



M A L A Y S I A N S U S T A I N A B L E P A L M O I L

SOCIAL IMPACT ASSESSMENT

PROCEDURE

CONTENTS

NO.	SECTION TITLE	PAGE NO.
1.	ACRONYMS	2
2.	INTRODUCTION	3
3.	SCOPE OF ASSESSMENT	4
4.	SOCIAL IMPACT ASSESSMENT METHODS	4
5.	ROLES AND RESPONSIBILITY	6
6.	GENERAL REQUIREMENTS FOR MSPO SIA ASSESSOR	8

Malaysian Sustainable Palm Oil Social Impact Assessment Procedure

Version 1.0

1. ACRONYMS

NO.	ACRONYM	FULL TERM / DEFINITION
1.	AB	Accreditation Body
2.	ACB	Accredited Certification Body
3.	CB	Certification Body
4.	ETP	Endorsed Training Providers
5.	IAIA	International Association of Impact Assessment
6.	MS	Malaysian Standards
7.	MSPO	Malaysian Sustainable Palm Oil
8.	SIA	Social Impact Assessment

2. INTRODUCTIONS

The Social Impact Assessment (SIA) is a required process for certification under the Malaysian Sustainable Palm Oil (MSPO) Standards. The International Association of Impact Assessment (IAIA) states that “SIA includes the process of analysing, monitoring and managing the intended or unintended social consequences both the positive and negative of planned interventions (policies, programmes, plan, projects) and any social change process invoked by said interventions. Its primary purpose is to bring about a more resilient and equitable biophysical and human environment. This highlights the importance of SIA as a continuous process rather than a one-time exercise solely for audit compliance.

To support this, MSPO has developed the SIA Guidelines and Approach document tailored to certification under MSPO Standards. This user-friendly guide assists stakeholders in conducting assessments in accordance with MSPO requirements.

In addition to the guideline, this procedure serves as the foundation for implementing the SIA element under MSPO Standards. It sets the quality expectations for SIA execution and safeguards the credibility of SIA assessors.

(NOTE: This document outlines the key components, requirements, and implementation arrangements of the SIA under MSPO Standards.)

3. SCOPE OF ASSESSMENT

3.1 THE SCOPE OF ASSESSMENT SHALL BE AGAINST THE FOLLOWING:

- 3.1.1 Assessment may be conducted individually or as part of a group of organisations.

(NOTE: Refer to clause 5.3 for organisation type)

- 3.1.2 For individual assessment, the assessment shall be against a single scope of MSPO Standards.

- 3.1.3 For group assessment, the assessment can be conducted in a grouping format where multiple organisations are assessed together.

- 3.1.4 However, for group assessments, the SIA report must be prepared individually for each organisation.

4. SOCIAL IMPACT ASSESSMENT METHODS

4.1 THE ASSESSMENT MAY BE CONDUCTED IN TWO (2) WAYS EITHER:

- (a) Internal Assessment; or
- (b) External Assessment

4.1.1 Internal Assessment

- (i) The assessment shall be conducted internally, by the same organisation.
- (ii) The organisation's internal assessor should be competent to conduct the assessment. The competency of the internal assessor should refer to clause 6.3.
- (iii) The assessment shall be conducted with reference to the SIA Guidelines and Approach for MSPO Standards document, developed by the scheme owner.
- (iv) For internal assessment, the organisation does not need to submit the report to the scheme owner for acceptance. However, the SIA report shall be made available to the auditors during the MSPO audit.
- (v) For organisation with an existing SIA report, they need to do gap analysis between the existing report with the SIA Guidelines and Approach for MSPO Standards document, developed by the scheme owner, and close the gaps by revising the SIA report, if any. Auditors are subjected to verify the SIA report during the MSPO audit.

4.1.2 External Assessment

- (i) The assessment shall be conducted by the endorsed MSPO SIA external assessors.
- (ii) The list of endorsed MSPO SIA external assessors is available on the scheme owner's website.
- (iii) The assessment shall be conducted with reference to the SIA Guidelines and Approach for MSPO Standards document, developed by the scheme owner.
- (iv) The assessors shall submit the complete draft of the MSPO SIA report to the scheme owner for review within ninety (90) calendar days from the date of the site visit.
- (v) The submission of the SIA report shall be made using the designated platform provided by the scheme owner.
- (vi) The scheme owner shall review the report within thirty (30) calendar days from the date of receipt. The scheme owner reserves the right to accept or reject the report.
- (vii) For accepted reports, the scheme owner will notify the endorsed MSPO SIA external assessors through the designated platform, who will then share the reports with the organisation.
- (viii) The report may be rejected by the scheme owner if:
 - (a) The report does not comply with the SIA Guidelines and Approach for MSPO Standards document, developed by the scheme owner; or
 - (b) The scheme owner found an issue of concern but is not raised in the report.
- (ix) If the report is rejected by the scheme owner, the assessors have thirty (30) calendar days to amend the report and resubmit it back to the scheme owner for acceptance.
- (x) The scheme owner only recognises SIA reports issued by the endorsed MSPO SIA external assessors.
- (xi) The scheme owner will not be held responsible or liable for the outcome of the accepted SIA report.

5. ROLES AND RESPONSIBILITY

5.1 SCHEME OWNER

5.1.1 The scheme owner will be responsible for the following:

- (i) Responsible for monitoring the compliance of endorsed MSPO SIA external assessors with this document;
- (ii) Reserves the right to accept or reject applications for MSPO SIA external assessor endorsement;
- (iii) Responsible for processing applications for MSPO SIA external assessor endorsement and publishing the list of endorsed external assessors on the scheme owner's website;
- (iv) Responsible for reviewing and accepting the MSPO SIA report submitted by the endorsed MSPO SIA external assessor;
- (v) To issue periodic circulars that the endorsed MSPO SIA external assessors are required to adhere to;
- (vi) Responsible for providing comprehensive training to the MSPO SIA assessors and MSPO auditors;
- (vii) Responsible for receiving and reviewing the MSPO SIA reports submitted by the auditors, as necessary; and
- (viii) Reserves the right to suspend or expel the status of any endorsed MSPO SIA external assessor who is found to be in breach of this document or the periodic circular issued by the scheme owner.

5.2 MSPO SIA ASSESSOR

5.2.1 The MSPO SIA Assessor may refer to either an internal assessor appointed by the organisation or an external assessor endorsed by the scheme owner.

5.2.2 The MSPO SIA Assessor will be responsible for the following:

- (i) The MSPO SIA Assessor shall conduct the Social Impact Assessment (SIA) with reference to the SIA Guidelines and Approach for MSPO Standards document, developed by the scheme owner;
- (ii) The MSPO SIA Assessor shall conduct the SIA exclusively within the jurisdiction of the MSPO scheme;

- (iii) In the event that an assessment is conducted by a team, a lead assessor shall be appointed to oversee the entire assessment process. For assessments involving an endorsed MSPO SIA external assessor, the lead assessor shall be an endorsed MSPO SIA external assessor; and
- (iv) The qualifications of the personnel in the team should be validated by the lead assessor.

5.3 ORGANISATION

- 5.3.1 The term 'organisation' refers to as relevant agency / grower / dealer / mill / processing unit (Refineries, Palm Kernel Crushers, Oleochemical Plants, Biodiesel Plants, etc).
- 5.3.2 The organisation will be responsible for the following:
 - (i) Organisations conducting the assessment internally shall ensure that both the assessment and report are with reference to the SIA Guidelines and Approach for MSPO Standards document, developed by the scheme owner;
 - (ii) Organisations conducting the assessment externally shall exclusively utilise endorsed MSPO SIA assessors to conduct the assessment; and
 - (iii) Shall ensure that the management and monitoring plan recommended in the assessment report is implemented and subject to be verified by the auditors during the audit.

5.4 AUDITOR

- 5.4.1 The MSPO auditor will be responsible for the following:
 - (i) Verify the SIA reports prepared by the MSPO SIA Assessors for completeness, accuracy, and compliance with reference to the SIA Guidelines and Approach for MSPO Standards document, developed by the scheme owner;
 - (ii) Evaluate the SIA reports for effectiveness in addressing the social impacts and meets the needs of stakeholders with reference to the SIA Guidelines and Approach for MSPO Standards document, developed by the scheme owner;
 - (iii) Ensure that SIA reports conducted by external assessors are reviewed and accepted by the scheme owner; and

- (iv) Following the fulfilment of the training requirements stipulated in the scheme document, auditors shall also be required to successfully complete three (3) days of MSPO Basic SIA Training, conducted with reference to the SIA Guidelines and Approach for MSPO Standards document, developed by the scheme owner, delivered by MSPO Endorsed Training Providers (ETPs).

6. GENERAL REQUIREMENTS OF MSPO SIA ASSESSOR

6.1 COMPETENCY CRITERIA FOR ENDORSED MSPO SIA EXTERNAL ASSESSOR

- 6.1.1 The competency criteria which the endorsed assessor shall comply with, are as stated below:

- (i) Education:

At least an Honours Degree in any of the following disciplines: Anthropology; or Sociology; or Geography; or Economics; or Law; or any other related discipline that MSPO considers suitable.

- (ii) Relevant Experience:

Have successfully carried out and completed the following:

- a) At least three (3) SIAs in the past five (5) years either as an assessor or a team member; and
- b) At least two (2) of the SIAs involving oil palm-related industry.

(NOTE: This requirement is not applicable for those who attended the MSPO SIA Training (1/2024) in June 2024.)

- (iii) Training:

External assessors shall be required to successfully complete:

- a) Five (5) days of MSPO SIA Assessor Training, conducted by the scheme owner; and
- b) Three (3) days of MSPO Awareness Training on the MS2530:2022 Standards. The training shall be delivered by MSPO ETPs.

6.2 ENDORSEMENT OF MSPO SIA ASSESSORS

- 6.2.1 MSPO SIA Assessors in Malaysia conducting assessments as external parties shall be endorsed by MSPO, the scheme owner of the MSPO certification scheme.
- 6.2.2 Any new applicant for endorsement as an MSPO SIA Assessor shall attend the MSPO SIA Assessor Training conducted by the scheme owner.

- 6.2.3 All endorsed MSPO SIA Assessors shall refrain from assessing any organisation they have audited within the past three (3) years during MSPO Certification audits and accreditation activities. This includes roles as an auditor in training, auditor, or lead auditor with any Certification Bodies (CBs), Accredited Certification Bodies (ACBs) or Accreditation Body (AB) to avoid conflict of interest.
- 6.2.4 All endorsed MSPO SIA Assessors shall refrain from involving in any MSPO Certification audits and accreditation activities, whether as an auditor in training, auditor, or lead auditor with any Certification Bodies (CBs), Accredited Certification Bodies (ACBs) or Accreditation Body (AB) on the assessed organisation for five (5) years intervals to avoid any conflict of interest.
- 6.2.5 Only the endorsed MSPO SIA external assessors' name list will be published on the scheme owner's official website.

6.3 COMPETENCY CRITERIA FOR MSPO SIA INTERNAL ASSESSOR

- 6.3.1 The competency criteria which the internal assessor should comply with, are as stated below.

(i) Education:

Possess at least a secondary education. Shall demonstrate proficiency in reading, writing, and effective communication skills.

(ii) Relevant Experience:

Have at least three (3) years of working experience in the oil palm industry. Experience in conducting any SIA activities is considered advantageous.

(iii) Training:

Internal assessors shall be required to successfully complete:

- a) Three (3) days of Basic Social Impact Assessment (SIA) Training, conducted in accordance with the SIA Guidelines and Approach for MSPO Standards document, developed by the scheme owner; and
- b) Three (3) days of MSPO Awareness Training on the MS2530:2022 Standards.

Both trainings shall be delivered by MSPO Endorsed Training Providers (ETPs).



MALAYSIAN SUSTAINABLE PALM OIL

Unit 2-1, Level 2, Tower 2B,
UOA Business Park, No 1,
Jalan Pengaturcara U1/51A
Seksyen U1, 40150, Shah Alam,
Selangor, Malaysia.

Tel: +603 5569 9676

Email: info@mspo.org.my