

Version 1.0 | August 2017

# Supplier evaluation checklist

Palm oil from Malaysia



COUNTRY SPECIFIC  
TOOLS



This tool has been developed by NEPCon under the project “Responsible Sourcing of Soy, Palm Oil and Cattle” with support from DANIDA, Ministry of Foreign Affairs of Denmark.



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DANIDA, Ministry of Foreign Affairs of Denmark has supported the development of this material, however DANIDA is not responsible for any views or claims presented in this material.

**Supplier Name:**

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**Address:**

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**Material Type:**

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**Material Certification:**

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**Date of evaluation:**

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**Description of evaluation**

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### Document Guidance

Please fill out this form by indicating 'Y' for Yes or 'N' for No or 'N/A' for not applicable for each numbered indicator if the supplier is compliant with the indicator. If 'Y' is indicated, please also tick the 'DOC' column if a copy of the require document has been submitted with this form. For all 'N/A' answers please provide an explanation for why the indicator is not applicable.

The red dot ● next the indicator highlights where there has been an elevated risk detected at the national level for palm oil in [Malaysia] and thus it is obligatory to fill out and provide more information on the red dotted indicators.

Y/N

DOC

## 1. The supplier is compliant with all the relevant laws which applicable to the business, and has records of this.

- 1.1. The supplier has a valid, non-contested and appropriate land tenure right, that is registered.

### Document required:

- Evidence of palm oil farms obtaining proof of ownership documents: Issue Document of Title and Register Document of Title
- Evidence of Malaysian Palm Oil Board (MPOB L1) License
- Palm Oil Plantations >500 hectares or plan to clear >50 hectares of land: evidence an approved Environmental Impact Assessment (EIA) from the Department of Environment Malaysia (DOE).

- 1.2. The supplier has all relevant farm registration and management rights.

### Document required:

- A business license and a completed a Business Registration Form (Form A) to the SSM (The Companies Commission of Malaysia (Suruhanjaya Syarikat Malaysia or SSM) - <http://www.ssm.com.my/en/about-ssm>
- Malaysian Palm Oil Board (MPOB L1) License <http://www.mpob.gov.my>
- An approved Environmental Impact Assessment (EIA) from the Department of Environment Malaysia (DOE) <http://www.doe.gov.my/eia/eia-reports/>

## 2. The supplier fulfils all obligatory taxes, fees and business information disclosure required for conducting the defined business activities.

- 2.1. The supplier met all legal obligations regarding the payment of royalties, required fees, value added taxes, other sales taxes, income and profit taxes.

### Document required:

- Receipts demonstrating payment of required taxes and fees
- Evidence of palm oil farms obtaining proof of ownership documents: Issue Document of Title and Register Document of Title
- A business license and a completed a Business Registration Form (Form A) to the SSM (The Companies Commission of Malaysia

	Y/N	DOC
<p>(Suruhanjaya Syarikat Malaysia or SSM) - <a href="http://www.ssm.com.my/en/about-ssm">http://www.ssm.com.my/en/about-ssm</a></p> <ul style="list-style-type: none"> <li>Malaysian Palm Oil Board (MPOB L1) License <a href="http://www.mpob.gov.my">http://www.mpob.gov.my</a>.</li> </ul>		
<p><b>3. The supplier adheres to applicable transport, trade, import or export regulations, procedures and restrictions.</b></p>		
<p>3.1. Products are correctly classified (species, quantities, qualities etc.) on sales documents, custom declarations and other legally required documents.</p> <p><b>Document required:</b></p> <ul style="list-style-type: none"> <li>Malaysian Palm Oil Board (MPOB L1) License</li> <li>Signed delivery order, invoice or document declaring: <ul style="list-style-type: none"> <li>(a) name of seller;</li> <li>(b) name of consignor;</li> <li>(c) quantity or net weight;</li> <li>(d) contractual quality specification;</li> <li>(e) contract or invoice number or both;</li> <li>(f) name of consignee; and</li> <li>(g) name of purchaser</li> </ul> </li> </ul>		
<p>3.2. Customs regulations</p> <p>Importers - If the supplier is an importer, they comply with regulations on customs procedures, and have the following documents:</p> <ul style="list-style-type: none"> <li>Declaration for imported soy products;</li> <li>Sales contract;</li> <li>Trading invoice;</li> <li>Bill of lading (or other shipping document of equivalent value in accordance with legal regulations); and</li> <li>Packing list of imported palm oil products.</li> </ul> <p>Exporters. If the supplier is an exporter, they comply with regulations on legal export dossier, and possess the following documents:</p> <ul style="list-style-type: none"> <li>Export license which is obtained with the following (forms 24 and 49 are required for first time application): <ul style="list-style-type: none"> <li>Form Malaysian Palm Oil Board (MPOB) Q1 (for export)</li> <li>Customs Form K2.</li> <li>Memorandum and Article of Association (M &amp; A).</li> <li>Form 24: Information of Shareholders.</li> <li>Form 49: Information of Directors, Managers and Company Secretary.</li> </ul> </li> </ul>		

Y/N

DOC

#### 4. The supplier complies with all requirements associated with legal employment.

- 4.2. Labour contracts exist for all employees and the names of all employees are included on the supplier's payroll.

**Document required:**

- An example of an employee(s) contract which must include the following information:
  - Names of both employer and employee
  - Job title
  - Date of commencement of work
  - Place of work as well as work address
  - Required notice period as well as retirement age
- Salary payment records
- Receipts from Employees' Provident Fund (EPF) and Social Security Organization (SOSCO) and the corresponding payment forms (Form A for EPF and Form 8A for SOCSO)
- Copy of valid migrant workers' passports and visa.
- <http://www.imi.gov.my>

- 4.3. The supplier pays employees at least [the minimum wage](#) which is as of 30-12-2016 from IDR (ID Rupiah) 1,882, 900.00 to 2, 339,556.00 (the minimum wage varies per province/district in Indonesia) per month (based on a 40 hours/ week).

**Document required:**

- Proof of required employee contract agreements are in place.

- 4.4. The supplier's employees do no work more hours than the maximum daily 7 hours/day for 6 day/week or 8 hours/day for 5 days/week (maximum of 40 hours/week) with a 30-minute rest/4 hours of continuous work.

**Document required:**

- Proof of required employee contract agreements are in place.

#### 5. The supplier complies with the International Labour Organisations Fundamental Conventions (which relate to observance of minimum working age and fair pay, forced and child labour, discrimination, freedom of association and collective bargaining)

- 5.1. The minimum age (Indonesian workers are eligible for full-time employment at the age of 15) is observed for all personnel involved in farm management activities.

**Document required:**

	Y/N	DOC
<ul style="list-style-type: none"> <li>• Proof of required employee contract agreements are in place.</li> </ul>		
<p>5.2. The supplier ensures workers such as females, minorities, handicapped etc. are not discriminated against during their recruitment and the duration of their employment.</p> <p><b>Document required:</b></p> <ul style="list-style-type: none"> <li>• Proof of a policy and procedures are place to ensure discrimination does not occur.</li> </ul>		
<p>5.3. The supplier supports all workers having the right to join or form trade unions/worker associations of their own choosing and to bargain collectively.</p> <p><b>Document required:</b></p> <ul style="list-style-type: none"> <li>• Proof of an employee’s union or worker’s association.</li> </ul>		
<p>5.4. The supplier does not engage in forced or compulsory labour.</p> <p><b>Document required:</b></p> <ul style="list-style-type: none"> <li>• Proof of required employee contracts are in place.</li> <li>• Copy of valid migrant workers’ passports and visa. <a href="http://www.imi.gov.my">http://www.imi.gov.my</a></li> </ul>		
<p><b>6. The supplier complies with all occupational health and safety requirements.</b></p>		
<p>6.1. The supplier has a designated health and safety (H&amp;S) manager or someone in senior management is responsible for overseeing health and safety management and has registered its employees with the Ministry of Health.</p> <p><b>Document required:</b></p> <ul style="list-style-type: none"> <li>• Proof of required employee contract and/or organisational structure/organigram.</li> </ul>		
<p>6.2. The supplier organises regular health and safety training for all permanent and temporary workers.</p> <p><b>Document required:</b></p> <ul style="list-style-type: none"> <li>• Record of given and planned trainings and employee attendance.</li> </ul>		
<p>6.3. The supplier has identified health and safety risks posed to all workers and has taken actions to prevent accidents, injuries or health issues by ensuring:</p>		

	Y/N	DOC
<ul style="list-style-type: none"> <li>- the workplaces, machinery, equipment and processes are safe;</li> <li>- any chemical, physical and biological substances/agents are without risk to workers' health and application levels are in accordance with the law;</li> <li>- adequate clothing and protective equipment are provided.</li> </ul> <p><b>Document required:</b></p> <ul style="list-style-type: none"> <li>• Obtain records of reports of workplace deaths.</li> <li>• Evidence of H&amp;S training, procedures and equipment are in place.</li> </ul>		
<p>6.4. The supplier ensures workers have access to clean toilet facilities and to safe drinking water, and, if applicable, clean and safe accommodations and cooking facilities (if the latter are required).</p> <p><b>Document required:</b></p> <ul style="list-style-type: none"> <li>• Evidence of procedures and equipment are in place.</li> </ul>		
<p>6.5. The organisation conducts regular health &amp; safety inspections and keep management systems documents up to date.</p> <p><b>Document required:</b></p> <ul style="list-style-type: none"> <li>• Record of H&amp;S inspection reports.</li> </ul>		
<p><b>7. The supplier respects and upholds the rights of indigenous and traditional peoples.</b></p>		
<p>7.1. The supplier respects and upholds the rights of indigenous and traditional peoples and the business is not involved in any outstanding disputes of substantial magnitude with indigenous or traditional communities.</p> <p><b>Document required:</b></p> <ul style="list-style-type: none"> <li>• Issue Document of Title and Register Document of Title</li> <li>• Evidence of Malaysian Palm Oil Board (MPOB L1) License <a href="http://www.mpob.gov.my">http://www.mpob.gov.my</a></li> <li>• Conduct a search on latest news and NGO reports on disputes and developments on indigenous and traditional peoples' land claims and assurance of rights via websites and NGOs including: <ul style="list-style-type: none"> <li>○ NGO investigations and reports (Forest Peoples Programme <a href="http://www.forestpeoples.org">http://www.forestpeoples.org</a>, , Rainforest Action Network <a href="http://www.ran.org">www.ran.org</a>, <a href="http://www.schusterinstituteinvestigations.org">http://www.schusterinstituteinvestigations.org</a>,</li> </ul> </li> </ul>		

	Y/N	DOC
<p>greenpeace.org, Friends of the Earth foe.org, Center for Orang Asli Concerns (COAC) (<a href="http://www.coac.org.my/">http://www.coac.org.my/</a>), The Human Rights Commission of Malaysia (SUHAKAM) (<a href="http://www.suhakam.org.my/">http://www.suhakam.org.my/</a>), Pusat Komang (komang.org), Cultural Survival (culturalsurvival.org))Media reports (Mongabay.com, greenomics.org, red-monitor.org, , eyesontheforest.org, sarawakreport.org, malaysiakini.com)</p> <ul style="list-style-type: none"> <li>o Global Platform of Indigenous and Community lands - <a href="http://www.landmarkmap.org/">http://www.landmarkmap.org/</a></li> </ul>		
<p><b>8. The supplier is compliant with all the relevant environmental and protected areas/species laws and High conservation values have been maintained.</b></p>		
<p>● 8.1. The palm oil plantation supplier complies with all the relevant requirements under its Environmental Impact Assessment (required for palm oil plantations &gt; 500 hectares or palm oil plantations clearing more than &gt;50 hectares of land),</p> <p><b>Document required:</b></p> <ul style="list-style-type: none"> <li>• Approved Environmental Impact Assessment. Check the list of approved EIAs on the DOE website: <a href="http://www.doe.gov.my/eia/eia-reports/">http://www.doe.gov.my/eia/eia-reports/</a></li> </ul>		
<p>8.2. For palm oil mills have the appropriate permission and license to occupy and operate palm oil.</p> <p><b>Document required:</b></p> <ul style="list-style-type: none"> <li>• Written Permission to Construct a Palm Oil Mill from the Director-General of Environmental Quality (according to Section 19 of the Environmental Quality Act)</li> <li>• License to occupy and operate a crude palm oil mill from the Department of Environment Malaysia (DOE)</li> </ul>		
<p>● 8.3. The suppliers farm has not been established within the boundaries of formally protected areas <b>and/or</b> the supplier has the required permits to allow operation within the protected area(s).</p> <p><b>Document required:</b></p> <ul style="list-style-type: none"> <li>• Confirm location of the plantation is not located in a protected area in Malaysia. Information on protected areas in Malaysia: <ul style="list-style-type: none"> <li>o Protected Area Master List owned by the Ministry of Natural Resources and Environment (contact: <a href="http://www.nre.gov.my/en-my/ContactUs/Pages/default.aspx">http://www.nre.gov.my/en-my/ContactUs/Pages/default.aspx</a>), which is not publicly available. Older version of the list compiled by WWF-</li> </ul> </li> </ul>		

	Y/N	DOC
<p>Malaysia can be found here:  <a href="http://awsassets.wwf.org.my/downloads/list_of_pa.pdf">http://awsassets.wwf.org.my/downloads/list_of_pa.pdf</a></p> <ul style="list-style-type: none"> <li>o Land ownership title (see 1.1 for details)</li> </ul> <ul style="list-style-type: none"> <li>• Approved Environmental Impact Assessment (For palm oil plantations &gt; 500 ha or have plans to clear &gt;50 hectares of land). Check the list of approved EIAs on the DOE website:  <a href="http://www.doe.gov.my/eia/eia-reports/">http://www.doe.gov.my/eia/eia-reports/</a></li> </ul>		
<p>8.4. The supplier ensures any species that have official protected status in the country are protected within the boundary of the farm and are not threatened by any farm activities and High Conservation Values are being maintained.</p> <p><b>Document required:</b></p> <ul style="list-style-type: none"> <li>• Evidence of management plans for rare, threatened or endangered species (RTE) include actions for their protection, survival, and prevention of poaching, are develop for the management area and surrounding landscape have been developed and are implemented.</li> <li>• The RTE management plan takes into consideration traditional hunting by communities outside the management area and includes specific activities to contribute to the protection and survival of RTE species affected by hunting; AND/OR</li> <li>• Evidence that comprehensive biodiversity surveys and a High Conservation Value (HCV) assessment  <a href="https://www.hcvnetwork.org/als/public-summaries">[https://www.hcvnetwork.org/als/public-summaries]</a></li> <li>• Evidence that there is a conservation management plan for HCVs within the farm area</li> </ul>		
<p><b>9. The supplier has not been responsible for converting natural forest or natural ecosystems to palm oil farms since 2005.</b></p>		
<p>9.1. The supplier has not been not apprehended for illegal conversion of natural forests/ecosystems.</p> <p><b>Document required:</b></p> <ul style="list-style-type: none"> <li>• Approved Environmental Impact Assessment (For palm oil plantations &gt; 500 ha or have plans to clear &gt;50 hectares of land). Check the list of approved EIAs on the DOE website:  <a href="http://www.doe.gov.my/eia/eia-reports/">http://www.doe.gov.my/eia/eia-reports/</a>.</li> </ul>		
<p>9.2. The supplier has not been responsible for converting natural forest or natural ecosystems into palm oil plantations after 2005.</p> <p><b>Document required</b></p>		

	Y/N	DOC
<ul style="list-style-type: none"><li>Map with farm boundaries cross referenced against land cover satellite time series images such as found on <a href="http://www.globalforestwatch.org">www.globalforestwatch.org</a>.</li></ul>		

## About

# Responsible Sourcing of Soy, Cattle and Palm Oil

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



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

NEPCon | [www.nepcon.org](http://www.nepcon.org) | [info@nepcon.org](mailto:info@nepcon.org)