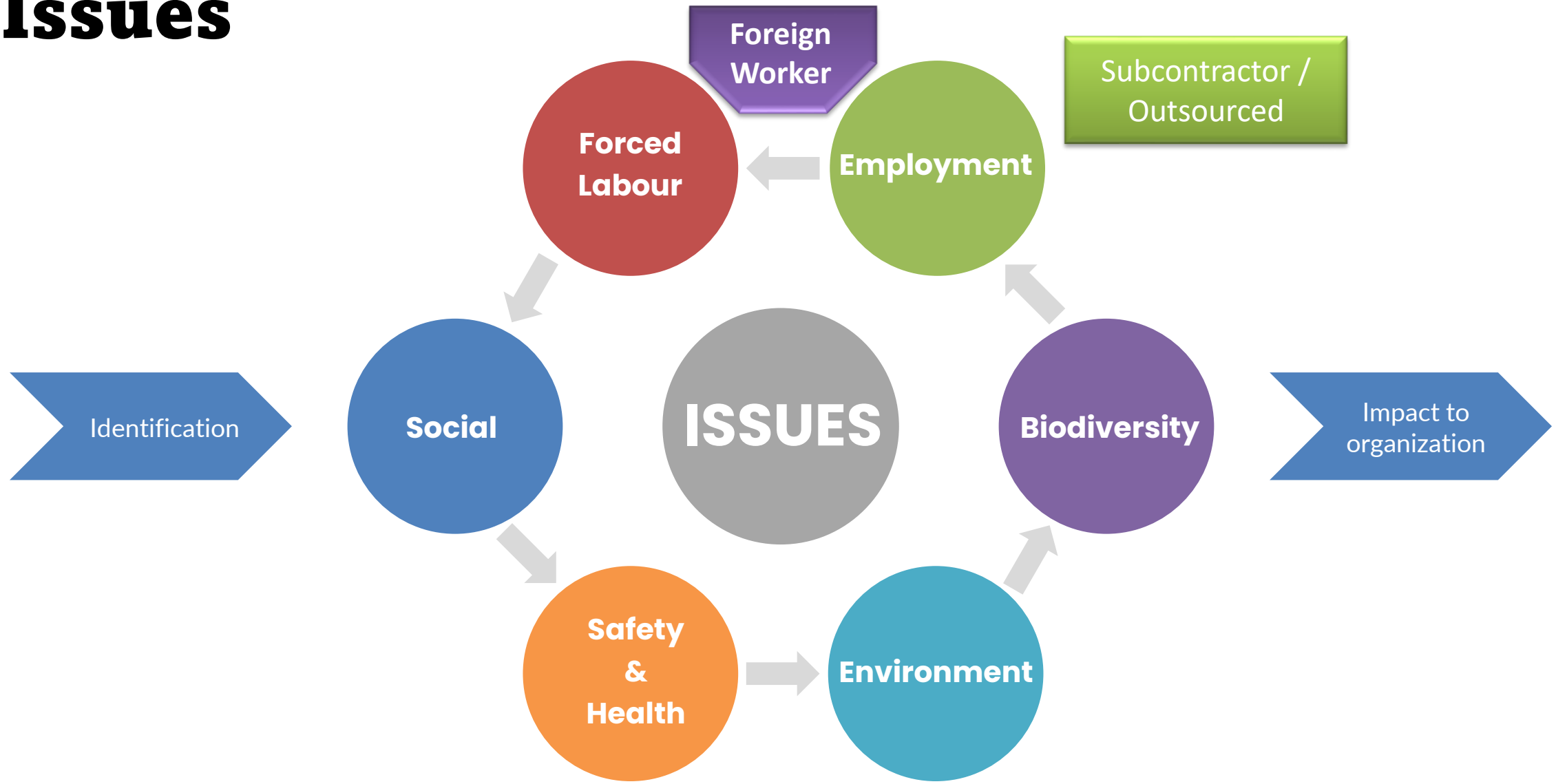
ENVIRONMENTAL	SOCIAL	GOVERNANCE
ISO 14001:2015 Environmental Management, with a focus on Waste, Water & Air	**ISO 26001:2010** Social Responsibility Guide	**ISO 9001:2015** Leadership, Customer and Quality focused, Corporate Governance
ISO 14067:2018 Carbon Footprint reduction & Net Zero	**ISO 27001:2013** IT/Data Security & Governance	**ISO 27001:2013** IT/Data Security & Governance
ISO 50001:2018 Energy Conservation and Efficiency	**ISO 45001:2018** Robust Framework for Occupational Health & Safety	**ISO 37001:2016** Anti-Corruption, Transparency (Fraud Prevention, Money Laundering Risk Assessment etc)

Module 5

Reference on Relevant Social Issues

As an MSPO competent Auditor, are you aware of which MSPO clauses that relevant to social issues?

Reference On Relevant Sustainability Issues



Relevant Issues in Sustainability Standards

Social Impact

MSPO mandates Social Impact Assessments (SIA) before replanting or making operational changes at mills or processing facilities that may impact social and environmental aspects. The assessment should be conducted either before replanting or operational changes or within five years, following the SIA Guidelines..

01

02

Foreign Worker

Starting from May 4, 2015, employers must ensure that all foreign workers have completed Immigration Security Clearance (ISC) verification as mandated by the Immigration Department. For additional details, refer to the Latest Government Policy on Foreign Labour Recruitment (2018).

Forced Labour

Malaysia complies with Forced Labour standards, including the MSPO criteria and ILO indicators, in accordance with national laws such as the Passports Act 1966 and the Anti-Trafficking in Persons & Smuggling of Migrants (ATIPSOM) Act 2007 & Amendment 2010. Malaysia has also ratified the 2014 Protocol to the Forced Labour Convention, and the Passports Act 1966 specifies that only authorized personnel can hold passports issued in another person's name.

03

04

Employment

Ensuring sustainable employment involves strict adherence to labor and social security laws, emphasizing fair contracts (service and employment), and effective human resource management, encompassing equitable treatment of foreign workers for holistic compliance and ethical practices.

Relevant Issues in Sustainability Standards

Safety and Health

Ensure compliance with OSHA 1994, OSH (Amendment) Act 2022, Pesticides Act 1974, and relevant laws by implementing a thorough risk management process at the site. This includes mandatory training for OSH, Safety and Health Committee, Chemical Handling, Noise Exposure, First Aid, and other required standards.

05

Biodiversity/HCV

outlines the process of defining a suitable approach for addressing High Conservation Value (HCV) and meeting local authorities' requirements within the MSPO standard for managing biodiversity. It emphasizes compliance with regulations related to wildlife conservation, nature reserves, and overall biodiversity. The guidance provided in the relevant Guideline for managing biodiversity and recognized HCV Approach Guidelines serves as a reference point for maintaining alignment with established standards.

07

06

Environmental

Ensure compliance with environmental laws and standards by demonstrating adherence to principles and criteria through EQA. Implement a comprehensive on-site risk management process, incorporating environmental training to meet legal requirements and standard-mandated training.

08

Subcontracting Works / Outsourced

The Principal Employer must address roles if the unit hires contractors, ensuring safety and compliance with labor laws. Contractors must not use forced labor, follow immigration laws for foreign workers, and receive fair contracts and treatment. The organization must monitor contractor energy consumption and establish procedures for managing outsourced processes, including agreements with each contractor.

Non-compliant practices appear to be commonly embedded in workplace operations

01 Bonded debt is often difficult to substantiate, as respondents may remain silent due to fear of potential consequences.

02 Local workers feel disadvantaged in comparison to foreign workers, noting that management appears more responsive to requests from foreign employees, while similar requests from local staff are often met with resistance or are not approved

03 Certain social issues remain unresolved in relation to the SIA, such as the employer retaining foreign workers' passports; while workers state their consent, there is concern over the sincerity of their responses due to possible fear of jeopardizing their employment."

04 Statelessness or lack of citizenship remains an unresolved issue in certain states, making it challenging to conclude within the SIA process.

05 Internal SIA assessors may feel pressured to adopt a 'play-safe' reporting approach due to concerns over potential repercussions when findings involve their superiors."

06 Some stakeholders may express strong opinions during consultations, potentially driven by undisclosed personal agendas not immediately apparent to the assessor

.. and many more…

Chapter 6 SIA Process, Principles & Planning

Module 6: SIA Process, Principles & Planning

Learning Outcome

Participants will gain a clear understanding of the Social Impact Assessment (SIA) process as required under MSPO and international references such as IAIA. This module introduces key SIA principles including participation, gender considerations, food security, and the importance of baseline data. Participants will be guided through the step-by-step SIA process flow and learn how to effectively plan assessments using practical tools such as the pre-consultation checklist. By the end of this module, participants will be equipped to prepare and initiate SIA activities in line with MSPO expectations.

SOCIAL IMPACT ASSESSMENT

A stand-alone report or a subfield of an Environmental Impact Assessment (EIA). It is defined as the **social sciences** required in developing a knowledge base to provide a **systematic appraisal**, in advance of the impacts, on the day-to-day quality of life of persons and communities whose environment is affected by a proposed project, plan or policy change.

Social impacts (also known as effects and consequences) refer to **changes** to individuals and communities due to a proposed action that alters the day-to-day way in which people live, work, play, relate to one another, organise to meet their needs and generally cope as members of society.

SIA: A method of analysing what impact a proposed project or plan may have on the social aspects of the environment

The ways people cope with **life** through their economy, social systems, and cultural values

The ways people use the **natural environment**, for subsistence, recreation, spiritual activities, cultural activities etc.

The ways people use the **built environment** for shelter, making livelihoods, industry, worship, recreation, gathering together, etc

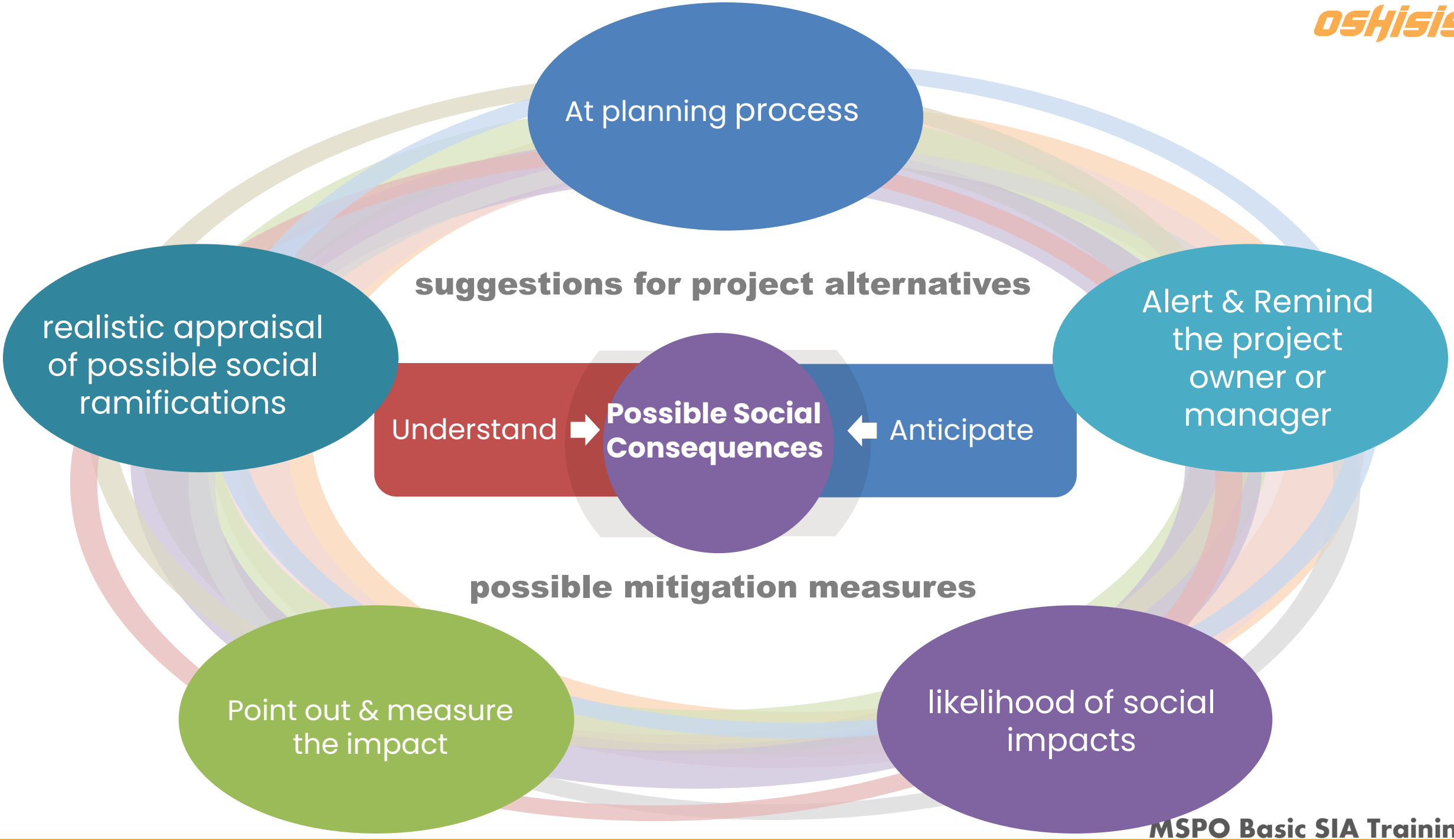
The ways communities are organised and held together by their **social** and **cultural institutions** and **beliefs**

A group's **values** and **beliefs** about appropriate ways to live, family and extra-family relationships, status relationships, means of expression, and other expressions of community

The **aesthetic** and **cultural character** of a community or neighbourhood its ambience

Art, music, dance, language arts, crafts, and other expressive aspects of culture;

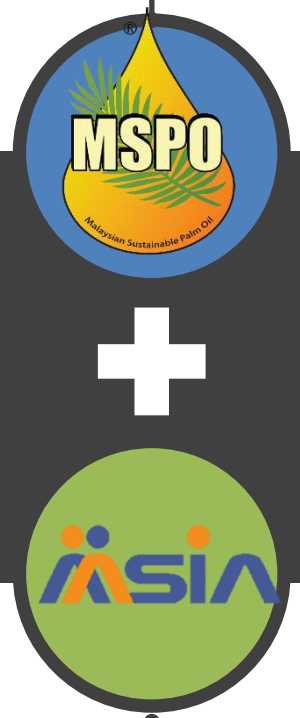
Ways of life that communities value as expressions of their **identity**


At planning process
suggestions for project alternatives
realistic appraisal of possible social ramifications
Alert & Remind the project owner or manager
Understand
Possible Social Consequences
Anticipate
possible mitigation measures
Point out & measure the impact
likelihood of social impacts

SOCIAL IMPACT ASSESSMENT

MSPO

The process of **analysing**, **monitoring** and **managing** the intended and unintended social **consequence**, both positive and negative, of planned interventions (policies, programmes, plans, projects) and any social change process invoked by those interventions



SIA Definition

Why Important?

- Managing existing and future social impacts
- As a to measure social

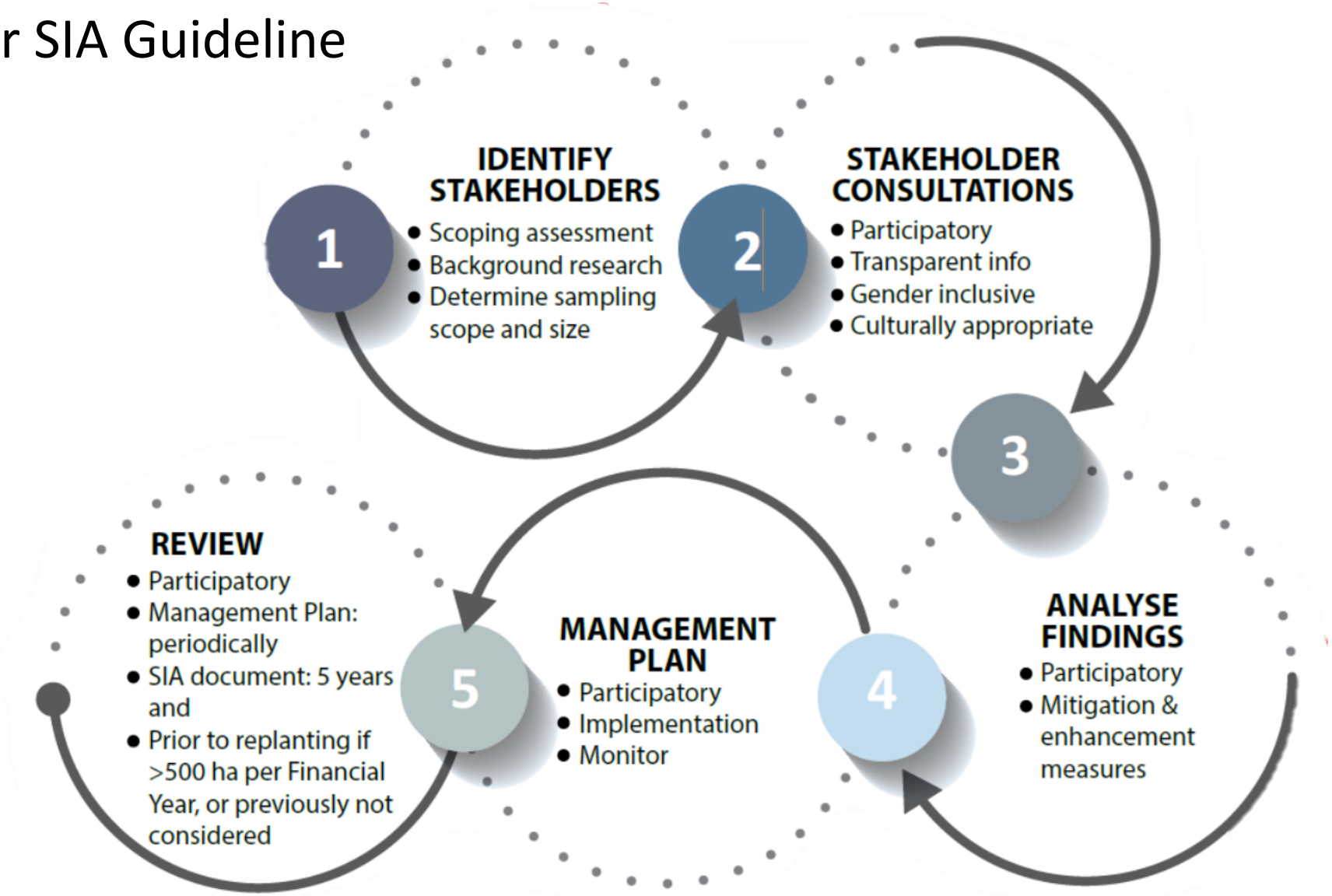
Malaysian Association of Social Impact Assessment

A process to **identify**, **predict**, **evaluate** and **communicate** information about impacts of a proposed project, policy, programme or plan on a community and their activities, and to detail mitigation measures prior to approval and implementation

A social impact assessment shall be conducted to mitigate negative impacts and promote positive impacts.

SIA PROCESS FLOW

as per SIA Guideline



SIA PRINCIPLES

SIA Flow

Plan for SIA

Men and women
- ☑ Play different roles in a family/society
- ☑ Can be differently impacted
- ☑ Their views are equally important

Engaging the womenfolk

Gender Consideration

02

Food Security

03

According to the FAO,

"Food security exists when all people at all times have physical and economic accessto sufficient, safe and nutritious food that meet their dietary needs and foodpreference for an active and healthy life".

Possible impact from
- Pollution – air, water, soil
- Land clearance
- Weather / natural disaster
- Social – academic, knowledge & geographic location
- Pandemic

Data/figure	Access for the needs of..
House	Hunting
Population	Agriculture
Income	Education
Reliance on natural resources	Health
	Water / Energy
	Religious practices

Socio-economic baseline data

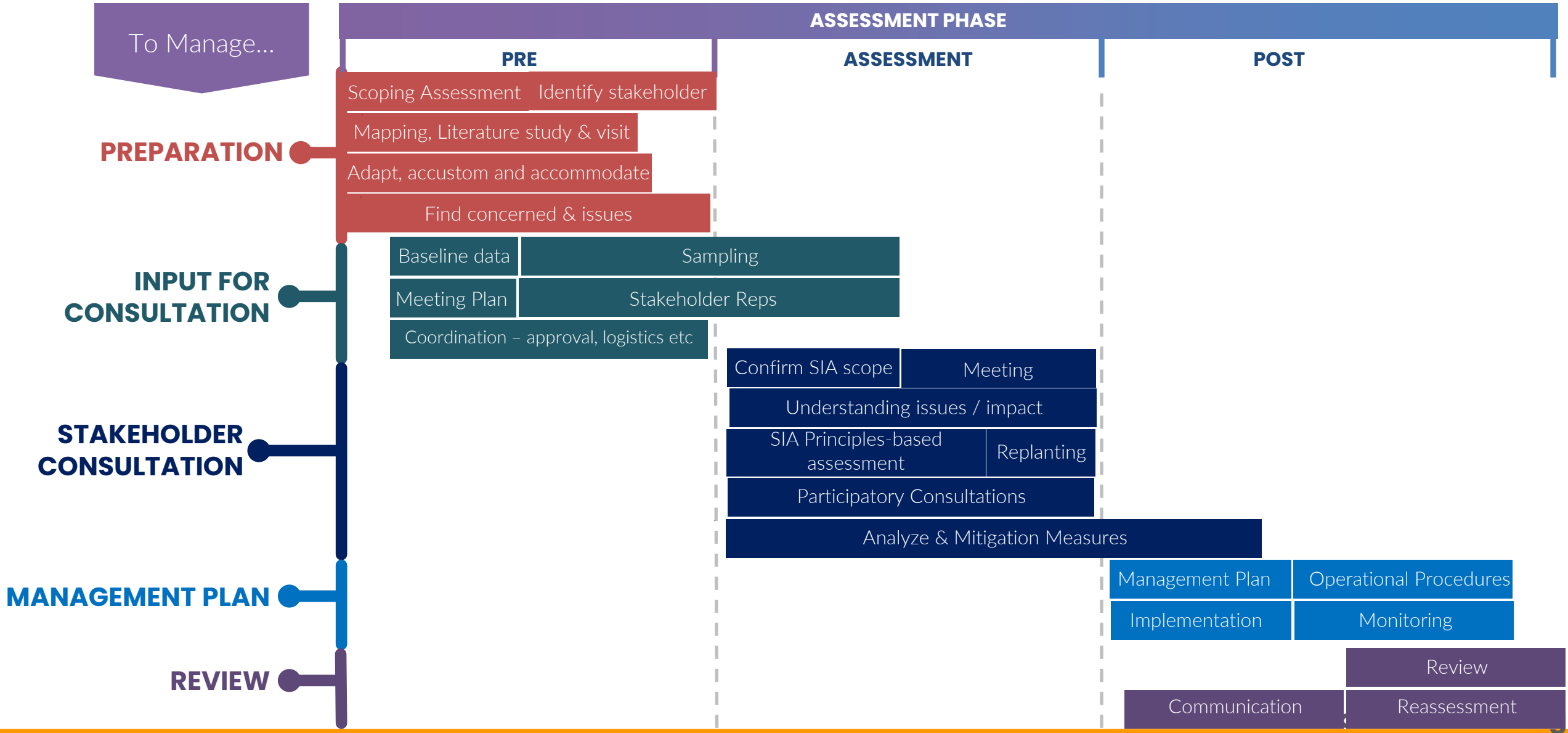
01

- ☑ Evaluate the effects of a change
- ☑ Track the progress of project
- ☑ Measure the difference between two periods of time

Context

Chapter 6 SIA Planning and Implementation

SIA Planning & Implementation



SIA Checklist

1 Scoping assessment

Ref. Sec 3.2

1) Study map of the area
2) Review relevant literature
3) Carry out field visit
4) Compile info and prepare for SIA.

2 Prior to stakeholder consultation

1) Socio-economic baseline data
2) Determine sampling scope and size (Ref to Sec. 2.14)
3) If meeting representatives, determine their legitimacy
4) Coordinate with stakeholders on suitable venue and date
5) Ensure formalities are compiled with such as
   a. Formal notifications
   b. Approval letters/permits
   c. Vaccination requirements

3 Stakeholder consultations

1) Ensure adequate sampling (Ref Sec. 2.14)
2) Briefing on operational activities
3) Discuss possible social impacts (both positive and negative)
4) Assess issues related to food security (Ref. Sec. 2.17)
5) Do not hurry the process. Arrange for follow-up consultations.

4 Post stakeholder consultations (Section 3.3.2)

1) Analyse data together with impacted stakeholders
2) Incorporate identified enhancement and mitigation measures into the Management Plan (Ref: to Sec. 3.5)
3) Agree with your stakeholders and draw up an Implementation Document (Ref. to Sec. 4.1)
4) Annual review of Management Plan/Operations Procedures (Ref. Sec. 4.3)
5) 5-year review of SIA (Ref. Sec 4.3)
6) Review of SIA prior to replanting (Ref. Sec. 4.3)

Module 7

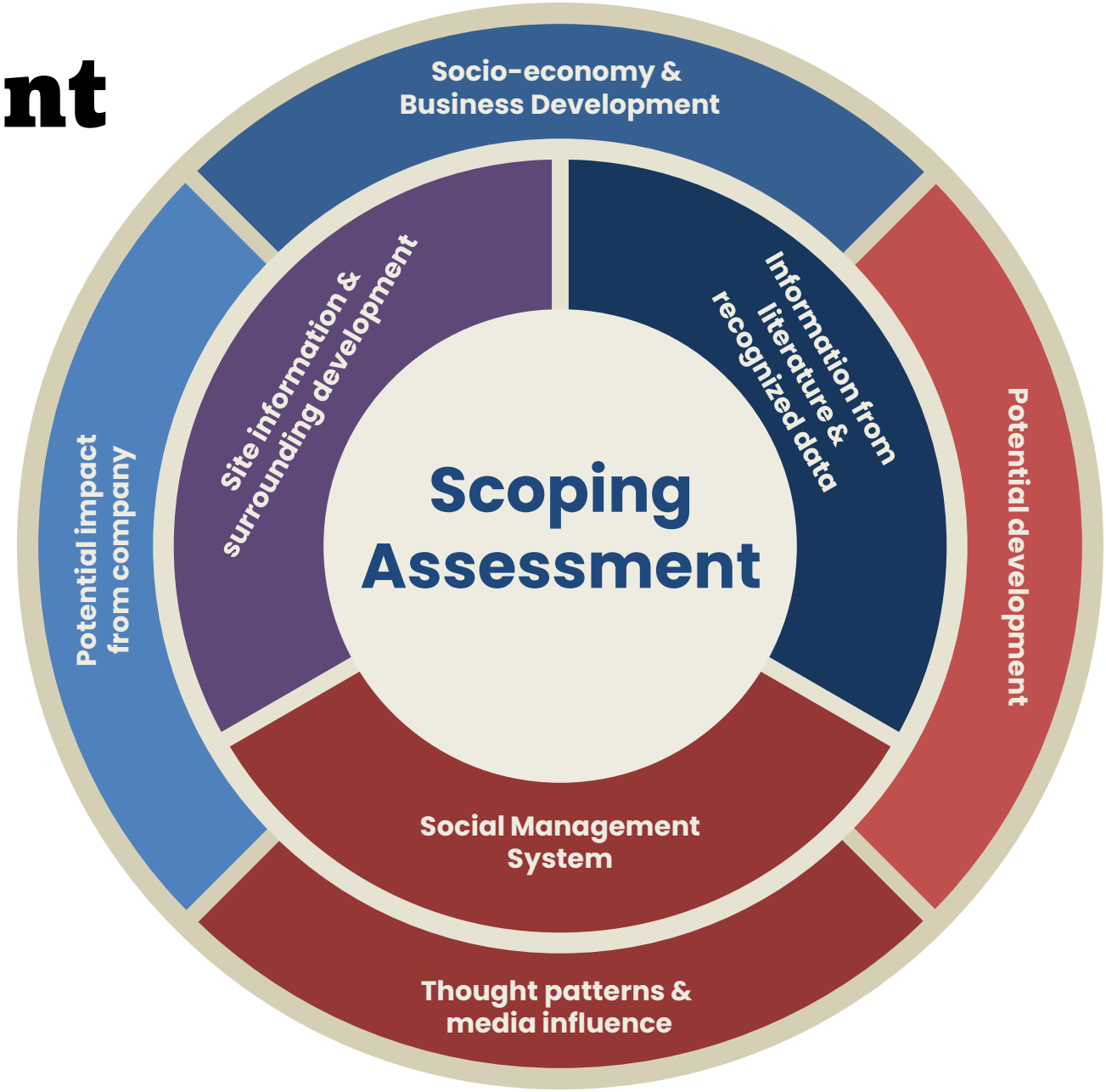
Scoping, Site Visit & Data Collection

Module 7: Scoping, Site Visit & Data Collection

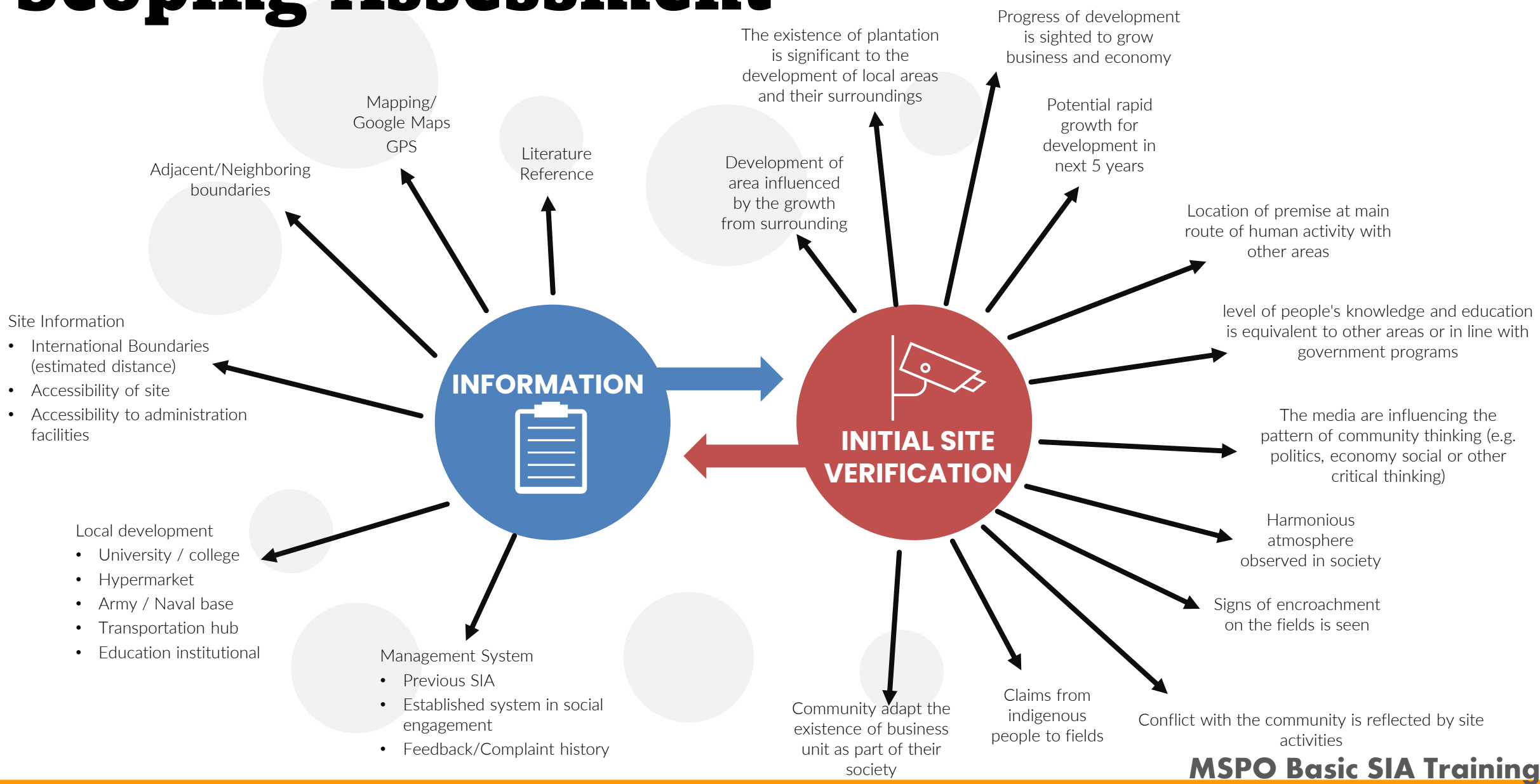
Learning Outcome

Participants will understand the purpose and importance of scoping within the SIA process, including how it helps define relevant issues and guide effective data collection. This module equips participants with knowledge on practical tools and techniques such as mapping, GPS usage, literature reviews, and onsite observations. It also emphasizes the documentation of community profiles and local conditions as part of the evidence-gathering process. By the end of this module, participants will be capable of conducting comprehensive site visits and collecting relevant data to support meaningful social impact assessments.

Scoping Assessment



Scoping Assessment



ONSITE VISIT

Factor to Consider

INTERNAL RESULTS

1) Complaint records/logbook
2) FPIC document
3) Compensation
4) Meeting minutes
5) CSR Records

SENSE

1) Eye – observe / visual/ eye-sight
2) Ear – verbal respond from stakeholder
3) Mouth – Q&A process

LIKELIHOOD

EXTERNAL INFORMATION

1) Complaint from external stakeholder
2) Reportable case
3) Website info
4) Newspaper

RECORDS

SITE CONDITION

1) Facility Maintenance.
2) Adjacent / Boundaries
3) Sign of encroachment
4) Employee working culture

AFFECT TO STAKEHOLDER

ONSITE

Module 8

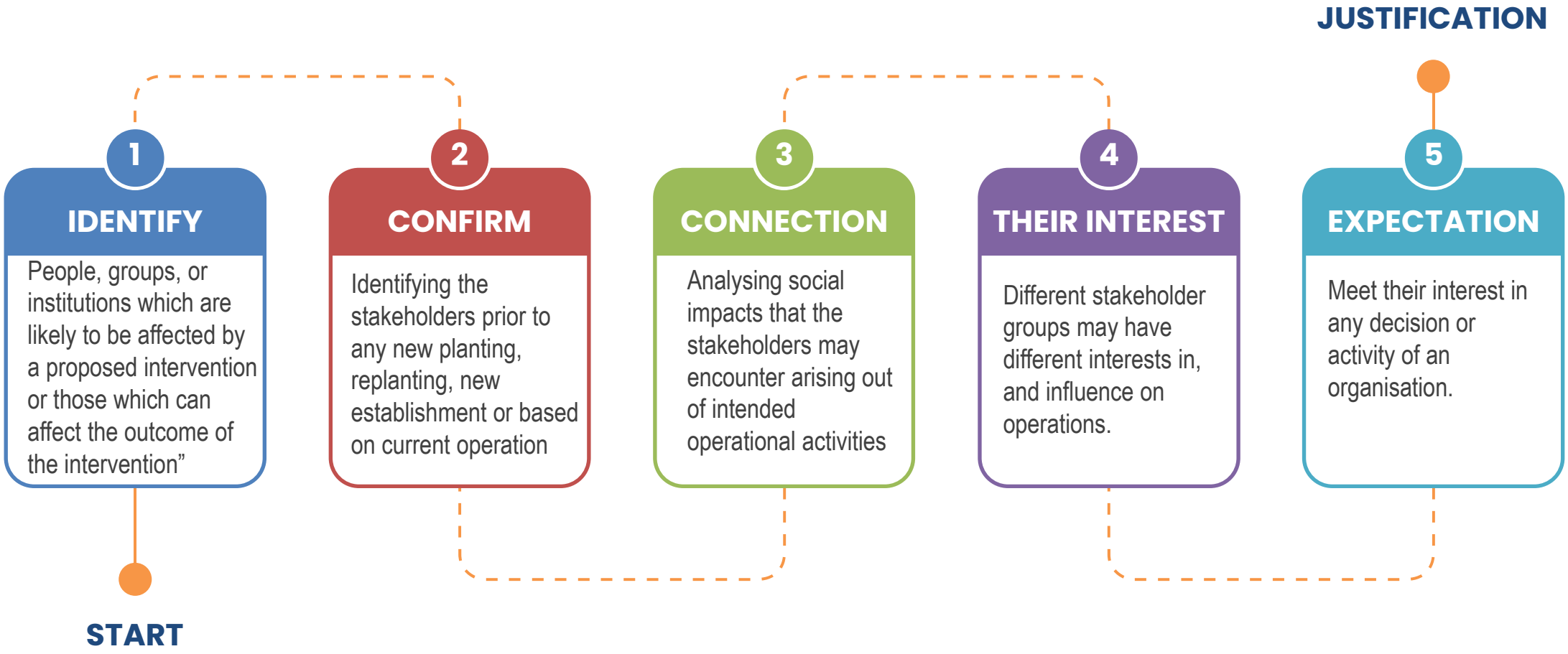
Stakeholder Identification, Consultation & Ethics

Module 8: Stakeholder Identification, Consultation & Ethics

Learning Outcome

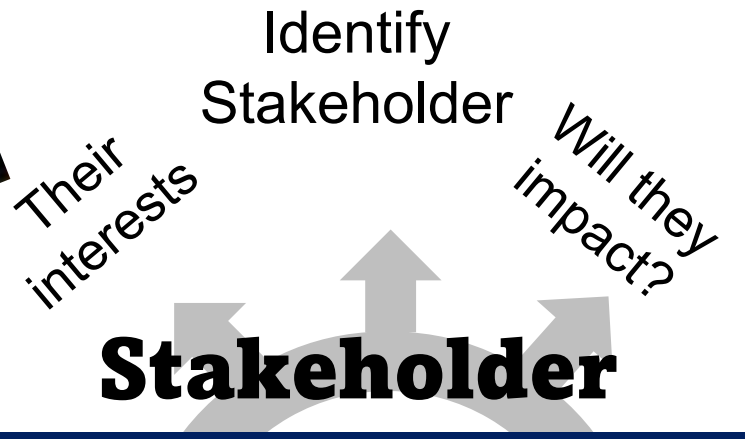
Participants will gain the ability to identify, classify, and engage with relevant stakeholders throughout the SIA process. This module introduces stakeholder mapping and classification methods, emphasizing inclusive engagement and the importance of respecting the Free, Prior, and Informed Consent (FPIC) principle. Participants will also explore ethical considerations in SIA—including confidentiality, integrity, informed consent, and anonymity—to ensure that consultations are conducted respectfully and responsibly. By the end of this module, participants will be able to manage stakeholder relationships in a transparent and ethical manner.

Identification of Stakeholder



Who?

1) All employees
2) Employees' closed family members
3) Local communities
4) Adjacent/neighboring entities
5) Contractors, vendors, suppliers, customers.
6) Shareholders
7) Government agencies
8) Embassies
9) NGOs
10) Trade unions.
11) Employees representatives
12) Media organizations.



"

The MSPO Standards have defined stakeholders as

"Individual or group that has an interest in any decision or activity of an organisation".

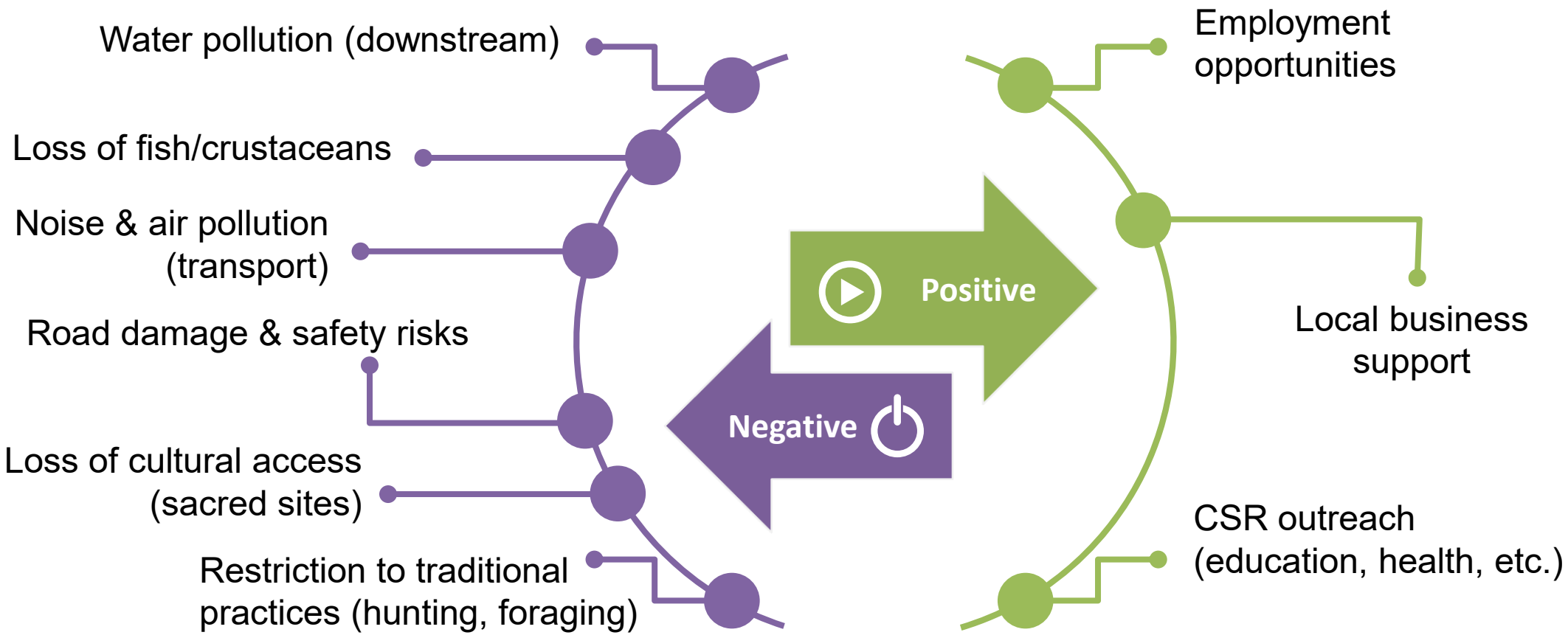
Stakeholders have also been defined as

"…people, groups, or institutions which are likely to be affected by a proposed intervention

(either negatively or positively), or those which can affect the outcome of the intervention"

Possible social impacts on stakeholders living >5kms away from your operations

Target Stakeholders: Local & Indigenous Communities



LIST OF STAKEHOLDERS

STAKEHOLDERS	Y/N	ISSUES	EXPECTATION
Community heads			
NGO			
Employee			
Employee representatives			
Employee's family member			
Trade Union			
Indigenous communities			
Religious leaders			
Youth club			
Woman's Group			
School/Education centre			

LIST OF STAKEHOLDERS

STAKEHOLDERS	Y/N	ISSUES	EXPECTATION
Contractor/Vendors/Suppliers			
Shareholders/investors/funders			
Authorities/Gov. Agencies			
Embassies, High Commissions and Consulates			
Media organizations			
Competitors			

Stakeholder Consultation

Good Practices

- culturally appropriate manner
- no ramifications
- Understandable language
- Suitable meeting venue
- Understandable information
- Understandable information
- Gender inclusive
- Arrangement for vulnerable groups
- Involve different age group
- Document & Record
- Be professional

Objectives

a) Get initial stakeholder inputs
b) Obtain feedback operational activities;
c) Obtain suggestions of enhancement or mitigation measures; and
d) Obtain feedback on SIA report and management/monitoring plans

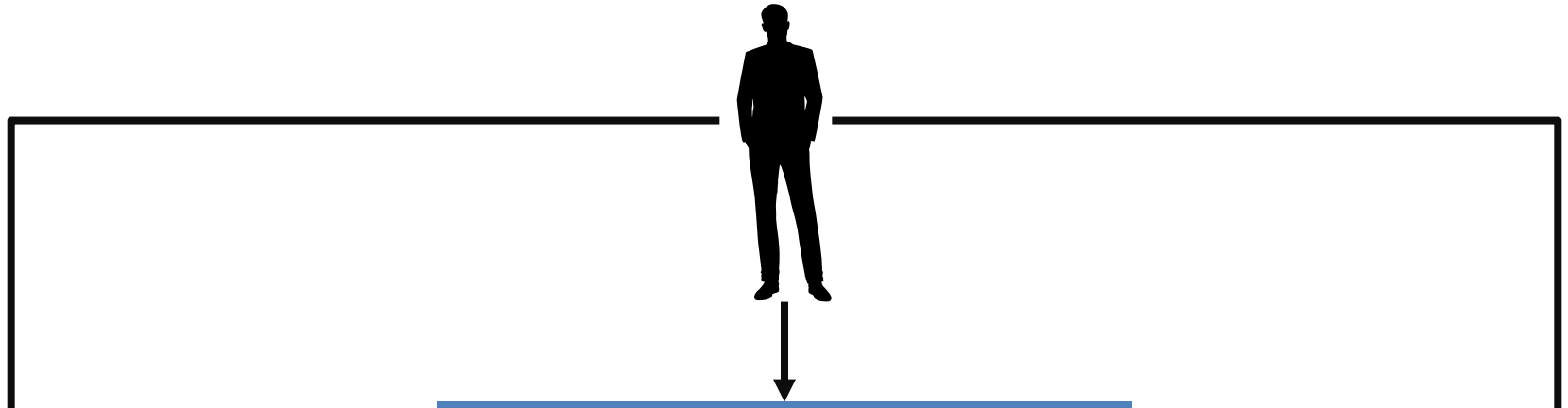
Face-to-Face Meeting

- two-way communication
- Transparent process
- Gain their confidence
- Avoid mistrust
- information and answer
- Build-up rapport
- Value their inputs
- Builds sense of ownership
- Allow for representatives

Information sharing through a consultation process with stakeholders (Stakeholder consultation)

Module 8 SIA Assessor & MSPO Auditor

SIA Assessor & MSPO Auditor..



- Integrity
- Independent
- Due Professional Care
- Security of information
- Independence

- Evidence-Based
- Collect data based on stakeholder feedback
- Rational, reaching reliable and reproducible report conclusions

- Understand Local Context & culture
- Ensure Inclusivity and Participation
- Report Impacts Fairly & Transparently

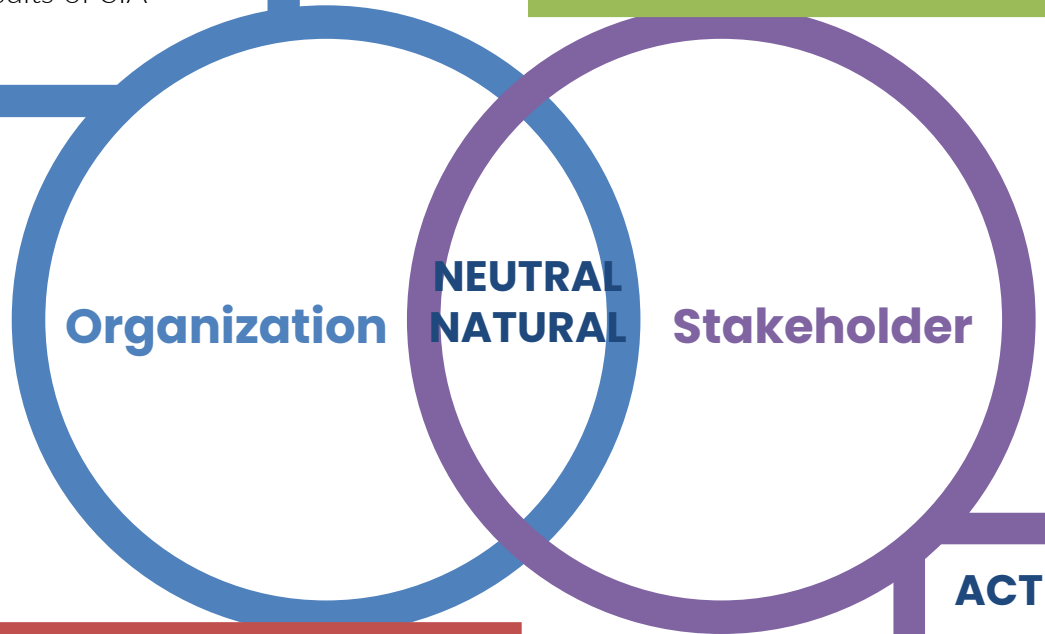
Roles as Assessor

BE RESPONSIBLE

Respect for the involvement of all parties who contribute to the results of SIA

BE POSITIVE

Taking all relevant input with transparency and integrity



Avoid judgmental statement, views

ACT PROFESSIONALLY

carry out tasks based on scope and responsibility

Ethics for SIA Assessor

Internal SIA Assessor:
Conducting SIA at their company according to MSPO SIA procedure

MSPO Auditor:
Conducting audit & stakeholder consultation according to MSPO Certification procedure

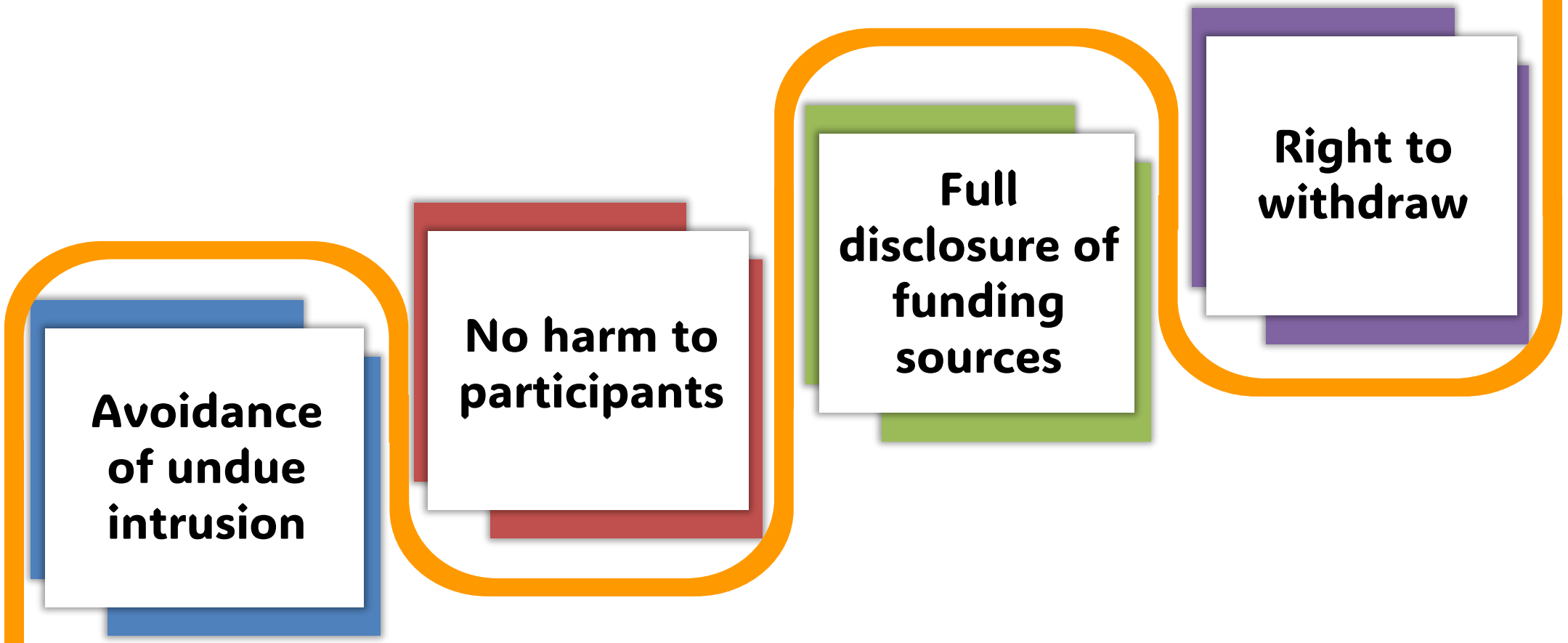
Source: **SIA: Guidance for Assessing and Managing the Social Impact of the Projects**

Ethics for SIA Assessor

- Respect for participants
- Informed Consent
- Specific permission required for recording
- Voluntary participation and no coercion

Source: SIA: Guidance for Assessing and Managing the Social Impact of the Projects

Ethics for SIA Assessor



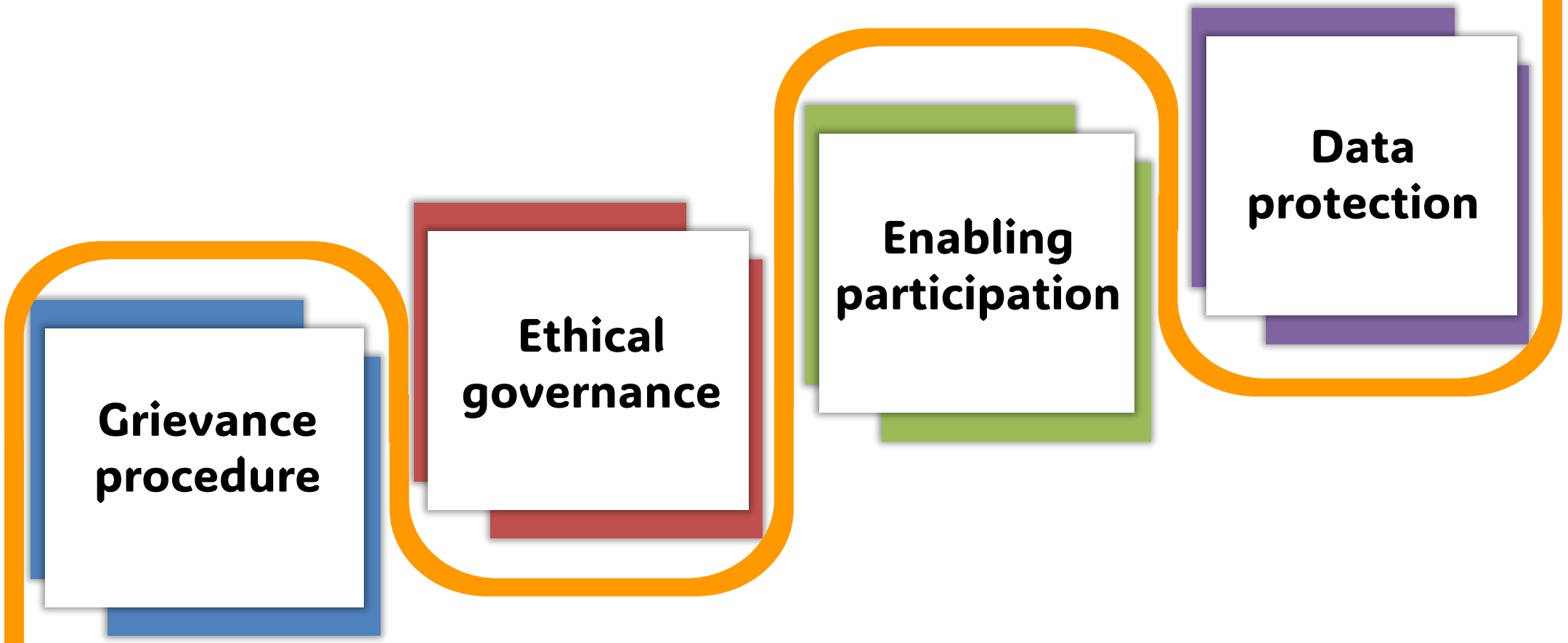
Source: SIA: Guidance for Assessing and Managing the Social Impact of the Projects

Ethics for SIA Assessor

- No use of deception
- Presumption & preservation of anonymity
- Right to check and modify a transcript
- Confidentiality of personal matters

Source: SIA: Guidance for Assessing and Managing the Social Impact of the Projects

Ethics for SIA Assessor



Source: [SIA: Guidance for Assessing and Managing the Social Impact of the Projects]

Ethics for SIA Assessor

Appropriateness of research methodology

Full reporting of methods

Source: [SIA: Guidance for Assessing and Managing the Social Impact of the Projects]

Module 9

Participatory Approach, Management Plan & Reporting

Module 9: Participatory Approach, Management Plan & Reporting

Learning Outcome

Participants will understand the importance of participatory approaches in the Social Impact Assessment (SIA) process, including meaningful stakeholder involvement and inclusive decision-making. This module equips participants with the ability to develop practical mitigation and management plans, identify appropriate monitoring indicators, and structure reporting components in line with MSPO requirements. By the end of this module, participants will be able to produce effective SIA reports, implement follow-up reviews, and ensure continuous improvement through timely updates to the management plan.

Participatory process

SIA Flow

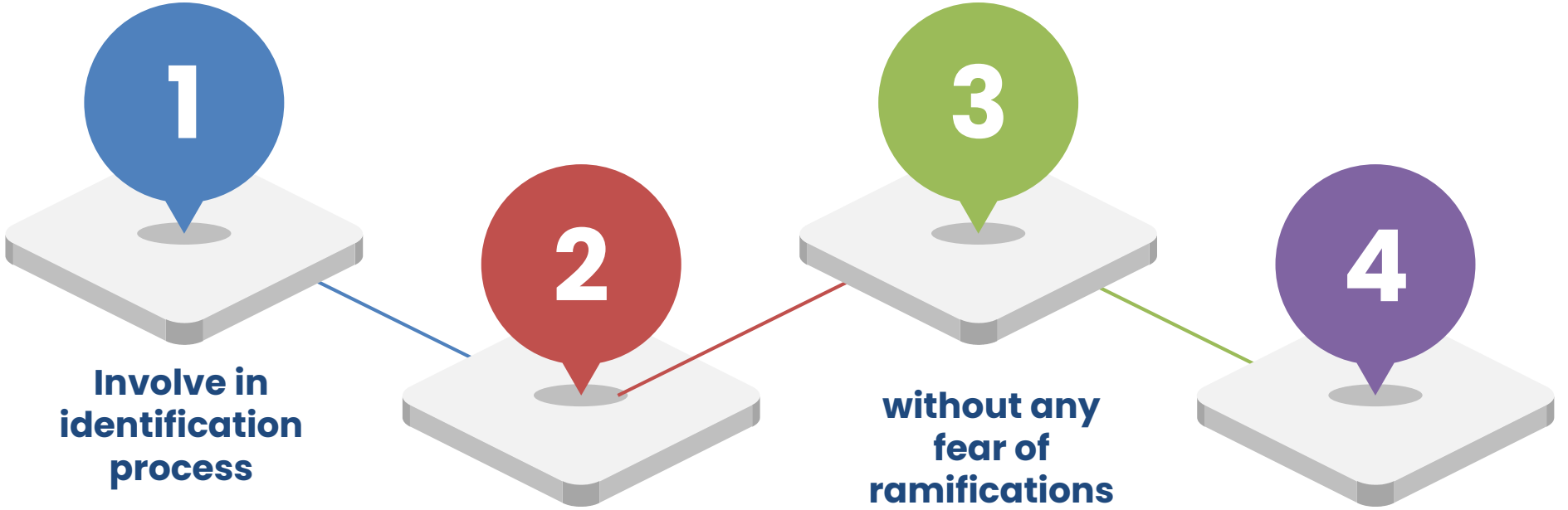
Stakeholders

Open Dialogues

Active participation

Meaningful discussions

Participatory Process



Participatory process

Engagement process

SIA Flow

1. meet as one or in separate groups
2. Break-up group for effective discussions

Different perspective on social impacts

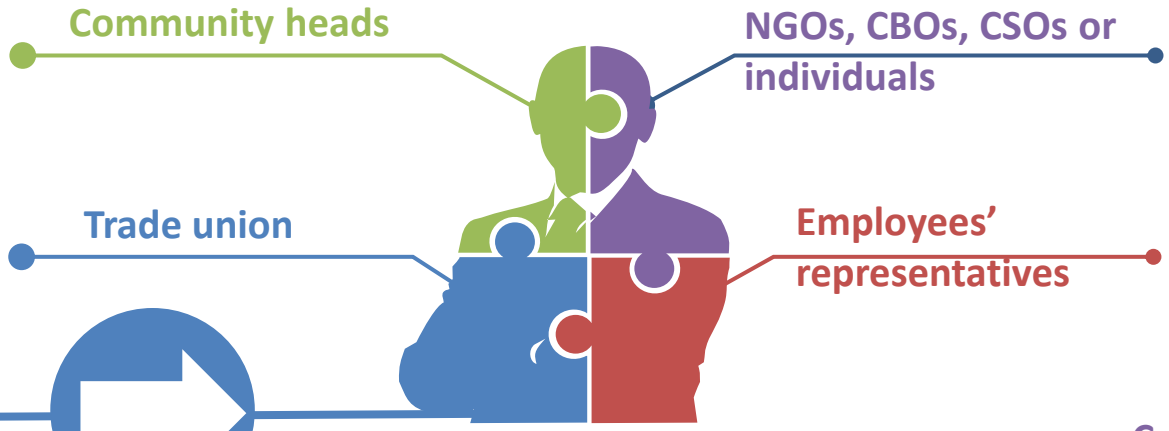
gender committees, trade unions, health and safety committees, employees' committees and other informal employees' representations

stakeholder feedbacks are obtained during these annual meetings

1. one-way process with no possibility of any Q & A sessions
2. Sometimes not viable because of stakeholders' literacy issues

Stakeholder representatives

SIA Flow



Factor to Consider

Neutral & Open-minded

consult all factions separately, if applicable

Represent the views of the group

Communicable information to their group

truthfully and faithfully

Communication during assessment

Communicate!!

Communicate!

Communicate!!

inform

clarification

ask for report

Raise concern

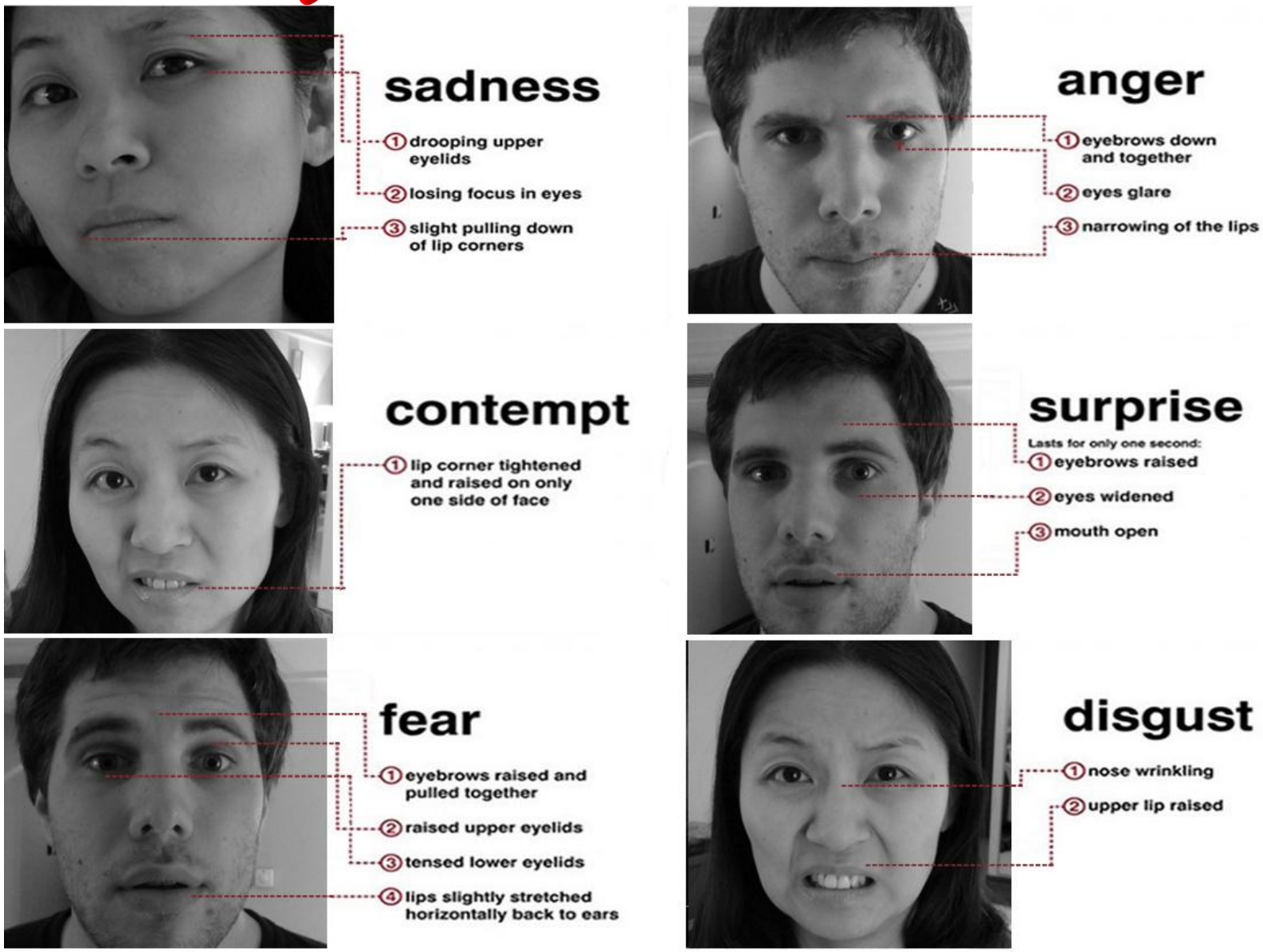
Tell

verbal or thru media

reconfirmation

explain

Observe your auditee



Observe their gesture

- facial expressions
- hand to the head
- hand on body
- foot position

Source: https://leadingpersonality.wordpress.com

Ethics in the communication

Shows interested on the topic discussed

Give the listeners a chance to talk

Appropriate timing

Speaking in ordinary tones

Listen carefully

Be professional (not hypocrite)

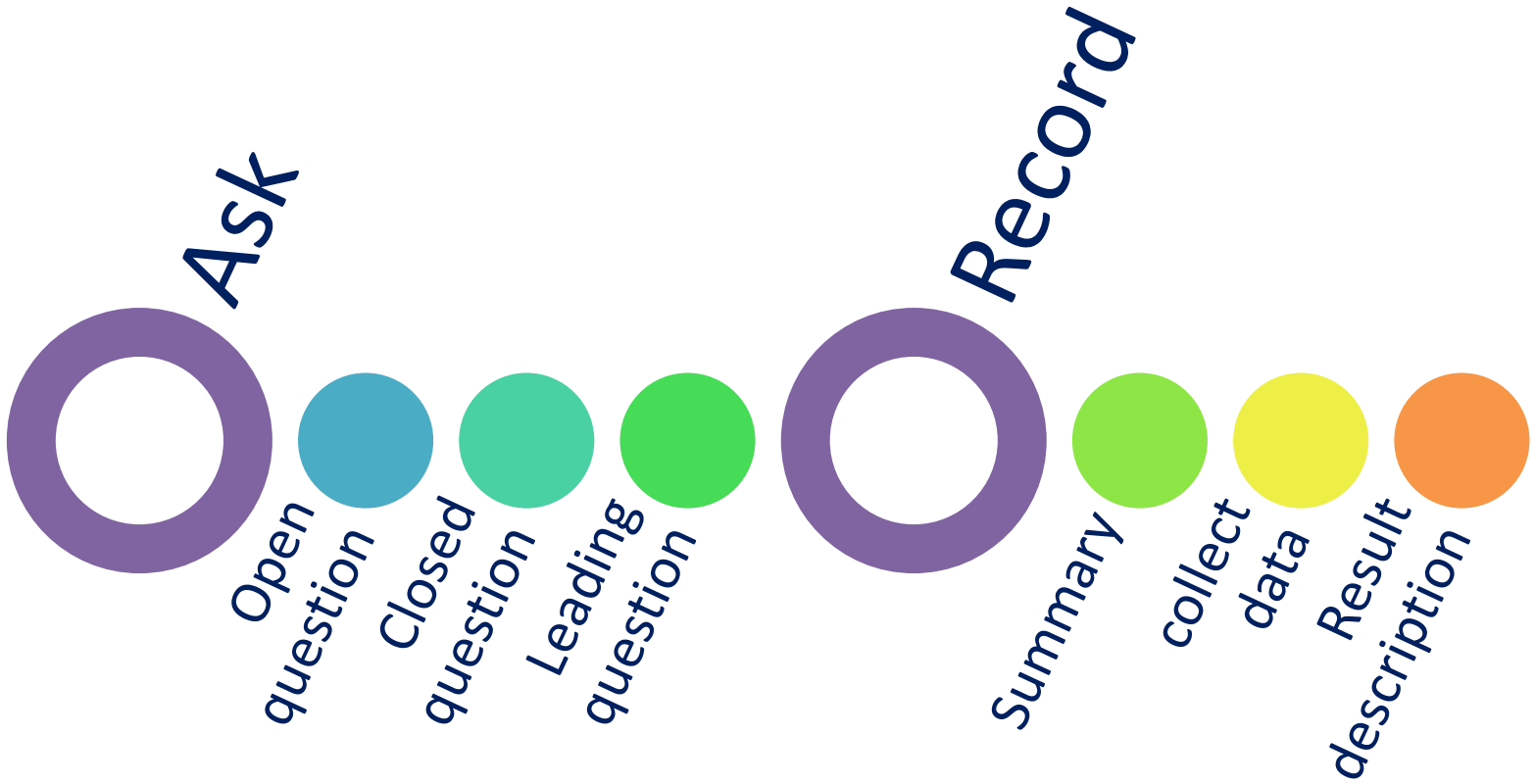
Respect cultural sensitivity

Group interview - Talk to everyone in one group

Look at the person who are in active conversation

Communication during assessment

Conduct interview



Interviewing Skills

1) Use good questions to check conformity
2) Checklists can be used as a guide
3) To be active listener
4) Utilize techniques of questioning
5) Ask for clarification but not assumption
6) Alert, fast thinking and fast understanding
7) Take good field notes
8) Understand body language
9) Be tactful, diplomatic and sensitive to interviewees
10) Be assertive & not aggressive

Questioning

- Think and reflect
- Opinions and feelings
- Respondent to control
- What, Why, How, Describe

Can you tell me about the process?

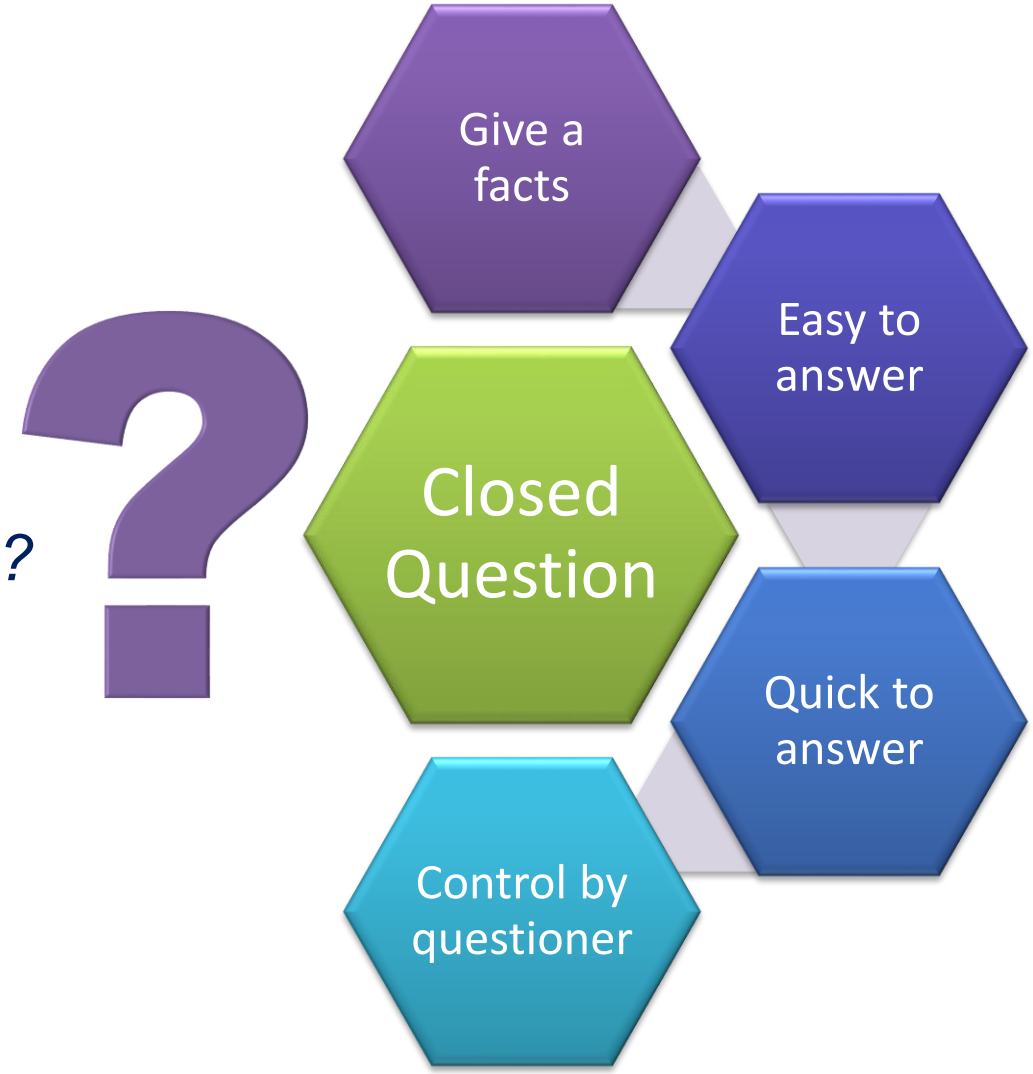
Why records need to be kept for 10 years?

Questioning

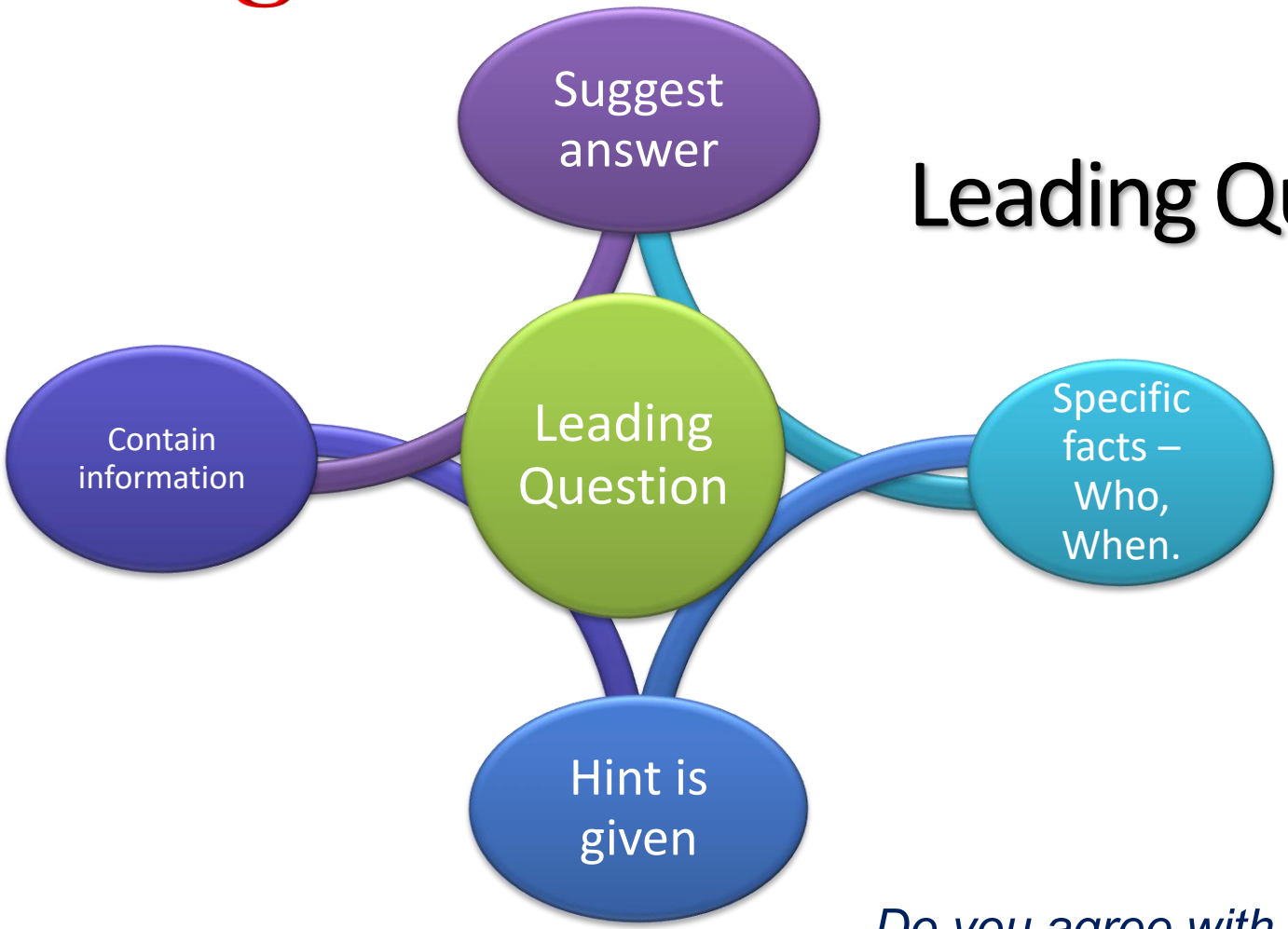
How many years of your service in this organization?

Do you agree that…?

Are you sure…?



Questioning



Leading Question

Do you agree with me…?

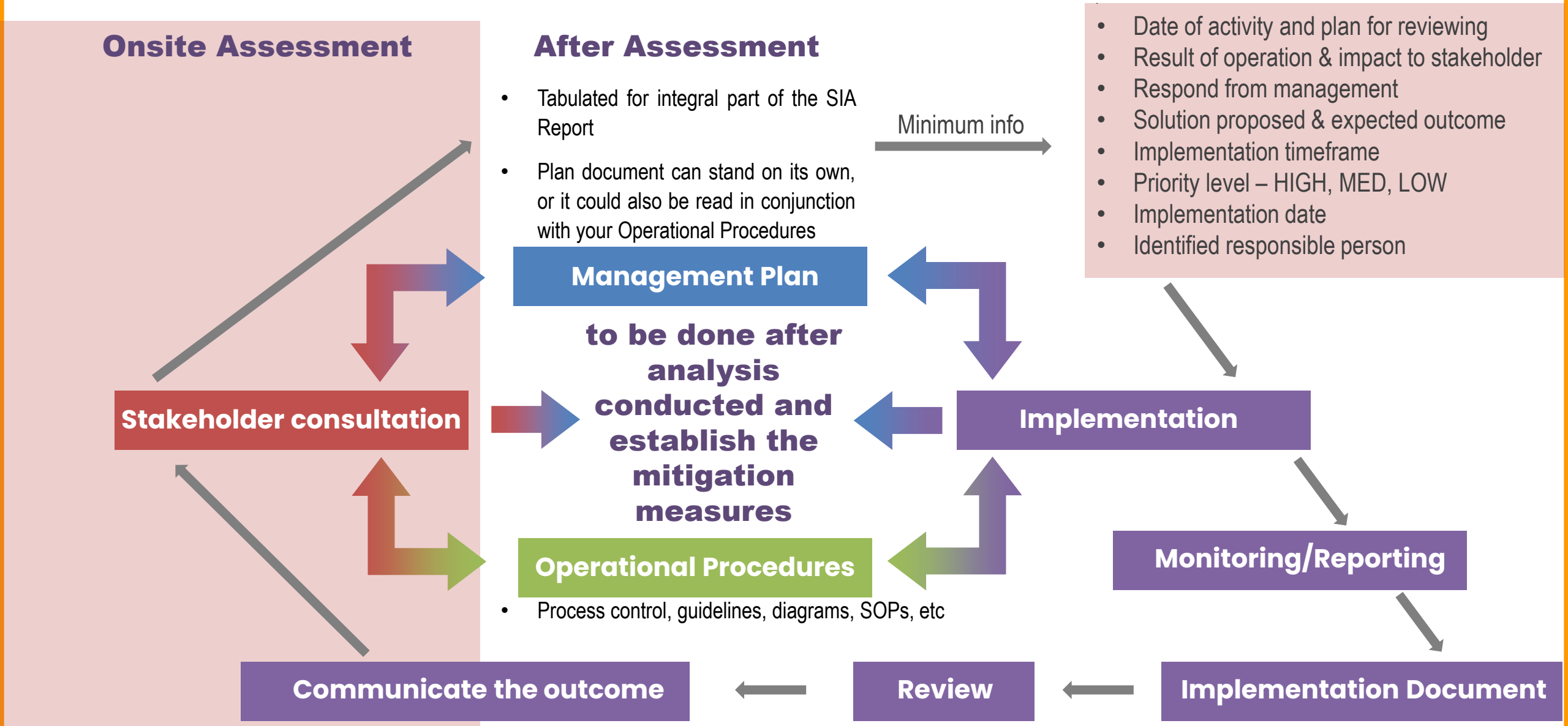
Are you able to perform…?

Module 9

- Reporting Components
- Post-SIA Review & Update

Post-Assessment Activity

SIA Flow



SIA Reporting

SIA REPORT

Introduction

Manpower & Operation

Stakeholders & Consultation process

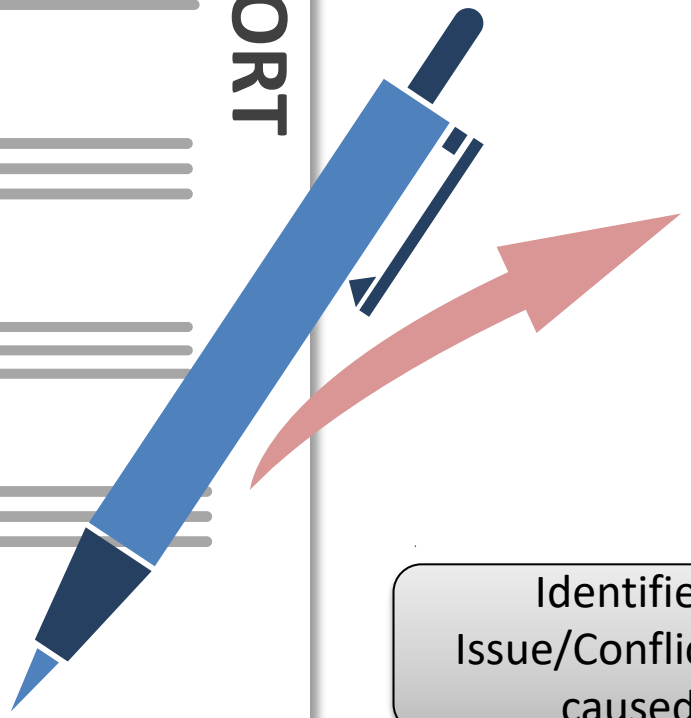
SIA findings

Mitigation measures

Management Plan

Others

SIA Team



Management Plan Monitoring

- List of identified social impacts
- Statement of identified enhancement and mitigation measures
- Person in charge
- Timeframe for implementation
- Management Plan review date.

Identified Issue/Conflict & it caused

Degree of seriousness / Priority level

Proposal for solution

SIA

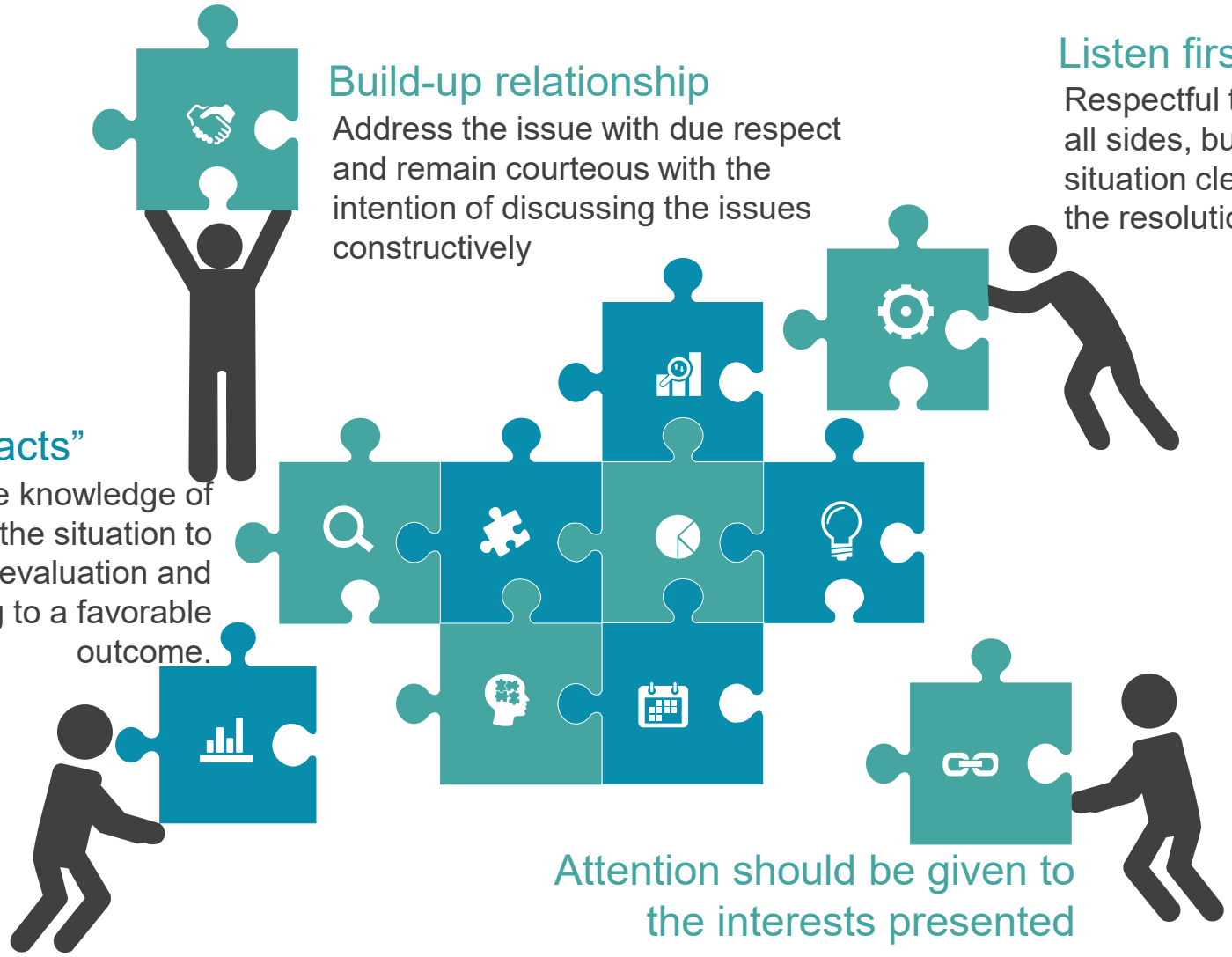
Outcome

Agenda/
Motive

Lesson

Emotion

Approaches to Conflict Resolution



Build-up relationship

Address the issue with due respect and remain courteous with the intention of discussing the issues constructively

Listen first, talk second

Respectful thing to do to listen to all sides, but it also may make the situation clearer, and assist with the resolution.

Explore options together

Collaborating to reach a conclusion and resolution

Outline the “facts”

Important to have knowledge of all the factors in the situation to ensure fair evaluation and opinion leading to a favorable outcome.

Keep People & Problem Separate

Take a pragmatic approach and removing emotion.

Attention should be given to the interests presented

to listen to each person involved and make an informed judgement on what has happened, why it has happened and how can it be resolved.

Module 10 ESG, NSRF & Global Alignment

Module 10: ESG, NSRF & Global Alignment

Learning Outcome

Participants will gain foundational knowledge of Environmental, Social, and Governance (ESG) concepts and their relevance to sustainable development. This module introduces the interconnection between ESG, the Sustainable Development Goals (SDGs), and global reporting frameworks such as GRI, FTSE Russell, and the ISSB-aligned National Sustainability Reporting Framework (NSRF) for Malaysia. By the end of this module, participants will understand how SIA activities contribute to ESG performance and support national and international sustainability reporting expectations.

Interconnection between SDG-ESG-GRI

SDG-ESG-GRI

ESG Criteria and SDG Targets

Companies that integrate ESG considerations into their business practices can contribute to achieving specific SDG targets by addressing social and environmental challenges.

A set of criteria that investors, businesses, and other stakeholders use to evaluate a company's performance and impact in three key areas: Environmental, Social, and Governance.

A set of 17 global goals established by the United Nations in 2015 as part of the 2030 Agenda for Sustainable Development.

Business Contributions to SDGs:

Through GRI reporting and adherence to ESG criteria, companies can articulate how their operations, products, and services contribute to the realization of the SDGs

Alignment of Reporting:

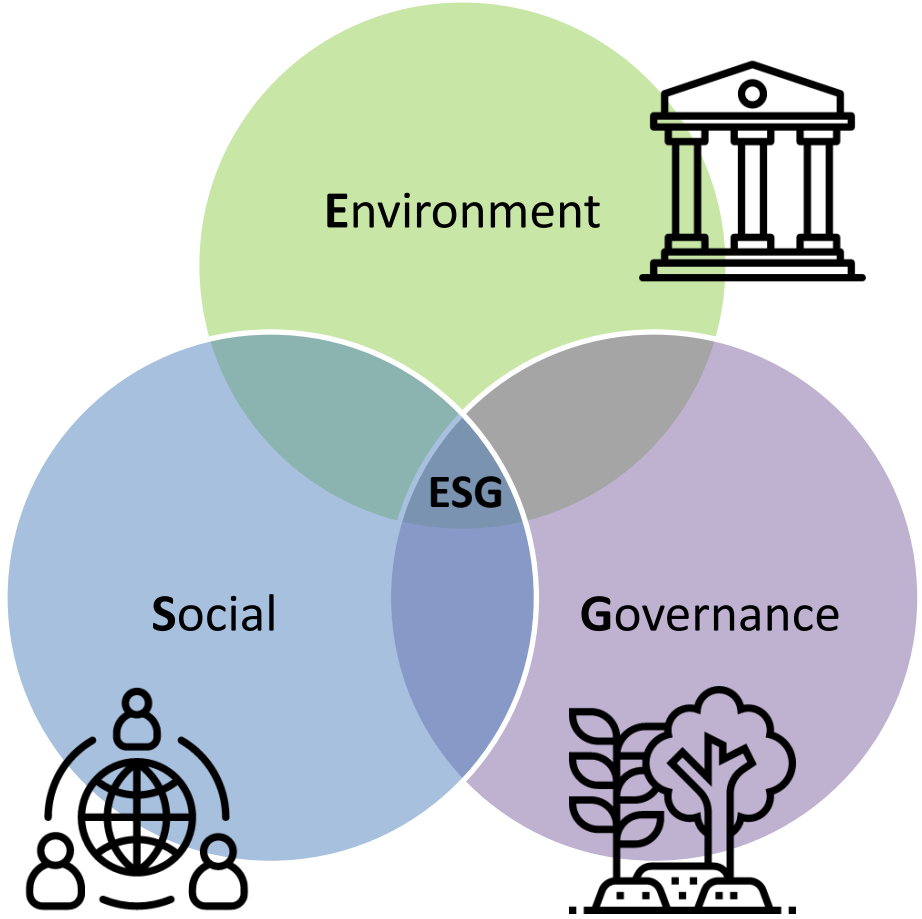
GRI provides a standardized framework for sustainability reporting, enabling organizations to disclose their economic, environmental, and social performance in a structured manner.
Companies use the GRI Standards to report on their ESG practices & align with SDG

An independent international organization that has developed a widely used framework for sustainability reporting.

Environmental, Social and Governance

What is ESG?

ESG is an acronym for:



- ESG is a **framework** that helps stakeholders understand how an organization is **managing risks and opportunities** related to environmental, social, and governance criteria (sometimes called **ESG factors**).
- While the term ESG is often used in the context of **investing**, stakeholders include not just the investment community but also customers, suppliers, and employees

ESG's Three Central Factors

ENVIRONMENTAL

- Waste and pollution
- Resource depletion
- Greenhouse gas emission
- Deforestation
- Climate change

SOCIAL

- Employee relations and diversity
- Working conditions
- Local communities
- Health and safety
- Conflict

GOVERNANCE

- Executive remuneration
- Donations and political lobbying
- Corruption and bribery
- Board diversity and structure
- Tax transparency

ESG Score

- An ESG score is a **measure** of a company's **exposure** to long-term **environmental, social, and governance risks** that can have **significant financial consequences**.
  - ➢ energy efficiency, worker safety, and board diversity
- **Strong ESG rating:** Company manages its ESG risks well
- **Poor ESG rating:** Company has comparatively higher unmanaged ESG risk exposure.

ESG Score by FTSE Russell

- As of November 2022, all **public listed companies (PLCs)** on the Main and ACE Markets in Malaysia will now **automatically** have an environmental, social and governance **(ESG) score by FTSE Russell**.
- According to Bursa Malaysia and LSEG, the **ESG score will be provided to PLCs for free**. The PLCs will also be able to access a **web-based research platform that details their scores and the data indicators used for assessment**.
- This **allows more PLCs to measure and understand their ESG performance**. It will also help them meet the increasing demand for transparency and disclosures from global stakeholders on ESG issues.

SDG through the Lens of ESG

ESG vs SDG

Environmental, Social & Governance

- No global definition and framework
- No standardized performance metrics
- Assessments based on proprietary models
- Not target-oriented or process focused
- Too vague for mapping to patents
- Enables corporate greenwashing

Sustainable Development Goals

- A globally accepted framework
- Clearly defined indicators and metadata
- Open sustainability assessment standards
- Goal-oriented recommendations
- Allow for mapping of innovations
- Enable unbiased assessment

Module 10

National Sustainability Reporting Framework (NSRF)

MALAYSIA'S SUSTAINABILITY REPORTING ALIGNS WITH GLOBAL ISSB STANDARDS IN IFRS JURISDICTIONAL PROFILE

13 June 2025

Kuala Lumpur, 13 June 2025

The IFRS Foundation has recognised Malaysia's commitment to sustainability reporting in its recently issued Jurisdictional Profile. Malaysia is acknowledged as adopting the ISSB Standards with limited transition, representing the only jurisdiction in the ASEAN region.

This recognition in the Jurisdictional Profile underscores the global standing of Malaysia's National Sustainability Reporting Framework (NSRF).

Launched in September 2024 and developed by the Advisory Committee on Sustainability Reporting (ACSR), the NSRF is a significant step in advancing Malaysia's corporate sustainability agenda.

The NSRF phases in the adoption of ISSB Standards, specifically IFRS S1 and IFRS S2. Starting with a 'limited transition' approach, Malaysia extends certain transitional standard reliefs, including 'climate-first' reporting and deferred Scope 3 GHG emissions disclosures.

This approach facilitates a smooth transition to full adoption of the ISSB Standards, while recognising the varying levels and maturity in sustainability practices and reporting across companies.

National Sustainability Reporting Framework

The National Sustainability Reporting Framework (NSRF) addresses the use of the IFRS® Sustainability Disclosure Standards issued by the International Sustainability Standards Board (ISSB), specifically the IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information*, and IFRS S2 *Climate-related Disclosures* (collectively referred to as the ISSB Standards), as the baseline sustainability disclosure standards for companies in Malaysia, as well as the assurance requirements for sustainability reporting.

The NSRF is meant to ensure corporate Malaysia provides consistent, comparable and reliable sustainability information to enhance Malaysia's competitiveness and attractiveness to investors.

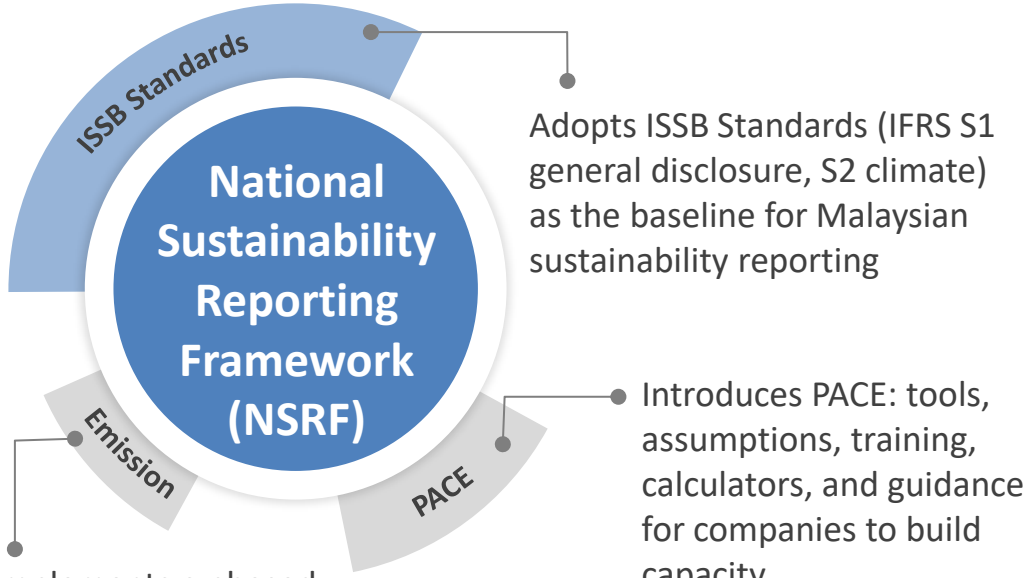
Implementation of the NSRF will be through a phased and developmental approach, supporting widespread adoption and continuous improvement in the quality of disclosures. The NSRF attempts to follow the ISSB Standards closely as well as providing the same reliefs prescribed by the ISSB, subject to the respective regulators' requirements. However, given the varying levels and maturity in sustainability practices and reporting, the NSRF spreads the adoption timeline to take into account the anticipated challenges.

Key NSRF & ISSB Updates

NSRF = Malaysia's national strategy for sustainability reporting (uses ISSB standards)
ISSB = Global authority that sets the sustainability reporting standards used by NSRF

ISSB – International Sustainability Standards Board
The **ISSB** is a global body under the **IFRS Foundation** that develops international sustainability disclosure standards.
Key Standards:

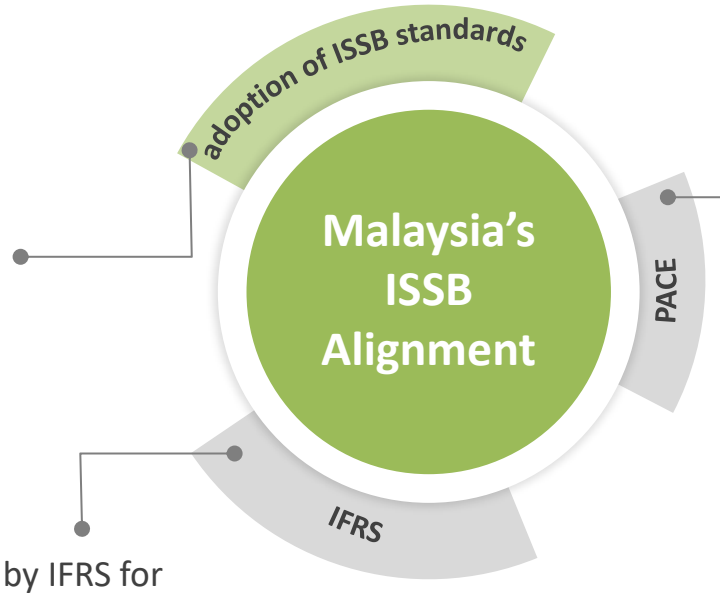
- **IFRS S1** – General Requirements for Sustainability-Related Disclosures
- **IFRS S2** – Climate-Related Disclosures



Adopts ISSB Standards (IFRS S1 general disclosure, S2 climate) as the baseline for Malaysian sustainability reporting

Introduces PACE: tools, assumptions, training, calculators, and guidance for companies to build capacity

Implements a phased, climate-first rollout, allowing delayed Scope-3 emissions disclosure and tailored



Malaysia is the first ASEAN jurisdiction with "limited transition" adoption of ISSB standards

ACSR (via PACE) provides training on ISSB-GRI alignment and prepares illustrative reports for sectors like palm oil

Recognized by IFRS for adopting ISSB with transitional reliefs, especially around climate disclosures

Impact on MSPO & SIA

NSRF/ISSB Update	Benefit to MSPO	Role of SIA
Climate-first disclosure (IFRS S2)	Aligns with **MSPO Principle 5** (environment, biodiversity) by requiring transparent climate reporting	SIA helps gather environmental impact data (GHG, water, biodiversity) to support disclosures
Phased implementation & Scope-3 relief	Gives time to integrate ESG into **MSPO RSV** frameworks	SIA builds baseline data and supports capacity-building via PACE tools
Transparency & comparability (IFRS S1)	Strengthens **MSPO Principles 1 & 3**: management commitment & transparency	SIA delivers stakeholder-validated data essential for credible public reporting
Social responsibility & safety training	Links to **MSPO Principle 4** (social responsibility, health & safety)	SIA provides qualitative evidence of social wellbeing, OSH, and stakeholder engagement outcomes
PACE guidance and calculators	Supports ISO-aligned processes embedded in MSPO systems	SIA teams can use PACE tools to quantify and report impacts, ensuring credible ESG content

Module 11 MSPO SIA Guideline & Approach

Module 11: SIA Guideline and Template Review

Learning Outcome

Participants will consolidate their understanding of the SIA process by reviewing key elements of the MSPO SIA Guidelines (Chapters 1–6), including the structure and function of Tables 1–18. This module reinforces how to apply the guidelines according to different operational scales and ensures participants are confident in using the SIA checklist and report templates. By the end of this module, participants will be able to navigate the MSPO SIA reporting tools effectively and produce reports that meet the standard's expectations.

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1.2 Purpose of this document	1.6 Requirements for SIA under the MSPO Standards
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- 2.3 Basis for FPIC
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  - 2.12.1 How to engage in a participatory manner
- **2.13 Stakeholder representatives**
  - 2.13.1 Identification of stakeholder representatives
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- **2.14 Sampling**
- **2.15 Socio-economic baseline data**
  - 2.15.1 Recommended information to obtain
- **2.16 Gender consideration**
  - 2.16.1 Engaging the womenfolk
- **2.17 Food security**
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Challenges

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3	1. Introduction – Requirement for SIA	MSPO Part 2-2: Organised smallholders less than 40.46 ha
4	1. Introduction – Requirement for SIA	MSPO Part 3-1: Oil palm plantations above 40.46 ha to 500 ha
5	1. Introduction – Requirement for SIA	MSPO Part 3-2: Oil palm plantations above 500 ha
6	1. Introduction – Requirement for SIA	MSPO Part 4-1: Palm oil mills
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Chapter 1: Introduction, Purpose and Scope

1.1 MSPO Certification Scheme

The Malaysian Sustainable Palm Oil (MSPO) Certification Scheme is a scheme which enables the certification of oil palm plantations, smallholdings, dealers and palm oil processing facilities under the MSPO Standards. The MSPO Certification Scheme (MS 2530:2013) was first implemented on a voluntary basis in 2015 and subsequently made mandatory in December 2019. The first edition of the MSPO Standards have since undergone a systemic review and revised by the standards owner, the Department of Standards Malaysia (DSM), together with the Malaysian Palm Oil Certification Council (MPOCC) as joint secretariat. The revised edition is now known as MS2530:2022, and will be referred to as the MSPO Standards throughout this Guidelines.

Whilst the requirement to comply with local, national and ratified international laws and regulations is encapsulated under Principle 3 of the MSPO Standards, this document can guide users on how the implementation can be further enhanced.

Chapter 1: Introduction, Purpose and Scope

1.2 Purpose of this document

Prior to this document, there was no official and practical guidelines on how an SIA should be conducted by oil palm practitioners in accordance with the requirements of the MSPO Standards. Although there are several guidance documents already available, none of them are directly applicable.

There are several scenarios peculiar to the oil palm industry which oil palm practitioners have to take into account when conducting an SIA, but are not in those guidelines. This document aims to fill in those gaps.

1.3 Scope

The range of oil palm organisations in Malaysia is very wide; from smallholdings to medium and largescale plantations, and from collection centres to refineries. These operations vary in terms of type, size, capacity and stakeholders involved, as well as geographical and operational landscapes in which they operate. The general principles of an SIA remain applicable and relevant to all types of operations.

However, the detailed requirements are scaled down to suit the different sizes and capacities of different operations. Therefore, the ability and requirements to undertake an SIA would also vary based on the scale of these operations. For example, if you are operating a mill or a plantation near villages and indigenous community settlements, you may need to consider social impacts your operations might have on these communities, and on their food security. On the other hand, if you are operating an oil palm refinery which is located within a designated industrial area far from villages and housing areas where social impacts would be minimal, the intensity of your SIA may differ from that of the said plantation.

This document has been developed to give a general understanding of the principles a nd basic concepts of an SIA and navigate users through the complete and practical processes. You may also find that some of the suggestions in this Guidelines to be more than what is necessary for the categories or business operations you are in. Therefore, you are expected to adopt the suggestions and recommendations in this Guidelines judiciously. When doing so, please refer to the appendices below as to which approach is suitable for you based on the scale of your operations and the types of stakeholders involved.

Chapter 1: Introduction, Purpose and Scope

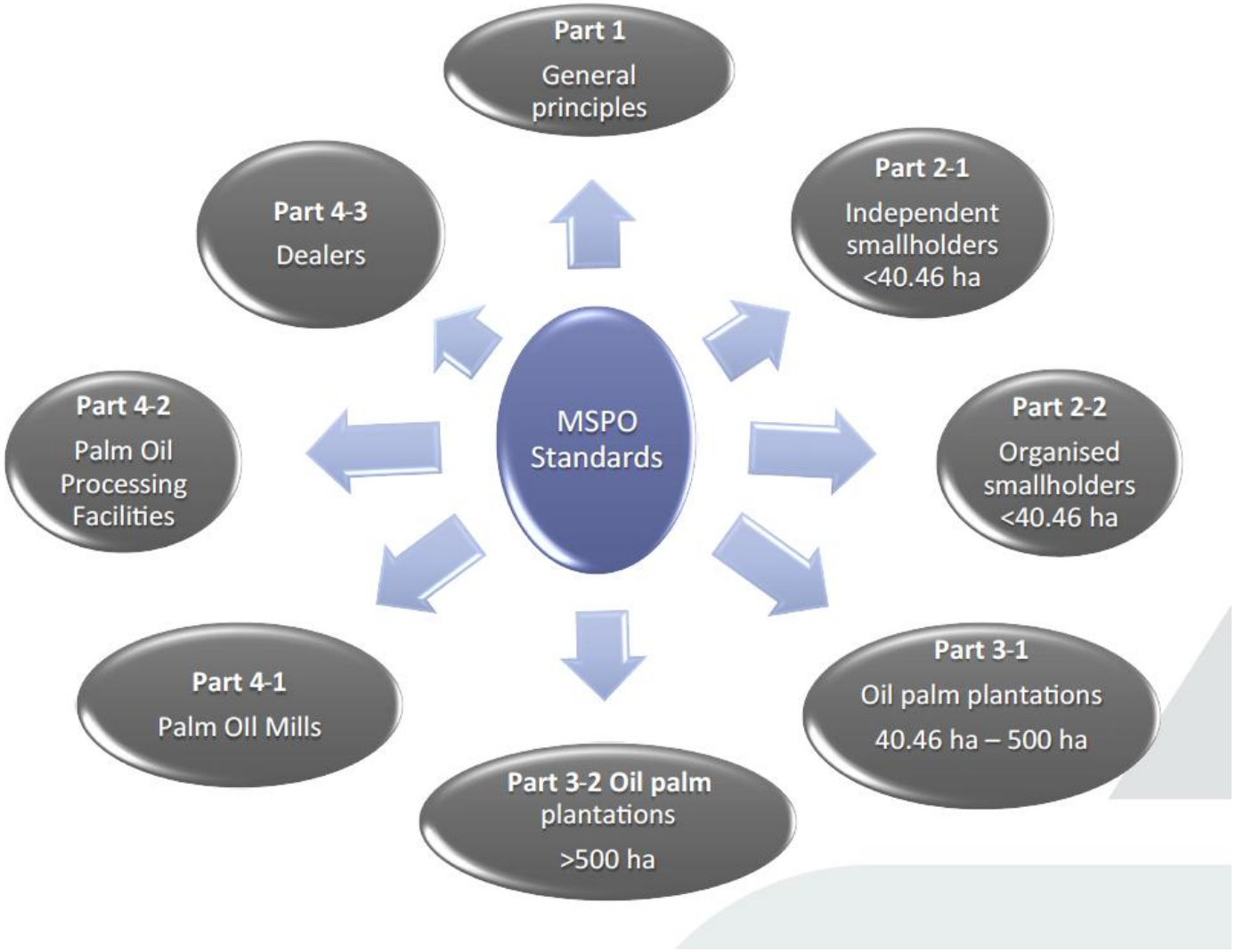
1.4 Who can use this document?

This document can be used by oil palm practitioners, namely, agencies managing organized smallholdings, medium and large-scale plantations, dealers (please refer to para 1.7 (d) below), oil palm mills, and refineries. The SIA can be conducted either internally within your own team, or you may engage external consultants. Either way, this Guidelines can be used as a reference document. It aims to give a general understanding of the principles and basic concepts of an SIA and guide users accordingly through all the processes.

As described in Table 2 and paragraph 1.7 (m) below, independent smallholders are exempted from undertaking an SIA. Nevertheless, they can engage a third-party, such as the MPOB, to provide extension services and assist in the analysis of social impacts on employees and neighbours arising from the smallholding activities. Refer to Table 18 for further guidance.

1.5 Different Parts within the MSPO Standards

The MSPO Standards comprise eight different Parts which are summarized in the diagram below:



Chapter 1: Introduction, Purpose and Scope

1.5 Different Parts within the MSPO Standards

For clarity, the references to some of the different Parts are as follows: TABLE 1 – DIFFERENT PARTS OF THE MSPO STANDARDS

Parts `8	Categories	Hectarage	Description
1	General principles	N/A	N.A
2-1	Independent smallholdings	<40.46 ha	Individual farmers who own or lease of an oil palm smallholding and manage the smallholding themselves. Independent smallholders or leases may employ workers to carry out daily work at their smallholdings.
2-2	Organised smallholdings	<40.46 ha	Individual farmers who own or lease of an oil palm smallholding and the holdings managed by government agencies such as FELDA, RISDA, FELCRA, SALCRA, SLDB and other organisations
3-1	Plantations	40.46 ha to 500 ha	Small estates
3-2	Plantations	>500 ha	Large estates/plantations
4-1	Palm oil mills	N/A	Mills that process fresh fruit bunches (FFB) to crude palm oil (CPO) and by-products of FFB processing. Supply chain requirements for traceability are also included.
4-2	Oil palm processing Facilities	N/A	Facilities such as refineries that process crude palm oil and palm kernel to other products. Supply chain requirements for traceability are also included.
4-3	Dealer	N/A	Organisation which is categorised under all types of dealers under MPOB Licensing, including exporter and importer that purchases and sells oil palm products that do not change the chemical properties of the materials.

Chapter 1: Introduction, Purpose and Scope

1.6 Requirements for SIA under the MSPO Standards

For your ease of reference, Tables 2 to 8 below list down excerpts from the MSPO Standards related to the requirements for an SIA which are applicable for each different Parts.

TABLE 2– MSPO PART 2-1: INDEPENDENT SMALLHOLDERS <40.46 HA

MSPO Standards	Criteria / Indicators
MS 2530-2-1:2022 MSPO Part 2-1	4.4.1.1 - Social Impact Assessment is not relevant for independent smallholders

Chapter 1: Introduction, Purpose and Scope

1.6 Requirements for SIA under the MSPO Standards

TABLE 3 – MSPO PART 2-2: ORGANISED SMALLHOLDERS <40.46 HA

MSPO Standards	Criteria / Indicators
MS 2530-2-2:2022 MSPO Part 2-2	4.1.2.3 - A social impact assessment (SIA) shall be conducted prior to establishing new plantings in accordance with guidelines established by the scheme owner. The results of the SIA shall be incorporated into a management plan(s) and/or operational procedures. The management plan shall be implemented, monitored and reviewed at periodic intervals. 4.4.1.1 – A social impact assessment shall be conducted with the participation of relevant stakeholders in accordance with guidelines provided by the scheme owner to mitigate negative impacts and promote positive impacts. Food security and child rights shall be incorporated as aspects to be assessed if applicable. 4.4.1.2 - The results of the assessment shall be incorporated into an appropriate management plan(s) and/or operational procedures and reviewed at periodic intervals. 4.4.1.3 - The SIA conducted shall be reviewed prior to replanting activity or at five-year interval.

Chapter 1: Introduction, Purpose and Scope

1.6 Requirements for SIA under the MSPO Standards

TABLE 4 – MSPO PART 3-1: OIL PALM PLANTATIONS ABOVE 40.46 HA TO 500 HA

MSPO Standards	Criteria / Indicators
MS 2530-3-1:2022 MSPO Part 3-1	4.1.2.3 – A social impact assessment (SIA) shall be conducted prior to establishing new plantings in accordance with guidelines established by the scheme owner. The results of the SIA shall be incorporated into a management plan(s) and/or operational procedures. The management plan shall be implemented, monitored and reviewed at periodic intervals. 4.4.1.1 – A Social Impact Assessment shall be conducted with the participation of relevant stakeholders in accordance with guidelines provided by the scheme owner to mitigate negative impacts and promote positive impacts. Food security and child rights shall be incorporated as aspects to be assessed, if applicable. 4.4.1.2 - The results of the assessment shall be incorporated into an appropriate management plan(s) and/or operational procedures and reviewed at periodic intervals. 4.4.1.3 - The SIA conducted shall be reviewed prior to replanting activities or at five-year intervals.

Chapter 1: Introduction, Purpose and Scope

1.6 Requirements for SIA under the MSPO Standards

TABLE 5 – MSPO PART 3-2: OIL PALM PLANTATIONS ABOVE 500 HA

MSPO Standards	Criteria / Indicators
MS 2530-3-2:2022 MSPO Part 3-2	4.1.2.3 – A social impact assessment (SIA) shall be conducted prior to establishing new plantings in accordance with guidelines established by the scheme owner. The results of the SIA shall be incorporated into a management plan(s) and/or operational procedures. The management plan shall be implemented, monitored and reviewed at periodic intervals. 4.4.1.1 – A social impact assessment shall be conducted with the participation of relevant stakeholders in accordance with guidelines provided by the scheme owner to mitigate negative impacts and promote positive impacts. Food security and child rights shall be incorporated as aspects to be assessed, if applicable. 4.4.1.2 - The results of the assessment shall be incorporated into an appropriate management plan(s) and/or operational procedures and reviewed at periodic intervals. 4.4.1.3 - The SIA conducted shall be reviewed prior to replanting activities or at five-year intervals.

Chapter 1: Introduction, Purpose and Scope

1.6 Requirements for SIA under the MSPO Standards

TABLE 6 – MSPO PART 4-1: PALM OIL MILLS

MSPO Standards	Criteria / Indicators
MS 2530-4-1:2022 MSPO Part 4-1	4.1.2.3 – A social impact assessment (SIA) shall be conducted prior to new establishment in accordance with guideline established by the scheme owner. The results of the SIA shall be incorporated into a management plan(s) and/or operational procedures. The management plan shall be implemented, monitored and reviewed at periodic intervals. 4.4.1.1 - Social Impact Assessment shall be conducted with the participation of relevant stakeholders in accordance with guidelines provided by the scheme owner to mitigate negative impacts and promote positive impacts. Food security and child rights shall be incorporated as aspects to be assessed, if applicable. 4.4.1.2 - The results of the assessment shall be incorporated into an appropriate management plan(s) and/or operational procedures and reviewed periodic intervals. 4.4.1.3 - The SIA conducted shall be reviewed at least five-years interval or if there are any changes which could affects the social conditions and the environment.

Chapter 1: Introduction, Purpose and Scope

1.6 Requirements for SIA under the MSPO Standards

TABLE 7 – MSPO PART 4-2: PALM OIL PROCESSING FACILITIES

MSPO Standards	Criteria / Indicators
MS 2530-4-2:2022 MSPO Part 4-2	4.1.2.3 – A social impact assessment (SIA) shall be conducted prior to a new establishment in accordance with guidelines established by the scheme owner. The results of the SIA shall be incorporated into a management plan(s) and/or operational procedures. The management plan shall be implemented, monitored and reviewed at periodic intervals. 4.4.1.1 – Social Impact Assessment shall be conducted with the participation of relevant stakeholders in accordance with guidelines provided by the scheme owner to mitigate negative impacts and promote positive impacts. Food security and child rights shall be incorporated as aspects to be assessed, if applicable. 4.4.1.2 - The results of the assessment shall be incorporated into an appropriate management plan(s) and/or operational procedures and reviewed periodic intervals. 4.4.1.3 - The SIA conducted shall be reviewed at least five-years interval or if there are any changes which could affects the social conditions and the environment.

Chapter 1: Introduction, Purpose and Scope

1.6 Requirements for SIA under the MSPO Standards

TABLE 8 – MSPO PART 4-3: DEALERS

MSPO Standards	Criteria / Indicators
MS 2530-4-3:2022 MSPO Part 4-3	4.1.2.3 – A social impact assessment (SIA) shall be conducted prior to new establishment in accordance with guidelines established by the scheme owner. The results of the SIA shall be incorporated into a management plan(s) and/or operational procedures. The management plan shall be implemented, monitored and reviewed at periodic intervals. 4.4.1.1 – A Social Impact Assessment shall be conducted with the participation of relevant stakeholders in accordance with guidelines provided by the scheme owner to mitigate negative impacts and promote positive impacts. Food security and child rights shall be incorporated as aspects to be assessed, if applicable. 4.4.1.2 - The results of the assessment shall be incorporated into an appropriate management plan(s) and/or operational procedures and reviewed periodic intervals. 4.4.1.3 - The SIA conducted shall be reviewed at least five-years interval or if there are any changes which affects the social conditions and the environment.

Chapter 1: Introduction, Purpose and Scope

1.7 Terminologies and salient points

Below are some of the salient points and terminologies found in the MSPO Standards which you may find useful:

a) A comprehensive SIA is required to be carried out prior to any new planting or new establishment.

b) All SIAs are to be carried out in a participatory manner, i.e., with the active and meaningful participation of the impacted stakeholders.

c) FELDA, RISDA, FELCRA, SALCRA, SLDB or other relevant agencies which manage organized smallholders, will assist in carrying out the SIA for the organised smallholders on a group basis

d) Dealers that are subjected to the SIA requirements under the MSPO Standards are those that fall under the following categories:

   i. Licensed by the MPOB to purchase, sell and store physical oil palm; and

   ii. As part of their business expansion or diversification, provide extension services which include, but not limited to harvesting, manuring, spraying, FFB evacuation and transportation services.

e) Food security is one of the impacts to be assessed in the SIA.

f) The results of the SIA are to be incorporated into a management plan or into operational procedures for implementation, monitoring and review.

1.7 Terminologies and salient points

g) Review of the management plan or operational procedures are required periodically. A review of the SIA is required at least once in 5 years. However, the duration for SIA review is shortened if there are any changes affecting social or environmental conditions within that 5-year period. (Refer to Section 4.3 below for details).

h) Review of the SIA would also be necessary when the total replanting area in any given financial year is 500 ha or more per estate (Refer to Section 4.3.4 below for more details).

i) “New planting” is planned or proposed planting on land not previously cultivated with oil palm.

j) “Replanting” is planting of oil palm on land previously cultivated with oil palm.

k) “New establishment” is establishment of operating and trading sites, for palm oil processing and transaction, other than plantation activities.

l) Independent smallholders are exempted from undertaking an SIA. Nevertheless, an independent smallholder can consult a third-party that provides extension services such as the MPOB to assist in the analysis of social impacts on employees and neighbours arising from their smallholding activities. (Refer to Table 18).

Chapter 2: SIA Principles and Concept

This Chapter presents a series of definitions, principles and concepts related to SIA that are generally applicable across the range of oil palm industry scenarios in Malaysia.

2.1 Social Impact Assessment

The term Social Impact Assessment, or SIA, has been defined in the MSPO Standards as

"The process of analysing, monitoring and managing the intended and unintended social consequence, both positive and negative, of planned interventions (policies, programmes, plans, projects) and any social change process invoked by those interventions".

The Malaysian Association of Social Impact Assessment has defined SIA as

"A process to identify, predict, evaluate and communicate information about impacts of a proposed project, policy, programme or plan on a community and their activities, and to detail mitigation measures prior to approval and implementation".

Chapter 2: SIA Principles and Concept

2.1 Social Impact Assessment

Carrying out an SIA is a good management practice which forms part of your organization's commitment to continual improvement. It is a process used to identify, assess and manage social impacts that have arisen in the surrounding community and on other relevant stakeholders as a result of your ongoing operations, or which may result from your future operations. The whole SIA process which promotes community development and empowerment and builds community capacity must involve the participation of affected stakeholders right from the beginning of the SIA process.

Chapter 2: SIA Principles and Concept

2.2 Iterative process

Stakeholder consultation is not a one-off, but is in fact an iterative and continuous process commencing prior to any development and carried throughout the life of the project cycle, and until decommissioning. The reason why an SIA should be conducted prior to new planting or establishment is because it allows for early detection of potential social impacts.

Early Detection

- An SIA would be able to detect, prevent and manage potentially costly social errors which you may not know of, or able to detect.

Iterative Process

- Stakeholder consultation is an iterative process which you have to do frequently. It cannot be completed in one single sitting.

Social impacts that are detected during the early stages can be addressed and mitigated in the planning stages. It also accords early buy-in from affected stakeholders. Once a project has commenced, any mitigation measures to address the social impacts may lead to increased costs and deviate manpower resources to address those impacts.

The iterative nature of an SIA allows social impacts and its mitigation or enhancement measures, as thecase may be, to be continuously taken.

2.3 Basis for FPIC

An SIA is also a basis for the process of negotiations with local communities or indigenous peoples. The process of giving or withholding free, prior, informed consent (FPIC) requires accurate, relevant and culturally appropriate information about potential social impacts and benefits to the communities.

Without information on social impacts shared with the local communities or indigenous peoples, there is no element of “informed consent” in the FPIC process.

2.4 Social impact

Social impacts are changes to a community, or to a group of stakeholders e.g., your employees, local communities, contractors and suppliers, etc., that occur as a result of any decision, action or inaction, activity, project, or policy that you have taken, or may take in the future. Social impacts can be caused by any or more of the following:

a) Changes to way of life, e.g., how they live, work, interact with one another.

b) Cultural changes, e.g., their customs, customary land rights and ownership, access to sacred sites and burial grounds, beliefs, values, language, etc.

c) Socio-economic changes, e.g., education, income level, employment opportunities, available infrastructure.

d) Changes to the community, e.g., stability, cohesion.

e) Environmental changes, e.g., quality of air, water, noise.

f) Changes to their overall well-being, livelihood, health and food security, e.g., access to medicinal plants, NTFPs, freshwater fish, land for food cultivation, access to foraging and hunting grounds.

g) Fear and concern for disease and illness, safety, crime rate, their future and that of their children.

h) Change of traditional/customary land ownership and user rights to land which may include eviction from their traditional homes and subsistence agricultural plots.

2.5 Examples of social impacts

Below are some examples of social impacts – both positive and negative – which are commonly found in an oil palm environment. These examples are not exhaustive and you can refer to them as possible impacts to look out for when conducting an SIA. However, participatory stakeholder consultation is still key when assessing actual social impacts faced by your stakeholders.

2.5.1 For local and/or indigenous communities

a) Positive impacts:

i. Communities now enjoy better infrastructure e.g., access roads, schools, medical facilities, telecommunication, piped water, electricity, etc.

ii. Gains from effects of job creation and business opportunities e. g., becoming suppliers/contractors, etc.

iii. Job opportunities and professional development

b) Negative impacts:

i. Concern over influx of outsiders coming into the area as employees and perception of disruption to existing social dynamics.

ii. Concern over changes to the environment and comfort level in terms of air and water quality, road conditions, noise pollution, etc.

2.5 Examples of social impacts

2.5.1 For local and/or indigenous communities

b) Negative impacts: (cont')

iii. Neighbours impacted by infestations of bagworms and rhinoceros beetles.

iv. Degraded water quality due to soil erosion, chemical contamination and water pollution for communities living downstream which may negatively impact their health and livelihood.

v. Overlapping land/user rights between the indigenous communities and the company.

vi. Loss of traditional hunting and foraging grounds for the indigenous communities as a result o free felling and land clearing and oil palm-related developments.

vii. Changes to traditional way of life and culture for the indigenous communities following the depletion of medicinal plants and cultural activities as a result of land clearing for oil palm plantations.

viii. Contractors who provide FFB transportation services to the mill being impacted by replanting activities.

2.5 Examples of social impacts

2.5.2 For employees

a) Positive impacts:

i. Provides productive employment opportunities, regular income, job security and social protection such as accommodation, insurance and medical coverage to all employees, including migrants.

ii. Availability of educational opportunities for migrant employees' children where facilities such as HUMANA, ETANIA and CLC schools are provided.

iii. Accommodation and in-house medical facilities extended to family members allowing the family unit to remain together.

b) Negative impacts:

i. Risks of forced labour and human trafficking.

ii. High medical costs payable at public hospitals by migrant employees' family members.

iii. Concerns about the immigration status of migrant workers' family members, particularly those who live in the accommodation provided by the company.

2.5 Examples of social impacts

2.5.2 For employees

b) Negative impacts: (cont')

iv. Dilapidated conditions of employees' accommodation.

v. Inadequate basic amenities such as playing fields, electricity and water supply, etc.

vi. Inability to perform religious obligations such as Friday prayers, because they are not allowed to take time off by management.

vii. Inability to attend congregational prayers because no house of worship is available for the respective religions.

viii. No access to nutritious and affordable food because items sold at the estate sundry stores are too expensive or of poor quality.

ix. No facility provided for employees' children during working hours.

x. Employees under triangular employment situations are deprived of their full rights as employees, e.g., right to join a workers' union or to bargain collectively on their terms and conditions of employment.

2.6 Benefits of an SIA

The SIA has many benefits and below are some of them.

2.6.1 Managing existing and future social impacts

An SIA is not just a process of anticipating and assessing social impacts. It is also a process of managing existing and future social impacts. An SIA:

a) Contributes to local development through increased community participation;

b) Focuses attention on important social issues that need to be taken into account when designing and implementing operational activities; and

c) Allows sharing of information

2.6 Benefits of an SIA

2.6.2 SIA as a useful tool

An SIA can be used as a tool to:

a) Examine the impacts of your existing operations on the surrounding communities and other stakeholders;

b) Determine the existence of indigenous communities, their customary land ownership and analysis of current land use patterns, to assess potential social impacts on surrounding communities and to prevent dispute of land access at later stages.

c) Design and put in place policies and procedures to help manage impacts accordingly so that the positive impacts are enhanced, and the negative ones mitigated;

d) Establish a suitable complaint and grievance mechanism;

e) Where applicable, can be used as a basis for considering appropriate compensation to impacted stakeholders; and

f) Anticipate and factor in all relevant costs related to the above.

2.7 Manage, implement and monitor

Any measures planned to carry this out would be translated into a management plan for purposes of implementing and monitoring. These measures can be in the form of organizational or project-specific mechanisms. The implementation of the management plan must be monitored at suitable frequencies and reviewed periodically to ensure its effectiveness. (Refer to Chapter 4 for further details).:

2.7.1 Stakeholders' involvement

When the MSPO Standards state that an SIA shall be conducted with the participation of relevant stakeholders, it means that the affected stakeholders are not made just passive observers, but must be involved in the process of monitoring too. Their concerns and views are to be considered and taken into account prior to the making of any decisions that may affect them. Involving the affected stakeholders in the complete cycle of assessing, implementing, monitoring and reviewing would give the affected stakeholders a sense of ownership in the process and gain their confidence and buy-in. This in turn would accord you with a level of acceptance from the affected communities and other stakeholders.

2.8 Social license

The SIA encourages transparent and continuous engagement with the affected community and stakeholders from the start of a business operation until decommissioning. Not only does it facilitate informed decision-making, this continuous engagement would also lead to the operation being accorded social acceptance or social license to operate within that particular area. This means that your activities are accepted by the local communities, particularly those who are impacted by it. This also provides confidence that the agreement reached with communities are respected and upheld throughout the business operation.

Not carrying out any SIA and not continuously engaging with your stakeholders may lead to feelings of distrust and suspicion. This in turn could result in protests, blockades, possible legal action and negative media coverage which may lead to reputational damage and adverse financial consequences to your business operations.

2.9 Sustainable operations

By addressing the social impacts, you are one step closer to ensuring that your operations are sustainable. It also ensures that all activities arising from plantation operations, milling, refining and dealership activities, as the case may be, are carried out in a balanced and sustainable manner, bringing about benefits to the surrounding community and other relevant stakeholders. This is also in tandem with the Government of Malaysia's commitment and the aim of the MSPO Standards in ensuring that the country's palm oil is sustainable and achieved through a balance between environmental, societal and economic considerations.

2.10 Stakeholders

Stakeholder identification is the starting point of any SIA, and it helps to address fundamental questions such as:

a) Who are your key stakeholders?

b) What are their interests relative to your operations?

c) Will they be impacted by your project?

2.10.1 Definitions

The MSPO Standards have defined stakeholders as

"Individual or group that has an interest in any decision or activity of an organisation".

Stakeholders have also been defined as

"…people, groups, or institutions which are likely to be affected by a proposed intervention (either negatively or positively), or those which can affect the outcome of the intervention"[1]

[1] *Rietbergen-M Participation and Social Assessment: Tools and Techniques Cracken, et al. 1998.*

2.10 Stakeholders

2.10.2 Stakeholder identification

Stakeholders can be individuals, groups or organizations. Identifying your stakeholders prior to any new planting, replanting or new establishment will assist you in analysing social impacts that the stakeholders may encounter arising out of your intended operational activities. Different stakeholder groups may have different interests in, and influence on your operations. Therefore, the right stakeholder identification will assist you in developing appropriate forms of participatory involvement for the different stakeholder groups.

As an oil palm practitioner, your stakeholders can broadly be categorized into these main groups;

1) All employees.
2) Employees' family members who live in the company-provided accommodation.
3) Local communities including indigenous peoples, religious leaders, community leaders, youth and women's groups.
4) Adjacent/neighboring entities including educational establishments such as schools, HUMANA, ETANIA and CLC.
5) Contractors, vendors, suppliers, customers.
6) Shareholders/investors/funders.
7) Regulators/licensors and relevant government agencies.

2.10 Stakeholders

2.10.2 Stakeholder identification

8) Embassies, High Commissions and Consulates.

9) Social and environmental NGOs, CSOs or CBOs.

10) Trade unions.

11) Works councils, employees' committees or other informal employees' representations.

12) Media organizations.

However, these are broad suggestions and may vary on a case-by-case basis. Who are your stakeholders would be for you to analyse and determine based on your own situation. For example, if you are an organized smallholder (owning 40.46 ha of farm and below) or the operator of a collection centre who is self-funded and hire only local employees, shareholders/investors/funders and embassies, high commissions or consulates would not be considered your stakeholders. However, if you operate a palm oil mill or a plantation near villages and settlements, employ local and migrant employees who are unionized and live on the mill/plantation premises, your stakeholders may include all 12 stakeholder categories.

2.10 Stakeholders

2.10.2 Stakeholder identification

Nevertheless, not all of these stakeholders would be socially impacted as a result of your operations. For example, it would be hard to imagine media organizations, regulators and licensors to be among those impacted socially. Therefore, the identification of your relevant stakeholders is to be determined principally based on the nature of your business operation, size, location and employee profile.

Below are further examples to illustrate this point.

a) If you are operating a refinery, you are most likely located in an industrial area far from local communities and indigenous peoples. Therefore, stakeholders who might be socially impacted by your business operations, decisions, policies, etc., might be limited to your employees, contractors and possibly communities living along the transportation route.

b) If your organised smallholding is situated within a village or a settlement, the stakeholders who would most likely be socially impacted by your activities would be your neighbours, those who own and/or live on the adjacent land, your employees, contractors and suppliers, and those who live along the FFB transportation routes to the mill.

2.10 Stakeholders

2.10.2 Stakeholder identification

c) If you are a collection centre, and located near a village or settlement, the stakeholders who might be socially impacted by your activities would probably the farmers or independent smallholders who sell their FFB to you, your employees e.g., FFB checkers/graders, weighbridge clerks, drivers, including those you employ to provide harvesting and maintenance services on your customers' farms, as well as those who assist with the FFB transportation from the farm to the collection centre, and from the collection centre to the mill. And if you also provide extension services to your stakeholders such as harvesting, manuring, spraying, transportation from the ramp to the collection centre and/or mill, your stakeholders would be your customers who benefit from this arrangement.

d) If you operate an oil palm mill, the stakeholders who might be socially impacted by your business operations, decisions, policies, etc., might be your FFB suppliers comprising independent smallholders, smallholders under your organised smallholder management scheme, collection centres, local communities who live near the mill, FFB transporters from the farms/plantations to the mill, CPO and PK transporters from the mill to the refineries, and communities living along these transportation routes.

e) If you operate a plantation, the stakeholders who might be socially impacted by your business operations, decisions, policies, etc., may comprise adjacent local communities, villagers living downstream of your operations, your employees, contractors and suppliers, etc.

Chapter 2: SIA Principles and Concept

2.10 Stakeholders

2.10.2 Stakeholder identification

Generally, the bigger the size of your operations, and the closer you are to where communities live, the bigger would be the likelihood of social impacts

Stakeholder's stake

The intensity of social impacts does not necessarily decrease with distance from the operation boundaries

Stakeholder identification

Identify which stakeholder categories are socially impacted by your business operations.

This is determined by:

- ☑ Nature of your business operation
- ☑ Location
- ☑ Size
- ☑ Employee profile

Please note that these are only examples given based on scenarios commonly encountered. However, the situation may not be the same for every organisation as it all depends on the

size, location of your operation and your employee profile. You would only be able to ascertain who the socially impacted stakeholders are, after the stakeholders are identified and consultation processes completed.

Many oil palm plantations and mills separate their stakeholders into internal and external, or primary and secondary. However, for purposes

2.10 Stakeholders

2.10.3 Other factors to consider

When identifying local community stakeholders, the common practice is to identify those who live within a specific radius, usually 5 kms of the operation boundaries. These communities are often perceived as being directly affected because of their proximity to the operations. Although there is no hard and fast rule to this method of stakeholder identification, the risk is that those who live farther away may erroneously be deemed not impacted because of their distance.

A stakeholder's "stake" cannot be determined solely by their physical proximity to your operations. There are also other factors to consider because the intensity of social impacts does not necessarily decrease with distance from the operation boundaries. The identification of local community stakeholders must not be done in too rigid a manner. It has to be flexible and exercised with reasonable discretion and common sense. Table 9 below lists out possible stakeholders who might be socially impacted by your operations even if they are more than 5km away from your boundaries.

2.10 Stakeholders

2.10.3 Other factors to consider

Table 9 – Possible social impacts on stakeholders living >5kms away from your operations

Impacted Stakeholders	Positive impacts	Negative impacts
Indigenous communities	• Job and business opportunities • Possible benefits from your company's CSR activities	• Limited or loss of hunting and foraging grounds due to conversion of area into oil palm plantation. • Limited or loss of access to sacred, religiously or culturally significant sites which are located within plantation areas. • Loss or diminished area for shifting agriculture due to land conversion into plantation • Inability to gain access via oil palm plantation to hunt and forage for food, or to access sacred and culturally significant sites.

2.10 Stakeholders

2.10.3 Other factors to consider

Table 9 – Possible social impacts on stakeholders living >5kms away from your operations

Impacted Stakeholders	Positive impacts	Negative impacts
Local communities and indigenous communities who live along the FFB and CPO transportation Routes	• Job and business opportunities • Possible benefits from your company's CSR activities	• Frequent flow of heavy vehicles • Damaged roads • Road safety issues • Noise and air pollution
Local communities and indigenous communities who live downstream of your operations	• Job and business opportunities • Possible benefits from your company's CSR activities	• Diminished water quality for drinking, washing and cleaning as a result of surface run-off or chemical contamination from your operations. • Reduced food resources such as fish and crustaceans as a result of chemical contamination from your operations.

Nevertheless, the above are only examples and they are non-exhaustive. As mentioned above, the actual situation can only be confirmed by carrying out a participatory stakeholder engagement with theaffected stakeholders.

2.11 Stakeholder consultations

Stakeholder consultation is a key principle of any SIA. It is an important procedural tool that facilitates transparent stakeholder engagement, disclosure and consultation as required under the MSPO Standards on transparent communication and consultation with stakeholders.

2.11.1 Objectives

The objective of a stakeholder consultation is for you to effectively obtain all relevant information in a participatory way. As mentioned in 2.2 above, stakeholder consultation is an iterative process. It is something which you have to do frequently and cannot be completed in one single sitting. This iterative process allows you to:

a) Share and seek initial inputs from your stakeholders;

b) Obtain feedback on your operational activities;

c) Discuss and obtain suggestions of enhancement or mitigation measures; and

d) Discuss and obtain feedback on SIA report and management/monitoring plans.

2.11 Stakeholder consultations

2.11.2 Face-to-face meetings

There is no one-size-fits-all approach, or one right way of undertaking a stakeholder consultation. It all depends on the dynamics and level of comfort that exist between you and your stakeholders. The most effective way would be via face-to-face meetings as this gives both parties the following benefits::

a) If you do not know them beforehand, it gives the opportunity to meet and know your stakeholders in person, and vice versa. This allows you to have a **two-way communication** with your stakeholders.

b) Exhibits **transparency** in the stakeholder engagement process. For example, share maps showing the location of the operation or proposed operation, and explain its proximity to the stakeholders.

c) Gain their **confidence** by listening to their concerns, fears and hopes.

d) Prevent any suspicion and feelings of mistrust.

e) Able to provide all relevant **information and answer** questions as they arise.

f) Opportunity to build long-lasting **rapport** with your stakeholders especially if you are not from within the same community.

2.11 Stakeholder consultations

2.11.2 Face-to-face meetings

g) Sending a message to the community that you **value** their inputs enough to make the time to travel and meet them in person.

h) Builds up the stakeholder's **sense of ownership** over the stakeholder engagement process knowing that they have played a role in the outcome of any decisions.

i) Allows a transparent process for the community to identify their own elected **representative(s)**. This would also prevent the embarrassing situation where unauthorized people claim to speak on behalf of the community.

You would need to conduct multiple follow-up meetings and allow time for the community to deliberate before getting back to you without any feeling of being hurried or coerced into doing so.

2.11 Stakeholder consultations

2.11.3 Suggestions for a good stakeholder consultation

Ideally, a good stakeholder consultation process should be carried out as follows:

a) Communication and consultation should be carried out in a **culturally appropriate manner**, taking into account the stakeholders' sensitivities with regards to gender, ethnicity, race, class, and other vulnerabilities.

b) Stakeholders are also to be assured that there would be **no ramifications or reprisals** against them resulting from the engagement.

c) Use **language** that the stakeholders understand. Avoid using technical jargon especially with lay-persons.

d) Allow the stakeholders to choose and decide on a **suitable meeting venue** i.e., somewhere they feel comfortable and familiar with, able to express their views and concerns freely and not feel intimidated by unfamiliar surroundings. In general, those who choose a venue where their stakeholders feel more comfortable, tend to have more productive engagement processes.

e) Present any **information** in a readily understandable format. If many of the stakeholders are illiterate, avoid any wordy presentations, but use pictures, maps and drawings instead.

2.11 Stakeholder consultations

f) Be as **gender inclusive** as possible because men and women have different perspectives and may be impacted differently. Therefore, getting the women's views is also important. In societies where women culturally feel shy to voice an opinion in a big group, or in the presence of men, separate the two groups by gender so it allows the women to speak freely and openly.

g) Ensure that **vulnerable groups** or those with special needs (such as women's groups, illiterate stakeholders, migrant employees who are not proficient in the Bahasa or English) are given voice through special arrangements.

h) Involve different **age groups**, including the youth and the elderly of both genders too.

i) **Document** the process and include information such as date, time, venue, attendance, contents of discussions and any decisions taken. If still photos were taken, include these as part of the documentation. This information is to be incorporated into the appendices of the SIA report and can be used in subsequent consultations and for future references.

j) Should you wish to voice or video **record** the meeting, or take still photos, do inform the stakeholders of your intention and the reasons for doing so. Only proceed with the recording upon receiving their consent.

k) Do not hurry, coerce, threaten or force the stakeholders into a decision bearing in mind that they would need to go back and consult the wider community and/or take time to deliberate. The community's decision to withhold consent must be acknowledged and respected.

2.12 Participatory process

The MSPO Standards require that an SIA be conducted with affected stakeholders in a participatory manner. Social impacts cannot just be presumed to be present; it must be analysed and determined through a participatory process where you and your stakeholders engage in open dialogues and meaningful discussions. It is a process which requires the affected stakeholders to:

a) Be involved in identifying present and future social impacts.

b) Be able to freely state their views on issues that concern them. This is important because their participation would effectively identify present and future social impacts, whether perceived or real.

c) Participate in meetings and discussions and to provide their opinions openly without any fear of ramifications.

d) Be included when discussing mitigation measures for inclusion into the management plan.

e) Be included in the monitoring and review of the management plans.

Participatory process means

☑ Open dialogues

☑ Active participation

☑ Meaningful discussions

2.12 Participatory process

2.12.1 How to engage in a participatory manner

A participatory stakeholder engagement is an important process because local communities including indigenous peoples sometimes feel that they are being sidelined and their views, needs and concerns ignored or not taken into account in development projects. A participatory process not only provides first-hand information, but it also strengthens a two-way relationship between you and your stakeholders, establishes trust, mutual understanding and buy-in. An effective stakeholder participation can be done in several ways.

a) Meetings or group discussions.

   i. Meetings where all relevant stakeholders meet as one or in separate groups. This is one way to elicit views, but it has its drawbacks.

   ii. Some meeting participants are shy and reserved and therefore often hesitate to share their views in a large group. In such a situation, the groups may be broken into smaller subgroups or even engaged on a one-to-one basis to encourage active participation.

   iii. Sometimes it may be necessary to engage with the whole community if the impacts can potentially affect everyone in the village. In such a situation, the villagers can be divided into several different groups of between 8 – 12 people to allow for effective discussions to take place.

2.12 Participatory process

2.12.1 How to engage in a participatory manner

a) Meetings or group discussions. *(Cont')*

iv. During the discussion, ask open-ended questions to encourage participants to elaborate on their responses. Open-ended questions are those that require more than just a 'yes' or a 'no' answer. Open-ended questions start with 'what', 'where', 'when', 'who', 'why', 'how', and require the other person to provide a longer answer, often with an explanation.

b) Gender groupings

i. In some communities or culture, women are not used to airing their views in public. This would also give the opportunity to the women to speak without feeling shy or hesitant in the presence of strangers and the opposite gender.

ii. It also allows for a focused discussion with the women who in some instances have a different perspective on social impacts. (Please refer to Section 2.16 below on Gender Consideration).

2.12 Participatory process

2.12.1 How to engage in a participatory manner

c) Internal committees

i. Some mills and plantations have various committees representing their employees. These include the gender committees, trade unions, health and safety committees, employees' committees and other informal employees' representations. The names of the committees vary from one plantation/mill to the other, but essentially these are committees which receive feedbacks from employees on various social, health, safety, and gender related issues.

ii. Inputs obtained from these meetings are usually recorded, collected and considered as part of the stakeholder engagement process for the SIA. These are used as inputs for mitigation measures in the Social Management Plans. iii. This method can also be considered as a form of stakeholder participation. However, this method has its drawbacks because being a committee, only the committee members attend such meetings. Using this method can be considered as a partial participatory process, but it may not be considered as an effective one.

iii. Some employees would not bring up any issues unless they are personally asked. Therefore, a face-to-face meeting or discussion held at a venue where the employees are comfortable and feel relaxed to freely communicate is a preferred and better option.

2.12 Participatory process

2.12.1 How to engage in a participatory manner

c) Internal committees *(Cont')*

iv. Some employees would not bring up any issues unless they are personally asked. Therefore, a face-to-face meeting or discussion held at a venue where the employees are comfortable and feel relaxed to freely communicate is a preferred and better option.

d) Annual stakeholder meetings.

i. This is especially relevant to plantations or mills that have been MSPO certified before, where annual meetings are regularly held with the stakeholders. Sometimes stakeholder feedbacks are obtained during these annual meetings. This can be considered as a method of stakeholder participation, but this too has its own drawbacks.

ii. Sometimes the relevant stakeholders would send their representatives (e.g., land clearing contractor sending the driver as the company's representative) who has no authority to decide or agree on any decision, and often does not know enough to contribute effectively to the discussion..

2.12 Participatory process

2.12.1 How to engage in a participatory manner

e) Questionnaires

i. In some cases, questionnaires are sent out to stakeholders and they are required to return the completed document by a certain date for analysis. This too is not an effective way of obtaining stakeholder participation because usually not many would take the time to respond. This is a one-way process with no possibility of any Q & A sessions, fact verification, etc. It is therefore not a recommended method of stakeholder participation.

ii. Sometimes the questionnaire only requires box-ticking. Although an extra column is given for added written comments, this is often not viable because of stakeholders' literacy issues and the inability to express a point well in writing.

2.13 Stakeholder representatives

Once you have identified your stakeholders, you may want to identify their representative(s). Identifying stakeholder representatives and consulting with them would be useful in a situation where a large population is involved and it is impractical to do consultations with large groups spread over a wide area. Stakeholder representatives can efficiently provide information to, and disseminate information from you to a large number of stakeholders, and vice versa.

2.13.1 Identiication of stakeholder representaties

Stakeholder representatives can be any of the following:

a) Community heads

Potential stakeholder representatives can be found among village headmen, Tuai Rumah, Tok Batin, or other tribal/community leaders, matriarch, and the elders, head of local women's groups, religious leaders, etc. However, it is important to bear in mind that some stakeholder representatives are not recognized by the group he/she claims to represent. Sometimes there are several factions within the community where each faction has its own representative. In such situations, it is advisable to consult the groups separately and identify and engage representatives whom they agree on.

2.13 Stakeholder representatives

2.13.1 Identification of stakeholder representaties

b) NGOs, CBOs, CSOs or individuals

Some NGOs, CBOs, CSOs or individuals have expertise in stakeholder engagements, and have valuable knowledge about a particular area, tribe, clan, etc., and are often able speak the local language or dialect. Local communities and indigenous peoples can choose to appoint these NGOs, CBOs, CSOs or individuals to represent them in stakeholder engagements where they can act as a conduit, or middle person between you and the affected local communities.

c) Employees' representatives

With regards to your own employees, sometimes it is not practical to have a face-to-face meeting with all employees due to different work schedules and work shifts. In such a situation, it would be necessary to engage with the employees' representatives of each job scope, nationality, tribe or clan. If there are employees from various nationalities, tribes, clans, it would be ideal to meet with them in their own separate groups. Each nationality, tribe or clan may have social issues different from the others, or they may have issues they do not wish to discuss openly with the other groups. Consult also representatives of female employees. By engaging with them separately from the male employees, you would be able to get them to be more open, and parties can delve deeper into the issues raised.

2.13 Stakeholder representatives

2.13.1 Identiication of stakeholder representaties

d) Trade union

Other worker representatives that should be consulted include trade union leaders and/or union office bearers

2.13.2 Other factors to consider

Among the factors to consider when engaging with stakeholder representatives include:

a) Ensuring that the representatives can be relied on to truthfully and faithfully provide a two-way communication between you and the remaining members of the group.

b) The representatives communicate results of stakeholder engagements to their community and back to you. This can be verified by talking directly with the group that the representatives claim to represent.

c) If you find any inconsistencies between the group and the representatives, you may need to engage with the person(s) who truly represent the views of the group.

d) If there are several factions within a community, consult all factions separately.

e) Avoid being bias and do not take sides. Remain neutral and adopt an open-minded approach.

2.14 Sampling

Having an adequate sample is important in ensuring inputs received during stakeholder consultations are representative of all affected stakeholders. Tables 10 to 13 below list down the groups of stakeholders to sample, and also provide suggestions on the sampling number for each type of operation.

For clarity, the term “repeat employees” below refer to employees who return to work with the company after a time gap in their service.

TABLE 10 – ORGANISED SMALLHOLDING AND PLANTATIONS

Groups of stakeholders	Who to sample
Local communities, adjacent or neighbouring Entities	a) All villages/settlements/neighbouring entities situated in and around your operations. Depending on the scale of your operation, the 5km radius general rule of thumb is used. b) If there are rivulets, streams or rivers running through your operations, sample also the communities living downstream. c) Communities living along the FFB transportation routes; i.e., ramp to collection centre or to mill.

2.14 Sampling

Groups of stakeholders	Who to sample
Employees	At least 3 employees from the following groups: a) Recruited within the past 1 year b) Recruited between 1 to 3 years c) Recruited more than 3 years ago d) Repeat employees e) Contracted employees i.e., those hired via third-parties to work in the smallholdings or plantations. The employees above must be sampled by: a) All scopes of work, e.g., harvesters, sprayers, manurers, general employees, and non-executives. b) Every nationality, ethnicity, tribe, clan, and cultural belief. c) Gender d) Age group If the total number of each group is less than 3, sample everyone from within that group.

2.14 Sampling

Groups of stakeholders	Who to sample
Contractors, suppliers, vendors and customers	a) Sample each business category. For example, if you have several entities contracted as FFB transporters, replanting contractors, manpower providers, foreign employees' agents, domestic waste collector, fertilizer supplier, chemical supplier, etc., sample all different categories. b) If there are 3 or less entities in a category, sample all. c) If there are 4 or more entities in a category, use the √n +1 formula. The stakeholder consultation must be carried out with the decision maker, such as the business owner or manager of the respective entities.
Trade unions, works council/employee committees	At least the Chairperson and Secretary of each entity
NGOs/CBOs/CSOs	At least the Chairperson and Secretary of each entity

2.14 Sampling

TABLE 11 – DEALERS

Groups of stakeholders	Who to sample
Local communities, adjacent or neighbouring Entities	a) All villages/settlements/neighbouring entities situated in and around your operations. Depending on the scale of your operation, the 5km radius general rule of thumb is used. b) Communities living along the FFB transportation routes, i.e., ramp to collection centre, collection centre to mill. c) At least 10% of the smallholders who sell their FFB to you. d) At least 10% of smallholders who benefit from extension services you provide such as harvesting, field maintenance, transportation services, etc
Employees	At least 3 employees from the following groups: a) Recruited within the past 1 year b) Recruited between 1 to 3 years c) Recruited more than 3 years ago d) Repeat employees e) Contracted employees i.e., those hired via third-parties to work with you on a contractual basis.

2.14 Sampling

TABLE 11 – DEALERS

Groups of stakeholders	Who to sample
Employees (Cont)	The above employees must be sampled by: a) All scopes of work from each different work stations including weighbridge operator, clerk, FFB checkers/graders, drivers. b) Every nationality, ethnicity, tribe, clan, and cultural belief. c) Gender. d) Age group If the total number of each group is less than 3, sample everyone from within that group.
Contractors, suppliers, vendors and customers	a) Sample each business category. b) If there are 3 or less entities in a category, sample all. c) If there are 4 or more entities in a category, use the √n +1 formula. The stakeholder consultation must be carried out with the decision maker, such as the business owner or manager of the respective entities.

2.14 Sampling

TABLE 11 – DEALERS

Groups of stakeholders	Who to sample
Trade unions, works council/employee committees	At least the Chairperson and Secretary of each entity, if applicable
NGOs/CBOs/CSOs	At least the Chairperson and Secretary of each entity, if applicable

2.14 Sampling

TABLE 12 – OIL PALM MILLS

Groups of stakeholders	Who to sample
Local communities, adjacent or neighbouring Entities	a) All villages/settlements/neighbouring entities situated in and around your operations. Depending on the scale of your operation, the 5km radius general rule of thumb is used. b) If there are rivulets, streams or rivers running through your operations, sample also the communities living downstream. c) Communities living along the transportation routes of FFB/CPO/PKO, i.e., from ramp or collection centres to mill, from mill to the refinery.
Employees	At least 3 employees from the following groups: a) Recruited within the past 1 year b) Recruited between 1 to 3 years c) Recruited more than 3 years ago d) Repeat employees e) Contracted employees i.e., those hired via third-parties to work with you on a contractual basis.

2.14 Sampling

TABLE 12 – OIL PALM MILLS

Groups of stakeholders	Who to sample
Employees (Cont)	The above employees must be sampled by: a) Choosing at least 2 employees from each different work stations in the mill including workshop attendants, weighbridge operators, FFB graders/checkers, drivers, general employees, and non-executives. b) Every nationality, ethnicity, tribe, clan, and cultural belief. c) Gender. d) Age group If the total number of each group is less than 3, sample everyone from within that group.
Contractors, suppliers, vendors and customers	a) Sample each business category. b) If there are 3 or less entities in a category, sample all. c) If there are 4 or more entities in a category, use the √n +1 formula. The stakeholder consultation must be carried out with the decision maker, such as the business owner or manager of the respective entities.

2.14 Sampling

TABLE 12 – OIL PALM MILLS

Groups of stakeholders	Who to sample
Trade unions, works council/employee committees	At least the Chairperson and Secretary of each entity.
NGOs/CBOs/CSOs	At least the Chairperson and Secretary of each entity.

2.14 Sampling

TABLE 13 – REFINERIES

Groups of stakeholders	Who to sample
Local communities, adjacent or neighbouring Entities	a) All villages/settlements/neighbouring entities situated in and around your operations. Depending on the scale of your operation, the 5km radius general rule of thumb is used. b) If there are rivulets, streams or rivers running through your operations, the communities living downstream. c) Communities living along the transportation routes of CPO/PKO from mill and the refined product from the refinery to the seaport.
Employees	At least 3 employees from the following groups: a) Recruited within the past 1 year b) Recruited between 1 to 3 years c) Recruited more than 3 years ago d) Repeat employees e) Contracted employees i.e., those hired via third-parties to work with you on a contractual basis.

2.14 Sampling

TABLE 13 – REFINERIES

Groups of stakeholders	Who to sample
Employees (Cont)	The above employees must be sampled by: a) Choosing at least 2 employees from each different work stations including workshop attendants, weighbridge operators, FFB checkers/graders, drivers, general employees, and non-executives.. b) Choosing every nationality, ethnicity, tribe, clan, and cultural belief. c) Gender. d) Age group If the total number of each group is less than 3, sample everyone from within that group.
Contractors, suppliers, vendors and customers	a) Sample each business category. b) If there are 3 or less entities in a category, sample all. c) If there are 4 or more entities in a category, use the √n +1 formula. The stakeholder consultation must be carried out with the decision maker, such as the business owner or manager of the respective entities.

2.14 Sampling

TABLE 13 – REFINERIES

Groups of stakeholders	Who to sample
Trade unions, works council/employee committees	At least the Chairperson and Secretary of each entity.
NGOs/CBOs/CSOs	At least the Chairperson and Secretary of each entity.

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2.15 Socio-economic baseline data

'Baseline' is the starting point of a given situation before any intervention. 'Baseline data' on the other hand, is a set of indicators selected at the beginning of a project used to track change over time. Baseline data is also used in making future comparisons. For example, if you want to understand the impact of any intervention on the average income of a particular community, you would need to know their average monthly income before the start of any intervention. This baseline data is then compared to the community's average monthly income after intervention measures have taken place so that you will know if the measures undertaken have been successful or otherwise. For purposes of an SIA, you should obtain the socio-economic baseline data of your local community stakeholders, suppliers and contractors and others that you conduct an SIA on.

Baseline data is a starting point to

- ☑ Evaluate the effects of a change
- ☑ Track the progress of project
- ☑ Measure the difference between two periods of time

2.15 Socio-economic baseline data

2.15.1 Recommended information to obtain

For local communities and indigenous peoples, basic information that you are recommended to gather include:

a) number of houses in that area;

b) population number;

c) community's main source of income and range of basic monthly income;

d) reliance on natural resources for food, water and daily needs (e.g., river/stream for fishing, drinking, cooking, cleaning);

e) any practices of hunting or foraging for NTFPs;

f) need for land for agriculture (plants and animal rearing);

g) access to education facilities;

h) access to health facilities;

i) access to potable water and electricity;

2.15 Socio-economic baseline data

2.15.1 Recommended information to obtain

Cont'

j) access to hunting/fishing/food gathering;

k) access to agricultural land; and

l) access to religious, cultural and sacred sites

In some situations, these baseline data may already be available in the form of existing stakeholder databases, community meetings minutes, grievance records, previous studies done, or studies and consultation processes completed during an earlier phase of the project. If not outdated, this information can still form your baseline data.

Once the management plan has been put in place and implemented, the baseline data can be compared to the post-intervention data when monitoring the effectiveness of your interventions. (Please refer to Section 4.2 below on Monitoring).

2.16 Gender consideration

The term ‘gender’ refers to the different roles men and women play in the household or even in a community. For example, men are often seen as the ‘head of the household’, or ‘the breadwinner’, even if their role in the household may only be limited to earning income. However, a women’s responsibility may include caring for children, the elderly, tending to the family’s livestock, etc. In some communities, they may even be collecting subsistence food and would be more familiar with issues related to food security. The tendency often is just to consult the men, especially when the women appear less vocal and reserved.

It is important to equally consult men and women stakeholders when you conduct an SIA because social impacts are likely to impact men and women differently. If you consult only the men, you might not fully identify all social impacts from the women’s perspectives.

2.16.1 Engaging the womenfolk

Engaging women in the SIA process is therefore important to get a balanced view from the community as you take into consideration their gender-specific knowledge, roles, responsibilities and social impacts. To ensure women are adequately consulted, you may need to hold separate meetings for them. This would allow the women to feel comfortable sharing their views and inputs openly. It is also a good idea to have the meeting facilitated by a lady facilitator from your team to put the women at ease.

Men and women

- ☑ Play different roles in a family/society
- ☑ Can be differently impacted
- ☑ Their views are equally important

2.17 Food security

The MSPO Standards specifically require that food security be included in the SIA. This can be done by including questions related to food security when you conduct the SIA. This section will provide guidelines on what is meant by food security and what to look out for when conducting the assessment.

2.17.1 Definition

According to the FAO,

"Food security exists when all people at all times have physical and economic accessto sufficient, safe and nutritious food that meet their dietary needs and foodpreference for an active and healthy life".

Generally, impacts on food security may occur in communities living around development projects. The possible causes that could lead to food security issues include any one or more of the following:

a) River pollution reducing the availability of clean drinking water.

b) Land clearing or land conversion into plantations causing the reduction of quality or availability of arable land for cultivation or swidden agriculture.

c) Weather-related events such as recurrent drought or floods.

d) Landslides, earthquakes, fires and other natural disasters

2.17 Food security

2.17.1 Definition

Cont'

e) Poverty.

f) Lack of nutritional knowledge.

g) Living in an isolated community far from the nearest shops.

h) Pandemics.

2.17.2 Relevance of assessing food security during an SIA

A food security assessment is carried out to understand the following:

a) If the stakeholders are facing any food insecurities, e.g., food shortage or scarcity.

b) How long the communities have been using the land for farming, agriculture, or relying on the water source before food insecurity emerges.

c) What has caused food insecurity situations.

d) The severity of food insecurity

2.17 Food security

2.17.2 Relevance of assessing food security during an SIA

Cont'

The following are the possible scenarios which you may find when assessing the food security of your stakeholders:

a) Indigenous communities who still practice hunting, shifting cultivation, or where they forage for non-timber forest products (NTFPs) such as tubers, vegetables, fruits, legumes, and nuts. All these would provide them with a balanced and nutritious diet. Food security for them would mean a healthy forest cover and sufficient area for swidden agriculture, hunting and foraging for plants.

b) Situations where their food security can be impacted include:

   i. Land clearing for plantation which diminishes their access to hunting and foraging areas causing them to hunt and forage farther away.

   ii. Shrinking or overlap of land area affecting the practice of swidden cultivation.

   iii. Loss of NTFPs e.g., honey, fruits, nuts, legumes, and other plants, etc., as a result of deforestation.

2.17 Food security

2.17.2 Relevance of assessing food security during an SIA

Cont'

c) Indigenous or local communities who still rely on natural resources such as rivers, and weirs for their fish and daily drinking water supply. Issues that may affect food security include:

   i. Depletion of aquatic species such as fish and crustaceans due to water contamination from use of pesticides, effluent discharge, etc.

   ii. Quality of drinking water as a result of water turbidity caused by soil surface run-off.

   iii. Inability to freely access water resource e.g., weirs, rivers, which are located within plantation premises.

d) Employees who live on estate or mill premises situated far from the nearest town or shops. Issues that may affect food security include:

   i. Inability to access sufficient, safe, nutritious and affordable food.

   ii. No allocated vegetable patch to supplement their daily dietary needs.

   iii. Food items sold at the estate/mill sundry shops are exorbitantly high and not regularly monitored by management for price and quality.

2.17 Food security

2.17.2 Relevance of assessing food security during an SIA

Cont'

If your assessment finds that food insecurity has resulted from your policies, procedures, decisions or operational activities, it becomes an impact that must be mitigated and taken into account when preparing the management plan. The mitigation measures must be identified and discussed in a participatory manner with the affected stakeholders.

Among the possible measures that could be taken include:

a) Allocate an area for cultivation.

b) Assist in procuring good selection of seeds.

c) Train villages on sustainable agriculture practices.

d) Assist villages to grow more varied food crops, vegetables, livestock and fish.

Some of the causes of food insecurity are caused by reasons beyond your control, e.g., heavy rain, floods, drought, fire, and other natural disasters. Is such a situation, you may want to intervene and reduce any impacts your stakeholders may face as part of your company's CSR activities.

Chapter 3: Undertaking an SIA

After having familiarized yourself with the principles and concept of SIA in Chapter 2, you are now ready to embark on an SIA of your stakeholders. Below are the recommended steps you should take when conducting an SIA.

3.1 Identifying relevant stakeholders

The first step prior to an SIA is that you must identify who your stakeholders are. As you are aware, stakeholder identification is the starting point of any SIA, and it helps to address fundamental questions about who your stakeholders are, their interests in your operations, how are they impacted by your operations, and also how they may impact your operations.

If you have been certified under the MSPO Standards, you would already have a list of stakeholders as per the MSPO certification requirement. For those who are new to the MSPO Standards, kindly refer to Principle 2 which requires that you identify and list down your stakeholders.

Chapter 3: Undertaking an SIA

3.1 Identifying relevant stakeholders

3.1.1 List of potential stakeholders

As mentioned in Chapter 2 above, your potential stakeholders would generally fall into 12 different categories. To recapitulate, the 12 categories are:

1. All employees
2. Employees' family members who live in the company-provided accommodation.
3. Local communities including indigenous communities, religious leaders, community leaders, youth and women's groups.
4. Adjacent/neighboring entities including educational establishments such as schools, HUMANA, ETANIA and CLC
5. Contractors, vendors, suppliers, customers.
6. Shareholders/investors/funders.
7. Regulators/licensors and relevant government agencies.
8. Embassies, High Commissions and Consulates.
9. Social and environmental CSOs, NGOs or CBOs.
10. Trade unions
11. Works councils, employees' committees or other informal employees' representations.
12. Media organizations.

Chapter 3: Undertaking an SIA

3.1 Identifying relevant stakeholders

3.1.1 List of potential stakeholders

For each of the stakeholder categories, it is recommended that you determine if they are impacted by your operational activities, decisions, and policies as this will help to determine if they fall within the scope of the SIA.

You are now ready to proceed with the next step which is the scoping assessment. Although a scoping assessment is not mandatory, it is highly recommended prior to conducting an SIA especially when assessing local community stakeholders.

3.2 Scoping assessment

Although a scoping assessment is not mandatory prior to an SIA, it is nevertheless a very useful exercise to undertake. A scoping assessment provides useful background information which could better prepare you for the SIA you are about to undertake.

Scoping assessment
☑ Has many benefits
☑ Highly recommended
☑ Not mandatory

3.2.1 Benefits of a scoping assessment

A scoping assessment is especially useful and recommended in the following situations:

a) You are new to, and not familiar with a particular area.

b) You do not know or are not familiar with the communities living in the said area.

c) You want to understand the social structure of the communities better to help you in your decision-making process.

d) You want to get an initial idea of any existing or potential social impacts that may arise from your operations

Among the benefits of a scoping assessment, especially if you are not from within the local community are:

a) Establishing initial contacts with the local communities to obtain background information of the area and the communities involved.

3.2 Scoping assessment

3.2.1 Benefits of a scoping assessment

Cont'

b) Understand initial stakeholder concerns so you can identify and prioritize the possible range of social impacts that are important to the community.

c) Identification of possible assessment areas which may go beyond the 5km radius. Determination of your possible assessment areas must not be rigid and would require discretion and common sense. (Please refer to Section 2.10.3 above).

d) It also helps to logistically prepare and plan for the SIA by gathering information such as:

   i. Time and manpower needed to carry out the SIA.

   ii. Transportation requirements and the routes to reach the various communities. This is especially relevant for communities who live in remote locations.

   iii. Possible venue(s) for stakeholder consultations, bearing in mind their transport limitations if any, and time required to travel to the venue, etc.

   iv. Determine if you need to engage a translator or someone who speaks the local language/dialect, or is familiar with the social context and trusted by the local communities.

3.2 Scoping assessment

3.2.1 Benefits of a scoping assessment

Cont'

d) Cont'

v. Estimate number of days required for consulting different community groups.

vi. Identify appropriate and most effective methods of consultation (community meetings, interviews with key members of the community and other community members, group discussions, etc.)

vii. Logistical issues such as seeking formal approval from authorities, formal invitation letters to send, vaccination requirements, etc.

viii. Determine budget allocation for the successful implementation of the SIA.

3.2 Scoping assessment

3.2.2 Optional scoping assessment

For other categories of stakeholders, (e.g., employees, contractors, suppliers, customers, government authorities, etc.,) scoping assessment would be optional because you would generally have been in constant touch with them through your day-to-day business transactions, have a general idea of their background, or simply that their position itself is not suitable for a scoping assessment (e.g., in the case of Embassies, High Commissions, licensors and regulators).

3.2.3 Recommended steps in scoping assessment

Below are some recommended steps you could take when conducting a scoping assessment.

a) Review any relevant literature for that particular community or area, if available, before going to meet the local communities. These can include reports by JAKOA or relevant NGOs, news or articles written on the area, government census report, etc. Doing so would enable you to better understand any issues or possible social impacts within that particular area.

b) Study the map of the area. The map would also be useful in helping to identify areas such as villages, settlements as well as the communities living therein who could potentially be impacted by your operations.

c) Visit to see the areas identified.

3.2 Scoping assessment

3.2.3 Recommended steps in scoping assessment

Cont'

d) Introduce yourself, and explain your purpose for being there. It is good to be open and transparent from the first meeting and establish a good rapport.

e) Get to know the village social structure and who the community leaders are.

f) Observe the common language/dialect spoken and if possible, the general level of literacy.

g) Assess existing road access, available infrastructure or lack of it, etc.

h) Find out if there are any social issues of concern that could be related to your operations.

After you have compiled all the information obtained during the scoping assessment, you can now start to plan, organize and coordinate your team for the SIA.

Chapter 3: Undertaking an SIA

3.3 Conducting the SIA

An SIA is conducted based on the principles of transparency, accountability, inclusivity and nondiscriminatory. The paragraphs below will detail out the steps necessary when undertaking an SIA under the MSPO Standards. Should you require clarifications or further information on certain terminologies used e.g., stakeholder identification, gender consideration, food security, participatory process, etc., you may refer to the relevant Sections in Chapter 2 above.

It is acknowledged that the ability and requirements to undertake an SIA would vary according to the scale of your operations. However, the basic principles of an SIA remain applicable for all types of operations. Any variations that you may find as a result of different operational scale or type would be in the following areas:

a) Number of **stakeholders** involved;

b) Types and extent of social issues that may arise from your **operational activities**; and

c) Details in report writing and **documentation**.

Whichever your business operation category is, whether you choose to carry out the SIA with your own internal team, with the assistance of a third-party consultant, or if you are doing it as the Manager of several organised smallholdings, you would still have to go through two main phases. These two main phases are as follows:

3.3 Conducting the SIA

3.3.1 Phase 1: Understanding issues/impacts

a) Determine which stakeholders to sample and determine the sampling size. (Please refer to Section 2.14 above on Sampling).

b) Obtain baseline data of your stakeholders. At a minimum, for local communities, you would want to know number of houses in that area, population number, community's main source of income and range of basic monthly income, reliance on natural resources for food, water and daily needs (e.g., river/stream for fishing, drinking, cooking, cleaning), any practices of hunting or foraging for NTFPs, need for land for agriculture (plants and animal rearing), access to education facilities, health facilities, potable water and electricity. If there are indigenous communities, include also their access to hunting/fishing/food gathering, agricultural land, religious, cultural and sacred sites, etc. This information would be useful for purposes of future comparison.

c) Based on the preliminary data obtained during the scoping assessment, arrange to meet the stakeholders for a participatory stakeholder consultation. If they are your employees, ensure that you meet them in separate groups according to nationalities, tribes, clans and gender. Similarly, in a big group of villagers, consider separating according to gender and obtain views from a cross-section of the community..

3.3 Conducting the SIA

3.3.1 Phase 1: Understanding issues/impacts

Cont'

d) If you are meeting the stakeholder representatives, ensure their legitimacy and community acceptance, while making sure also that they represent all the various groups of stakeholders including the women and youths.

e) Commence the participatory consultations.

   i. Begin by explaining the purpose of the meeting.

   ii. Explain the participatory nature of the meeting, and that this is a dialogue where they are invited to openly share their views and perceptions of your operations without any fear of ramifications. Explain that this participatory meeting is iterative in nature, it is not a one-off, and that there would be subsequent follow-up meetings.

   iii. Provide a clear background of your operations e.g., hectarage, lease duration (if it's a leasehold), manpower requirement and their source country, number of project cycles, your operational activities, replanting plan, etc.)

   iv. Be as transparent and as open as possible during the meeting. Provide full information about the operations, and how the operations and activities may have impacts on them.

3.3 Conducting the SIA

3.3.1 Phase 1: Understanding issues/impacts

Cont'

e) Commence the participatory consultations. (Cont')

v. Ensure a balanced presentation and include all the positive and negative impacts that may arise from the operations. For illustration purposes, and to give them a sense of how they are likely to be impacted, you may refer to examples of similar operations elsewhere.

vi. Find out directly from them how they perceive they would be impacted (both positively and negatively) as a result of your operations.

vii. If you are already operational, find out what social impacts they have encountered since the commencement of the operations.

viii. Find out about any food security issues they might be facing. (Please refer to Section 2.17 above on Food Security).

3.3 Conducting the SIA

3.3.2 Phase 2: Analyse and develop enhancement/mitigation measures

a) Collate all the information received in Phase 1. Together with the affected stakeholders, analyse and determine if the identified impacts (existing and in the future) and food security issues are a result of your business operations.

b) Once the social impacts and food security issues have been analysed and determined to have arisen from your operational activities, together with the affected stakeholders, identify measures for addressing the same. Findings should be discussed with affected stakeholders to ensure that conclusions and recommendations are appropriate. The desired outcome of this discussion would be identified measures to enhance the positive impacts and reduce the negative ones.

c) These measures can be in the form of organizational or project-specific mechanisms which you now will incorporated into a Management Plan.

d) If the impacts have not resulted from your operations, decisions, policies, etc., explain to the stakeholders that those impacts would not be considered under the SIA, but may instead be considered as part of your organisation's CSR.

3.4 Replanting

Replanting activities have their own unique set of impacts. If you have planned for replanting within the next five years, you need to assess during the SIA the potential social impacts that may arise during replanting. This Section has been included to guide you on the possible social impacts to consider.

3.4.1 Definition and applicability

Replanting, as defined by the MSPO Standards is

"planting of oil palm on land previously cultivated with oil palm".

Since replanting activities are only applicable to plantations, it logically follows that this Section is relevant only for the following categories:

a) Part 2-2: Organised smallholdings

b) Part 3-1: Oil palm plantations of 40.46 ha to 500 ha

c) Part 3-2: Oil palm plantations of above 500 ha

3.4 Replanting

3.4.1 Definition and applicability (Cont')

For purposes of this Section, all the above categories would be collectively referred to as "plantations", irrespective of size.

The most likely stakeholders to be impacted by replanting activities would be your employees, neighbouring communities including communities living downstream, your contractors and suppliers. These impacts can be either positive or negative, and need to be assessed and identified using the cardinal principle of participatory stakeholder consultations.

For purposes of illustration, this Guidelines will touch upon these most likely impacted stakeholders, and list down the likely social impacts – both positive and negative – they may face as a result of a planned replanting.

3.4 Replanting

3.4.2 Impacts on employees

a) Positive impacts

i. Some plantations pay harvesters higher rates harvesting young palms.

ii. Harvesters may find it easier to harvest young palms.

iii. Lighter fruit bunches make for easier FFB evacuation.

b) Negative impacts

i. Some skilled harvesters no longer receive extra allowance for harvesting tall palms.

ii. Exposure to heat and direct sun.

iii. Less grazing areas for employees who own cattle.

iv. Some organised smallholders practice integrated farming by allowing third-parties lease to plant bananas, watermelon, pumpkin in between the palm rows. This may disrupt oil palm employees from carrying out oil palm maintenance work and can cause social conflicts with the third parties.

3.4 Replanting

3.4.3 Impacts on local communities

a) Positive impacts

i. Job and business opportunities

ii. Local communities are able to learn and emulate sustainable practices implemented by the company/plantation..

b) Negative impacts

i. Indigenous communities who use the plantation to access their foraging areas can no longer do so due to on-site replanting safety protocols.

ii. Local communities whose cattle used to graze in the area can no longer do so especially with rat baiting activities going on.

iii. Top-soil runoff and erosion would cause deterioration of water quality to communities living downstream, especially those who rely on clean water supply from the river for their daily needs.

iv. Movement of heavy machineries causing dusty road conditions, road damage, and road safety issues.

v. Infestations of rhinoceros beetles and bagworms on neighbours' crops and fruit trees.

3.4 Replanting

3.4.4 Impacts on contractors, vendors and suppliers

a) Positive impacts

   i. Opportunity to adapt and diversify business

b) Negative impacts

   i. Contractors who were once providing transportation of FFB from the plantation to the mill now no longer do so and this might have an adverse impact on their income. They would now have to wait for at least three to four years before the young palms are ready for harvesting.

3.4.5 Mitigation and enhancement measures

After you have participatorily identified the potential social impacts with your stakeholders, you now need to discuss the measures to be taken to enhance the positive impacts and mitigate the negative ones. You can combine this process with other types of social impacts that have been identified. (Please refer to Section 3.3.2 above).

3.5 Management Plan and/or Operational Procedures

The MSPO Standards require that following an SIA, any agreed measures to address the social impacts are to be incorporated into a Management Plan, and/or into Operational Procedures for purposes of implementation, monitoring and review. This Management Plan is to be implemented and collaboratively reviewed with the affected stakeholders to ensure the effectiveness of any mitigation measures taken.

3.5.1. Management Plan

An SIA Management Plan is a document that is produced at the end of Phase 2, after both parties have identified and agreed in a participatory manner the measures to be taken. A Management Plan is best tabulated for easy reference and made an integral part of the SIA Report. (Please refer to Chapter 5 below on SIA Report).

At a minimum, the SIA Management Plan must contain the following:

a) **Date** the Management Plan was prepared. This date is useful to know when planning for the **annual review**.

b) Social impacts that have been identified as a **result** of your operational activities. Separate the positive impacts from the negative ones.

c) Identify the **impacted stakeholders** either by individual names or by village, depending on the extent of the impact and who are affected.

3.5 Management Plan and/or Operational Procedures

3.5.1. Management Plan

Cont'

d) Responses from company management or representative to each of the social impacts identified.

e) The **solutions** or measures that have been participatorily agreed upon during Phase 2. These are measures to enhance the positive impacts and mitigate the negative ones.

f) Expected **outcome** following the implementation of the Management Plan.

g) Timeframe for implementing each measure.

h) You may decide together with your stakeholders what **priority level** of implementation to be given to each measure. Example would be "low", "medium", and "high". As a suggestion, you may want to categorise the priority levels for implementation as follows:

i. "Low" (within 8 – 12 months).

ii. "Medium" (between 4 – 8 months).

iii. "High" (Immediate to 3 months).

3.5 Management Plan and/or Operational Procedures

3.5.1. Management Plan

Cont'

i) Identify **target date** for implementation against actual date of implementation. It would be useful to add a column to remark the reason for not implementing by the agreed timeframe. This would be useful when monitoring the implementation of the Management Plan.

j) Identify **person(s) responsible** for ensuring implementation together with his/her designation.

The Management Plan can stand on its own, or it could also be read in conjunction with your Operational Procedures.

3.5 Management Plan and/or Operational Procedures

3.5.2. Operational Procedures

Operational procedures include process, guidelines, diagrams, SOPs, etc., which generally, is a compilation of step-by-step instructions to guide employees during the execution of a routine task. It can also be used to manage any of the social impacts.

For example, a neighbour complains about having to endure constant flooding each time it rains. Further investigation reveals that this was as a result of palm fronds from your plantation getting into the nearby drain and causing disruption to water flow. Among the measures that both parties can agree on is an Operational Procedure which details out the following process:

a) Proper fronds stacking by your employees;

b) Inspection of the drains to be conducted by your employees after heavy rain;

c) Immediate removal of any palm fonds from the drain, if any; and

d) Ensure all culverts are cleared, drains desilted regularly and kept clear of debris and blockages.

The Operational Procedure must also identify the person(s) responsible to ensure its implementation. This would be useful for monitoring purposes.

The Management Plan can include drawing up of an operational procedure as one of the measures agreed upon.

Chapter 4: Implementation, Monitoring and Review

Following the identification of social impacts, you would have prepared an SIA Management Plan and/or Operational Procedures. These documents would have been prepared in a participatory way with the affected stakeholders and contain actions to be taken in managing all the identified social impacts. (Please refer to Section 3.5 above on Management and/or Operational Procedures).

In an SIA, the participatory process with impacted stakeholders continues throughout the implementation, monitoring and review stages. This Chapter will guide you throughout these stages.

4.1 Implementation

The implementation of a Management Plan and/or Operational Procedures requires you to carry out the agreed measures in accordance with the manner and timeframe contained in the said documents. Implementation of the Management Plan and/or Operational Procedures is the responsibility of the person(s) identified in the documents and is usually from the company's side where the social impacts have emanated from.

To aid with the monitoring and reporting back to the stakeholders, all actions taken during implementation stage must be documented. This document is called the Implementation Document.

4.1 Implementation

4.1.1 Contents of an Implementation Document

It is up to you and your stakeholders how the Implementation Documentation is crafted. It depends on your own preference and that of your stakeholder's. However, at a minimum, the Implementation. Document must have the following information:

a) Summary of the social impacts that have been identified.

b) Agreed implementation measures to address these impacts.

c) Target date for implementation. If implementation is to be done in stages, state the dates for each stage of implementation.

d) Person (s) responsible to carry out the implementation, together with his/her designation.

e) Types of action taken and date(s) of implementation. If it is an ongoing or continuous activity, this can also be remarked as 'ongoing'. Instances where the implementation is a continuous process can be:

   i. Allowing local community or indigenous peoples access via the main entrance to get to their village, cultural or religious sites, fruit orchards, shifting agriculture farm, etc.

   ii. Open offer of employment opportunities to the local communities.

   iii. Continuous monitoring of road conditions following ingress and egress of transportation forces.

4.1 Implementation

4.1.1 Contents of an Implementation Document (Cont')

f) Acknowledgment by the impacted stakeholder(s) confirming that the agreed measures have been implemented. This can be by way of a signature or thumbprint, and it must be dated.

g) Pictorial evidence in support. Preferably, the picture has the date stamped.

Go to Monitoring Activity

4.2 Monitoring

Monitoring provides you with the opportunity to keep track of how impacts are managed, and the effectiveness of the Management Plan and/or Operational Procedures.

4.2.1 How is Monitoring done?

This can be done by regularly monitoring the Implementation Document (Please refer to Section 4.1.1 above on Implementation Document) together with your affected stakeholders. By monitoring the Implementation Document, you can do the following:

a) Track the progress of the agreed implementation measures.

b) Identify any deviations between planned activity against actual progress of any agreed measure.

c) Identify remedial steps to be taken if deviations are found.

4.2 Monitoring

4.2.2 How do you monitor the implementation effectively?

The following are the suggested steps you can take to ensure that monitoring is done in an effective way.:

a) Agree with the impacted stakeholders on the indicators to be used to measure the status of implementation. Improvements in the stakeholders' socio-economic baseline data can also be used as an indicator. (Please refer to Section 2.15 above on Socio-economic baseline data).

b) Agree on the frequency of monitoring. E.g., weekly, monthly, quarterly, bi-annually, etc. The frequency of monitoring would also depend on how soon the result of intervention can be measured. There is no point in fixing monitoring frequency at weekly intervals if the result of intervention can only be seen after, for example, three months.

c) Invite the affected stakeholders to participate in the monitoring exercise. This gives the monitoring exercise a legitimacy; for otherwise it would be seen as just another formality or a box-ticking exercise.

d) Provide the option for the affected stakeholders to invite any third-parties, e.g., a consultant or local expert, Trade Union, CBO, CSO or NGO, to facilitate the involvement of the affected stakeholders in the monitoring process.

e) Compare baseline date obtained earlier with the latest data.

4.2 Monitoring

4.2.2 How do you monitor the implementation effectively? Cont'

f) Written or oral feedbacks (which needs to be documented) received from the impacted stakeholders supported by pictorial evidence of progress of measures taken, or fulfilment of indicators.

g) Meeting with the impacted stakeholders to record their feedback on the status of implementation.

h) Onsite verification visits, accompanied by pictures stamped with time and date of the visit.

4.3 Review

A review is necessary because social and environmental situations, business structure and operational activities can evolve and change over time, rendering the earlier assessment and the subsequent management plans obsolete. To avoid that from happening, reviews are to be carried out and adaptations made if necessary.

A review does not necessitate a total re-assessment. The review can focus on the changes which affect social or environment aspects.

4.3.1 Participatory review

All reviews are to be carried out in a participatory way with the impacted stakeholders, and minuted. Not having stakeholder participation during the review process could cause it to be seen as part of a tick-box exercise, and could even reduce your social license to operate. It may even reduce the credibility and reliability of the review process.

Provide the affected stakeholders the option of inviting third-parties, e.g., a consultant or local expert, Trade Union, CBO, CSO or, NGO to facilitate the involvement of the affected stakeholders in the review process.

4.3 Review

4.3.2 Benefits of a review

Adaptive management is inherent when reviewing social impacts because even the best social practices may change over time. This is especially pertinent in an oil palm setting which has a long project life expectancy. What was once considered good social practice may become outdated and no longer be applicable, thus rendering a review process necessary. Below are some of the benefits of a review process:

a) Ensures that the project remains up to current national and international good practice;

b) Provides an opportunity for you and your stakeholders to reflect on the efficacy of the SIA processes, or the ability to produce the desired result;

c) Provides an opportunity for you and your stakeholders to find out what worked and what didn't work; and

d) Useful when planning for better outcomes in the future based on lessons learned in the current process.

4.3 Review

4.3.3 Review prior to replanting

When the SIA was initially conducted, you would have identified a wide range of possible social impacts – both current and future - on your stakeholders. You may also have included replanting as one of the future social impacts during the SIA.

However, this SIA may have been conducted several years back; and the stakeholders you consulted during the SIA and the social impacts considered then may have since changed. This, therefore, are the reasons for an SIA review prior to the commencement of replanting activities.

4.3.4 Conditions necessary for SIA review

It is acknowledged that plantations would usually plan its replanting activities in what is known as the replanting plan. This is where identified oil palm blocks are earmarked for replanting. Therefore, assuming that potential social impacts arising out of these planned replanting activities had already been considered during the previously conducted SIA, a review of the SIA would become necessary if the replanting area in any given financial year is 500 ha per estate, or more. If the total replanting area of an estate is less than 500 ha in any given financial year, a review of the SIA is not necessary. However, this is subject always to Section 4.3.6 below.

4.3 Review

4.3.5 What do you review?

When you conduct a review, you look out for any new social or environmental impacts on your stakeholders arising from your operations, decisions, etc., since the last SIA was conducted. If changes are present, you would now have to assess these social impacts – positive or negative – and together with your affected stakeholders, mutually agree on new enhancement or mitigation measures. These new findings, if any, together with the new measures to be taken will be incorporated into the Management Plan and Implementation Document, and then monitored and reviewed.

4.3.6 Exception to the 500ha limit

However, if potential social impacts arising from replanting were overlooked or not considered during the previously conducted SIA, then, an SIA review must be conducted, irrespective of the replanting hectarage per estate. The SIA review must take into account potential social impacts from replanting that were not previously considered before any replanting activities can commence in the field, which includes the arrival of machineries for felling and chipping.

Chapter 4: Implementation, Monitoring and Review

4.3 Review

TABLE 14 – DOCUMENTS AND FREQUENCY OF REVIEWS

Documents for review	Frequency
• Management Plan and/or Operational Procedures. To review the effectiveness of the Management Plan and/or Operational Procedures	Periodically
• SIA Reports	• Every 5 years, or earlier if there are any change affecting social or environmental aspects. • Prior to replanting if the total replanting area exceeds 500 ha per estate for the financial year; and/or; • If potential social impacts arising from replanting were overlooked or not considered during the previously conducted SIA, irrespective of replanting hectarage

4.4 Communication of actions, outcomes and progress of SIA

SIA involves continuous reporting back to the affected stakeholders and therefore it should be seen as a process, and not a product. Progress and actions taken during implementation stage, the monitoring of the management plan and the reviews are to be documented and reported back to the impacted stakeholders. Reporting back to the affected stakeholders demonstrates commitment and accountability. It also helps in building trust with your stakeholders.

The reporting back must be in forms which are appropriate, understandable and mutually agreed with the affected stakeholders. This can be by way of verbal briefings during meetings, reports, maps and pictures, etc., depending on your stakeholders' preferences.

Chapter 5: SIA Report

An SIA Report is required as a way of documenting methodology, procedures, and findings of the SIA processes. It is also a form of reporting back to the affected stakeholders. References can be made to it when implementing the agreed enhancement and mitigation measures. The SIA Report is also useful when conducting monitoring and review. Therefore, it is important to ensure the incorporation of all important information into the SIA Report.

5.1 Contents of an SIA Report

Taking cognisance of the wide range of oil palm operators in the country, this Guideline recommends that the contents and write-up of an SIA Report be tailored according to following categories:

- Category 1 – Large-scale plantations, oil palm mills and refineries (Part 3-2, Part 4-1 and Part 4-2)
- Category 2 – Medium-scale plantations (Part 3-1)
- Category 3 – Organised smallholders and dealers (Part 2-2 and Part 4-3)
- Category 4 – Independent smallholders (Part 2-1)

Chapter 5: SIA Report

TABLE 15 – SUGGESTED CONTENTS OF AN SIA REPORT FOR CATEGORY 1: LARGE-SCALE PLANTATIONS, OIL PALM MILLS AND REFINERIES

Chapters	Explanation
General introduction to the operation site	1. Describe the location, size, and type of operational activities. 2. Land title. 3. What was the previous land use? 4. Describe the surrounding landscape, topography and geographical terrain. Is the terrain flat, hilly and undulating? Are there any rivers or streams flowing inside your land? 5. Are you located within an industrial zone, near villages or indigenous community settlements? If you are located near villages or indigenous community settlements, does the river/stream flow through any villages/settlements? 6. How long have you been operational, or are you about to commence operations (land clearing, construction, and planting?) 7. If you haven't started operations, when do you plan to start? 8. Describe the adjacent communities and nearby entities. How many villages are nearby and what is their distance to your operations? What is the population size, community's main source of income and available infrastructure? 9. If possible, include maps and pictures.

Chapter 5: SIA Report

TABLE 15 – SUGGESTED CONTENTS OF AN SIA REPORT FOR CATEGORY 1: LARGE-SCALE PLANTATIONS, OIL PALM MILLS AND REFINERIES

Chapters	Explanation
Description of the manpower and Operation	1. Describe your manpower profile - their different job specifications, countries of origin, gender breakdown, how were they sourced (via local/foreign agents, walk-ins, etc). 2. Are you planning for a larger manpower? If so, by how many? 3. Describe the amenities and benefits provided to your employees. 4. Anticipated timeframe for operation in terms of years. 5. Licenses and permits to operate.
Description of stakeholders and the consultation process	1. Describe the scoping assessment carried out, if any. What were the findings? 2. Describe the socio-economic baseline data. 3. Describe all stakeholders in general – their activities, location, interest or influence in your operations. 4. Do they use your area to gain access to their properties, villages, or other daily needs? 5. Describe the sampling method used in stakeholder selection and identification. 6. How many stakeholders were consulted, and which categories were they from? 7. If you consulted the representatives, describe how they were identified. 8. What was the method of consultation adopted?

Chapter 5: SIA Report

TABLE 15 – SUGGESTED CONTENTS OF AN SIA REPORT FOR CATEGORY 1: LARGE-SCALE PLANTATIONS, OIL PALM MILLS AND REFINERIES

Chapters	Explanation
Cont' Description of stakeholders and the consultation process	9. Describe the profile of the stakeholders you consulted. What are they interests in your operation? 10. If some of them were not consulted, explain why. 11. Describe the briefings given during the stakeholder consultation process. 12. How many meetings were conducted with the stakeholders? 13. Was food security considered? What were the findings on food security?
SIA Findings	1. Describe the social impacts and how were they identified 2. Describe the impacted stakeholders and how were they impacted
Mitigation Measures	1. What were the mitigation measures identified to address the impacts? 2. How were the mitigation measures identified? Who decided on what mitigation measures to take?

Chapter 5: SIA Report

TABLE 15 – SUGGESTED CONTENTS OF AN SIA REPORT FOR CATEGORY 1: LARGE-SCALE PLANTATIONS, OIL PALM MILLS AND REFINERIES

Chapters	Explanation
Management Plan	1. How was the Management Plan developed and who participated in the development? 2. Attach the Management Plan to the SIA Report. 3. This Management Plan should contain all social impacts identified, identified enhancement and mitigation measures, person in charge, timeframe for implementation and Management Plan review date.
Others	1. Attach stakeholder consultation attendance sheets 2. Attach discussion notes containing date and location of discussions, salient points raised by stakeholders during the discussion and company's responses. 3. Attach pictures, if any. 4. Meeting records with stakeholders which discussed complaints and grievances raised by stakeholders, if any. 5. Details of the SIA assessors such as names, areas of assessment, qualification and work experience,

Chapter 5: SIA Report

TABLE 16 - SUGGESTED CONTENTS OF AN SIA REPORT FOR CATEGORY 2: MEDIUM-SCALE PLANTATIONS

Chapters	Explanation
General introduction to the operation site	1. Describe the location, size, and type of operational activities. 2. Land title. 3. Are there any rivers or streams flowing inside your land? 4. If you are located near villages or indigenous community settlements, does the river/stream flow through any villages/settlements? 5. Briefly describe the neighbouring communities. 6. How many villages are nearby and what is their distance to your operations? 7. If possible, include maps and pictures.
Description of the operation	1. Describe total manpower, or required manpower. 2. Anticipated timeframe for operation in terms of years. 3. Licenses and permits to operate.
Description of stakeholders and the consultation process	1. Describe the scoping assessment carried out, if any. What were the findings? 2. Describe all stakeholders in general – their activities, location, interest or influence in your operations. 3. Do they use your area to gain access to their properties, villages, or other daily needs? 4. Describe the sampling method used in stakeholder selection and identification. 5. How many stakeholders were consulted, and which categories were they from?

Chapter 5: SIA Report

TABLE 16 - SUGGESTED CONTENTS OF AN SIA REPORT FOR CATEGORY 2: MEDIUM-SCALE PLANTATIONS

Chapters	Explanation
Cont' **Description of stakeholders and the consultation process**	6. If you consulted the representatives, describe how they were identified. 7. Describe the profile of the stakeholders you consulted. What are they interests in your operation? 8. Describe the briefings given during the stakeholder consultation process. 9. How many meetings were conducted with the stakeholders? 10. Was food security considered? What were the findings on food security?
SIA Findings	1. Describe the social impacts and how were they identified 2. Describe the impacted stakeholders and how were they impacted
Mitigation Measures	1. What were the mitigation measures identified to address the impacts? 2. How were the mitigation measures identified? Who decided on what mitigation measures to take?
Management Plan	1. How was the Management Plan developed and who participated in the development? 2. Attach the Management Plan to the SIA Report. 3. This Management Plan should contain all social impacts identified, identified enhancement and mitigation measures, person in charge, timeframe for implementation and Management Plan review date.

Chapter 5: SIA Report

TABLE 16 - SUGGESTED CONTENTS OF AN SIA REPORT FOR CATEGORY 2: MEDIUM-SCALE PLANTATIONS

Chapters	Explanation
Others	1. Attach stakeholder consultation attendance sheets 2. Attach discussion notes containing date and location of discussions, salient points raised by stakeholders during the discussion and company's responses. 3. Attach pictures, if any. 4. Meeting records with stakeholders which discussed complaints and grievances raised by stakeholders, if any. 5. Details of the SIA assessors such as names, areas of assessment, qualification and work experience,

Chapter 5: SIA Report

TABLE 17 - SUGGESTED CONTENTS OF AN SIA REPORT FOR CATEGORY 3: ORGANISED SMALLHOLDERS AND DEALERS

Chapters	Explanation
General introduction to the operation site	1. Describe the location, size, and type of operational activities. 2. Land title. 3. Are there any rivers or streams flowing inside your land? 4. If you are located near villages or indigenous community settlements, does the river/stream flow through any villages/settlements? 5. Briefly describe the neighbouring communities. 6. How many villages are nearby and what is their distance to your operations? 7. If possible, include maps and pictures.
Description of the Operation	1. Describe total manpower, or required manpower. 2. Anticipated timeframe for operation in terms of years. 3. Licenses and permits to operate.
Description of stakeholders and the consultation process	1. Describe the scoping assessment carried out, if any. What were the findings? 2. Describe all stakeholders in general – their activities, location, interest or influence in your operations. 3. Do they use your area to gain access to their properties, villages, or other daily needs? 4. Describe the sampling method used in stakeholder selection and identification. 5. How many stakeholders were consulted, and which categories were they from?

Chapter 5: SIA Report

TABLE 17 - SUGGESTED CONTENTS OF AN SIA REPORT FOR CATEGORY 3: ORGANISED SMALLHOLDERS AND DEALERS

Chapters	Explanation
Cont' **Description of stakeholders and the consultation process**	6. If you consulted the representatives, describe how they were identified. 7. Describe the profile of the stakeholders you consulted. What are they interests in your operation? 8. Describe the briefings given during the stakeholder consultation process. 9. How many meetings were conducted with the stakeholders? 10. Was food security considered? What were the findings on food security?
SIA Findings	1. Describe the social impacts and how were they identified 2. Describe the impacted stakeholders and how were they impacted
Mitigation Measures	1. What were the mitigation measures identified to address the impacts? 2. How were the mitigation measures identified? Who decided on what mitigation measures to take?
Management Plan	1. How was the Management Plan developed and who participated in the development? 2. Attach the Management Plan to the SIA Report. 3. This Management Plan should contain all social impacts identified, identified enhancement and mitigation measures, person in charge, timeframe for implementation and Management Plan review date.

Chapter 5: SIA Report

TABLE 17 - SUGGESTED CONTENTS OF AN SIA REPORT FOR CATEGORY 3: ORGANISED SMALLHOLDERS AND DEALERS

Chapters	Explanation
Others	1. Attach stakeholder consultation attendance sheets 2. Attach discussion notes containing date and location of discussions, salient points raised by stakeholders during the discussion and company's responses. 3. Attach pictures, if any. 4. Meeting records with stakeholders which discussed complaints and grievances raised by stakeholders, if any. 5. Details of the SIA assessors such as names, areas of assessment, qualification and work experience.

Chapter 5: SIA Report

TABLE 18 - SUGGESTED CONTENTS OF AN SIA REPORT FOR CATEGORY 4: INDEPENDENT SMALLHOLDERS

Chapters	Explanation
General introduction to the operation site	1. Describe the location and size 2. Are there any rivers or streams flowing inside your land? Where does it flow. 3. Land title.
Description of the Operation	1. Who does the harvesting and maintenance? 2. If you have employees, how many are they, where are they from?. 3. Do they have contracts with you? 4. What are their working hours. 5. How are their wages calculated? 6. What are benefits given to employees (PPE? Housing? Etc) 7. Do you provide training to your employees on safety?, 8. Licenses and permits to operate.
Description of stakeholders and the consultation process	1. What are the issues with your neighbours related to your smallholding, if any. 2. Are the issues resolved? 3. If yes, describe how the issues were resolved. If not, how do you plan to remedy it.

Chapter 6: Challenges

Below are some of the challenges that you may face when conducting an SIA, and possible solutions to overcome them.

1. **Hostility and unwillingness to participate in consultations.**

   Some stakeholders are not willing to participate and provide any feedback due to previous unpleasant encounters or interactions with other parties. Some are also skeptical and view outsiders as encroachers, disruptors to their daily routine, or land grabbers. In such situations, it may be worthwhile to involve a trusted third-party e.g., an NGO, CBO or individual to play the role of a mediator.

2. **Unknowingly missing out on relevant stakeholders.**

   This could happen when there are remote communities involved coupled with insufficient research and fact-finding. Background reading, in-depth fact-finding and consultations with relevant government agencies or NGOs might address this challenge.

3. **Not getting enough valuable information.**

   This might happen when the stakeholders don't attend stakeholder meetings, or send a representative who is unable to provide any meaningful inputs. This could be addressed by following-up with the relevant stakeholders either by phone or face-to-face meetings for a proper and meaningful consultation.

Chapter 6: Challenges

4. Confusing between social impacts arising from your operations, and those which are unrelated. There could be numerous social issues faced by the local communities. However, not all of them are the result of your operational activities. For example, a group of villagers who have no access to potable water in the village have been relying on rain water for supply even before your operations commenced. This would not be considered an SIA-related issue for you to solve. However, assistance may be rendered as part of your company's CSR contributions.

5. Confusing between social impacts and stakeholders' requests for CSR contributions. Requests for CSR contributions are often ad hoc requests for assistance from neighbouring communities. These may include requests for cash or in-kind contributions towards community festival celebrations, donation of water tanks to the villagers, school uniforms to the village school children, assisting with the occasional grass-cutting, etc. These are CSR activities, and not the result of social impacts arising from your business operations.

6. Confusing between what are SIA impacts and what are complaints. Nevertheless, complaints can be an indicator of a social impact. For example, numerous complaints received from workers about house defects can cause social impacts resulting in discomfort, hygiene, safety, and health issues.

Chapter 6: Challenges

7. Not having a competent person to conduct the SIA. A competent person would be someone who is well-versed with the principles and concept of an SIA, able to interact effectively with the affected stakeholders, preferably speaks the local language and familiar with local culture. Engaging a third-party consultant to carry out the initial SIA on your behalf and who could, at the same time, provide hands-on training and capacity building to your own internal team would be helpful.
8. Stakeholder consultation and the processes involved in an SIA is a big commitment and undertaking. Ideally, there should be a dedicated team to deal with these issues. Some companies do not have sufficient manpower and would have to consider recruiting a dedicated team of personnel specifically for this.
9. The costs involved in addressing the social issues may be substantial and can eat up into a tight budget. It is therefore important that the SIA be conducted before any work onsite commences. This would allow you to understand the potential social impacts that may arise as a result of your operations and apply for the necessary budget to manage the same.

Input

- Stakeholder (2.13.1)
  - Community heads
  - NGOs, CBOs, CSOs or individuals
  - Employees' representatives
  - Trade union

1. All employees
2. Employees' family members who live in the company-provided accommodation.
3. Local communities including indigenous communities, religious leaders, community leaders, youth and women's groups.
4. Adjacent/neighboring entities including educational establishments such as schools, HUMANA, ETANIA and CLC
5. Contractors, vendors, suppliers, customers.
6. Shareholders/investors/funders.
7. Regulators/licensors and relevant government agencies.
8. Embassies, High Commissions and Consulates.
9. Social and environmental CSOs, NGOs or CBOs.
10. Trade unions
11. Works councils, employees' committees or other informal employees' representations.
12. Media organizations.