

The proof to your **promise!**

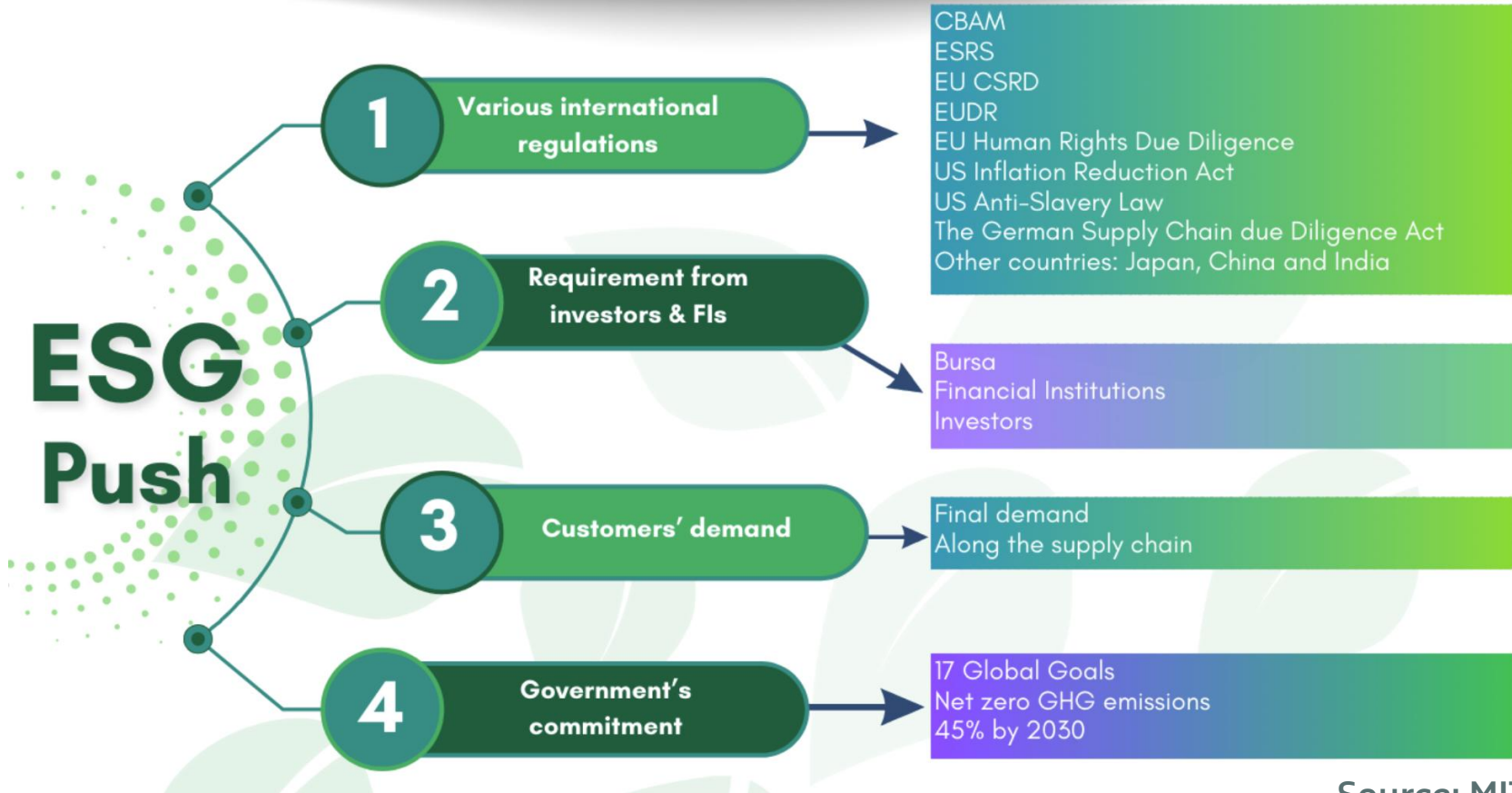
Services to support a safer and better world

ESG Dynamics in Malaysia: The Push Towards
Sustainability and Compliance, How Certification Help

Feb, 2025

Being agile....drivers for ESG adoption

The Diverse Factors Behind ESG Adoption






Commission moves to ban products made with forced labour on the EU market

Brussels, 14 September 2022

Large companies from across the world that sell products in the EU would have to comply with CSDDD checks on suppliers, take mitigating action when abuses are uncovered or face sanctions.



EUDR



Sectors covered in the first phase of the CBAM - our environmental policy tool to help maximise the European and global impact of our fight against climate change.

CEMENT

IRON & STEEL

ALUMINIUM

FERTILISER

ELECTRICITY

HYDROGEN

#EUGreenDeal



CBP Issues Withhold Release Order on Palm Oil Produced by Forced Labor in Malaysia

Release Date: December 30, 2020



Due Diligence towards Sustainable financing

Rabobank backs Musim Mas' first sustainability-linked loan without finalising external verifiers

The palm oil giant says "reputable assessors" will track progress against goals in its US\$217 million loan for "transparency and accountability." Yet only one of two verifiers is confirmed, raising concerns about standard market practices.



Dutch bank Rabobank has green lit Singapore-based [palm oil](#) giant Musim Mas' inaugural sustainability-linked loan (SLL) without sorting out who will be tracking progress on the targets pegged to its EUR 150 million (US\$217 million) loan, raising questions about what constitutes "best practice" in the notoriously opaque market.

While Musim Mas, Indonesia's largest palm oil exporter, said in the press release it issued last month that "reputable assessors" will annually review its performance against its chosen key performance indicators (KPIs) to ensure "transparency and accountability", it did not specify who these third-party verifiers will be.



Musim Mas becomes the second palm oil company to get net zero targets SBTi-approved

[Read now →](#)

In response to Eco-Business queries, Rabobank – the sustainability coordinator for the transaction – said that there will be two post-issuance [external reviewers](#): Netherlands-based certification body [Control Union](#) and another yet-to-be-confirmed firm.

A Rabobank spokesperson said that "there is no requirement pre-signing to identify the verification company as the measurement and verification will take place at a future date," based on the [SLL principles](#) by the London-

based Loan Market Association (LMA), alongside the Asia Pacific Loan Market Association (APLMA) and the Loan Syndications & Trading Association (LSTA).

Sectors	Policies	Targets / Commitments
Nationwide	<p>MADANI Economy (July, 2023)</p> <p>Elevating the dignity and status of our nation with two main focuses: restructuring the economy to make Malaysia a leader in Asian economies to ensure that the enlarged wealth is benefitted equitably by the Rakyat. The MADANI concept embraces six (6) core values to promote inclusive and sustainable economic growth, namely sustainability, compassion, respect, innovation, prosperity and trust. The MADANI Economy addresses the long-term issues related to competitiveness and the country’s appeal as an investment destination; and the current issues that need to be immediately attended to such as the impact of rising cost of living on the people.</p> <p>The Madani Economy framework will serve as a foundation for other policies, such as the National Energy Transition Roadmap, the New Industrial Masterplan 2030 and the Mid-Term Review of the 12th Malaysia Plan.</p>	<p>Targets to be achieved within the next 10 years:</p> <ol style="list-style-type: none"> 1. Malaysia ranked among the top 30 largest economies in the world; 2. The Global Competitiveness Index ranks in the top 12 in the world; 3. The percentage of labour share of income reaches 45 percent of the total income; 4. Increase Female Labour Force Participation Rate to 60 percent; 5. The Human Development Index ranks within the top 25 in the world; 6. Improve Malaysia’s position in the Corruption Perceptions Index to top 25; and 7. Towards fiscal sustainability, targeting a deficit of 3 percent, or lower.

Setting up an ESG Program

Integrating ESG into a business and embedding it in operations is an ongoing process.

- Business models evolve.
- Market and regulatory realities change.
- Stakeholder priorities shift.



Certification and Labels

- **CERTIFICATION** is an activity to determine that a products, processes meets relevant standards and fulfils relevant requirements
- **LABELS** are marks placed on product packaging that can help consumers and institutional purchasers quickly and easily identify those products that meet specific performance criteria and are therefore deemed “preferable”
- Can be a single-attribute or multi-attribute
- Although largely invisible in our daily lives, are a crucial component to making things safer and better in the world around us. By achieving this, it contributes to improving people’s quality of life every day.



A GRASP OF OUR CERTIFICATION PROGRAMS

ORGANIC AGRICULTURE

	EU - Regulation EEC, No. 853/2007 of Organic Production		Philippines National Organic Program
	USDA - NOP Organic regulation for USA		FIPA EFAPA KOREA
	JAS - Japanese Organic Regulation		China National Organic Standard
	Bio Suisse - Organic standard for Bio Suisse organization in Switzerland		Naturland - German Association for Organic Agriculture
	Sweden - KRAV Inspections		Brazilian Organic Program

SUSTAINABLE AGRICULTURE

	GLOBALG.A.P. - Crops, Livestock, Propagation Material, Chain of Custody, Flowers & Ornamentals, GRASP		Tesco Nurture
	RSPO - Roundtable on Sustainable Palm Oil		Regenagri® - Regenerative Agriculture
	MSPO - Malaysian Sustainable Palm Oil		RAC - Rainforest Alliance Certification
	FSA - Farm Sustainability Assessment		SRP - Sustainable Rice Platform

TEXTILE

	OCS 100 - Organic Content Standard		GOTS - Global Organic Textile Standard
	OCS Blended - Organic Content Standard		RCS - Recycled Claim Standard
	HIGG FEM - Higg Facility Environmental Module		RDS - Responsible Down Standard
	GRS - Global Recycle Standard		GOLS - Global Organic Latex Standard

FOOD SAFETY

	BRC - British Retail Consortium: Food, Packaging, Storage & distribution, Consumer Goods		FSSC 22000 - Food Safety System Certification
	HACCP - Hazard Analysis and Critical Control Point		GMP + FSA - Certification Scheme Animal Feed, Feed Safety Assurance
	ISO 22000: Food Safety Management Systems		GFCD - Gluten-Free Certification
	Certified Vegan Production		Certified Non-GMO Production
	GMP - Good Manufacturing Practice		

FORESTRY, BIOMASS & BIOFUEL

	FSC® - Forest Stewardship Council®		PEFC - Program for the Endorsement of Forest Certification
	GGL - Green Gold Label		SBP - Sustainable Biomass Program
	RSB - Roundtable on Sustainable Biomaterials		ISCC - Certified Biomass and Bioenergy

CIRCULAR ECONOMY & ENVIRONMENT

	ISO 50001 EnMS - Energy Management Systems		RPM - Responsible Plastic Management
	Plastic Free Certification Mark		OBP - Ocean Bound Plastic
	ISO 14001 EMS - Environmental Management Systems		GRS - Global Recycle Standard
	ISSC Plus		GRI - Global Reporting Initiative

WATER

	AWS - Alliance for Water Stewardship		EWS - European Water Stewardship
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CARBON FOOTPRINT

	ISO 14064 - Emission Verification Services		PLAN VIVO - Carbon Offset Project Validation/Verification
	PAS 2060 - Carbon Neutral		CFE - Corporate Environmental Footprint

AQUACULTURE & FISHERIES

	GLOBAL G.A.P. - Aquaculture base, Chain of Custody		MSC - Marine Stewardship Council
	ASC - Aquaculture Stewardship Council		FOS - Friend Of The Sea

SOCIAL COMPLIANCE

	SMETA - Sedex Members Ethical Trade Audit		GRASP
	Fair Trade USA		FairTrade - Fair Trade Sustainability Alliance
	Naturland Fair		URSA - Unilever Responsible Sourcing
	SAB000		SLCP - Social & Labor Convergence program

OTHERS

	Safe-Zone - COVID-19 compliance mark		ISO 9001: Quality Management System
	ISO 22716 - Cosmetic GMP		GSTC - Global Sustainable Tourism Council
	PBS - Plant-Based Standard		

We offer over 200 programs, for a full list, please visit [CERTIFICATIONS.CONTROLUNION.COM](https://www.certifications.controlunion.com)



Every sector has its own drivers

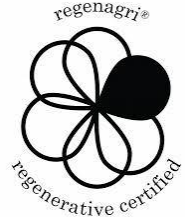
Lets explore Palm Oil

How consumers feel about palm oil ?

- The production of palm oil is harmful to the environment and species such as the orangutan due to deforestation, fires and cultivated peatlands.
- Palm Oil is unhealthy, Is high in saturated fats. Contaminants in palm oil can increase the risk of cancer.
- The production of palm oil can result in land grabs, loss of livelihoods and social conflict
- Palm oil industry violates labor rights
- Palm oil industry unprepared for climate change



Global Leader in Palm Oil Certification and Assurance



- Traceability, NDPE Verification
- SPOTT 3rd party assurance, ESG Assurance, SR Assurance, EUDR readiness assessments
- One-stop-shop for all palm industry related assurance from oil, biomass, feed, food, biofuels

Global Leader in Forest Product Certification



EU TR



- Traceability Verification
- 3rd party assurance against ESG performance
- One-stop-shop for all forest industry related assurance from timber, non timber, packaging, biomass, tourism, carbon and other ecosystem services

Key Areas of concern for Malaysian Industries, especially with regards to migrant workers

- High recruitment fees
- Deceit and false promises on terms and conditions of employment contract
- Housing and living conditions
- Excessive overtime and long hours of work
- Non payment of wages or withholding of wages
- Isolated place of work and restriction of movement
- Retention of identification documents
- Abusive work and abusive work environment
- Persons trafficked employed illegally or illegal migrant workers employed
- Physical violence, intimidation and threats

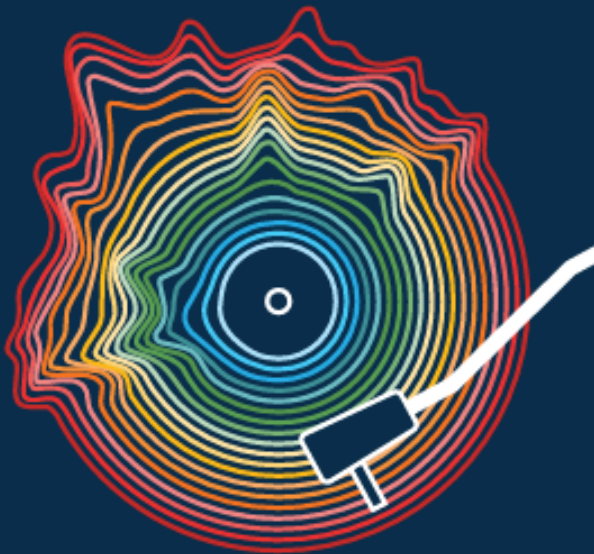


Social/Labor Compliance Standards



Broken Record

Temperatures hit new highs, yet world fails to cut emissions (again)



- If current policies are continued, global warming is estimated to be limited to 3°C. Delivering on all unconditional and conditional pledges by 2030 lowers this estimate to 2.5°C, with the additional fulfilment of all net-zero pledges bringing it to 2°C

Unilever sets out new actions to fight climate change, and protect and regenerate nature, to preserve resources for future generations

15/06/2020

London/Rotterdam - Today, Unilever set out a new range of measures and commitments designed to improve the health of the planet by taking even more decisive action to fight climate change, and protect and regenerate nature, to preserve resources for future generations. **Unilever will achieve Net Zero emissions from all our products by 2039.** We will also empower, and work with, a new generation of farmers and smallholders, driving programmes to protect and restore forests, soil and biodiversity; and we will work with government and other organisations to improve access to water for communities in water-stressed areas.

Tackling climate change can't wait and neither can we

Nestlé is using its size, scale and reach to tackle climate change and make a big difference. We are transforming our business and using our resources to inspire change.

Building on a decade of action, we will halve our greenhouse gas emissions by 2030 and **achieve net zero by 2050** – even as our business continues to grow.

PepsiCo Doubles Down on Climate Goals, Pledges Net-Zero Emissions by 2040

01/14/2021

Accelerates efforts to build a more resilient and sustainable food system, reducing absolute GHG emissions more than 40% by 2030 across its supply chain

Mar 24, 2021, 09:30am EDT | 6,164 views

A Fifth Of World's Largest Companies Committed To Net Zero Target

Forbes

We are supporting year for the next 10 years are increasing the

Net Zero? Carbon Credits?

Ways for forest industry

- Improved forest management
- Community Forestry
- Conservation
- REDD+
- Avoided ecosystem conversion/(un)planned degradation
- Fire Management

Ways for palm oil industry

- Fuel Switching
- Methane Capture
- Renewable energy generation
- Agroforestry
- REDD+
- Organic, Regenerative Agriculture



Challenges and trends in the food industry

- The rise of health-consciousness among consumers
- The optimum level of stringency in the regulatory landscape
- The rising concerns about product traceability and need for greater transparency
- The need for responsible sourcing
- The 'Plastic ban'
- Need for improving the soil health and cutting down emissions across supply chains
- The ascent of plant-based diet
- Food fraud / Economically-motivated adulteration
- Further reducing food waste



Food Safety Certification

BRCGS BRCGS



ISO 22000 - Food Safety Management System



FSSC 22000 - Food Safety System Certification



PrimusGFS



Non GMO



Plant-Based Certification Program - PBS

- Accreditation held locally
 - HACCP
 - ISO 22000

Certified



Gluten-Free



**Certified
Vegan Production**

Ingredients Not From Animal Origin

CU #123456

Go chemical free, go organic



Good Agriculture/ Climate-Smart Agriculture Sustainable Farming



Farm Sustainability Assessment
BY SAI PLATFORM



Need for greater transparency; Source from verified supply chains



VERIFICATION STATEMENT

As an independent third-party

Control Union Certifications B.V.

Meeuwenlaan 4-6
8011 BZ Zwolle
The Netherlands

confirms to have verified that

Traceability to mill (January–December 2020)

as published by

PT. Musim Mas

Jl. K.L. Yos Sudarso KM 7,8 Tanjung Mulia
Medan 20241
Sumatera Utara, Indonesia

External assurance from Control Union Certifications

Control Union Certifications was commissioned by Wilmar to conduct an independent assurance of traceability data and NDPE implementation Reporting Framework disclosures. The scope of this assurance covers palm oil and lauric.

The traceability information in the Sustainability Report is the exclusive responsibility of Wilmar. Control Union Certifications was not involved in the preparation of any material included in this document.

Assurance scope

The assurance engagement has been planned and performed in accordance with AA1000AS v3. The assurance process involves verification of the following aspects:

INCLUSIVITY

Engagement with stakeholders in the report development process and their involvement in organisational decision making.

Wilmar has formed partnerships where they collaborate with stakeholders in the industry on issues of traceability and NDPE. Wilmar's broader stakeholder engagement is dependent on the stakeholder group. That is, depending on the type of stakeholder group they are in talks with, stakeholder engagements include regular meetings, whistleblowing and grievances processes.

MATERIALITY

Identification of issues in the report that are relevant and significant to the organisation's stakeholders, the presence of and the extent to which those material issues are disclosed in the report.

Traceability is a prerequisite to implement sustainability programmes within the supply chain. Thus, within the scope of this review, traceability has been identified as a relevant material topic. As a result, Wilmar International has a policy in place that addresses traceability and NDPE. NDPE responds to the needs of the industry and mitigate risks on no-deforestation and peat conversion.

The responsibility of Control Union is to express an opinion concerning the statements included in the Report regarding traceability to mill data and NDPE implementation Reporting Framework disclosures, within the assurance scope mentioned below, with the purpose to inform all the interested Parties.

RESPONSIVENESS

Acting on stakeholder issues and provision of feedback through decisions, actions, performance and communication.

Wilmar publishes the outcomes of stakeholder engagements on the company's website, to publicly show the achievements of this process. Additionally, feedback from stakeholder engagement is addressed through a number of channels such as the grievance procedure.

IMPACT

Monitoring, measurement and providing accountability for how the actions of the organisation affect the economy, the environment, society, stakeholders or the organisation itself.

Currently, Wilmar's Traceability to Mill (TTM) volume is 97.7% of the total volume. This result is aggregated from the 63 refineries that supplied palm oil and lauric in 2020. Also, 89.5% of palm oil and lauric volumes to Wilmar's origin refineries in Malaysia and Indonesia are from suppliers that have at least company group level commitments and/or action plans in place to address the No Deforestation requirements. This volume percentage is an aggregated value from 23 Wilmar own refineries.

Level of assurance

The level of Assurance is used to determine the depth of detail that an assurance provider uses to identify if there are material errors, omissions or misstatements. The level of assurance for this report is moderate.

Methodology

- Review of internal and external documentary evidence presented by Wilmar
- Review of approach to data collection at company level
- Audit of data presented in the Report including a detailed review of a sample of data
- Review of a selection of internal performance documents
- Interviews of personnel within relevant divisions responsible for management of the two programmes in the report (SRP and traceability)

Independence and quality control

Control Union Certifications is accredited according to ISO 17021-1:2015/ISO 17065:2012 covering our global scope and operations. This includes the need to maintain a comprehensive system of quality control including documented policies and procedures on compliance to ethical and legal requirements as well as objectivity throughout our operations. The auditors performing the data check have proven track records in the review of similar assignments and qualified according to industry leading third party certification programmes of the palm sector.

Conclusion

Based on our moderate process, nothing has come to our attention that causes us to believe that the scope as detailed above and presented in the report is not presented fairly in accordance with the criteria.

Hence, our work confirms that the information on the above mentioned traceability data and NDPE implementation Reporting Framework disclosures are reliable and objective and are presented clearly and understandably.



JON HEINRICHS
PROGRAM MANAGER
12 APRIL 2021



Let's Create Together

Applications

Sustainability

Contact Us



Europe / English ▼

Policy & commitments

Transparency and traceability dashboard

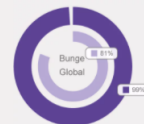
Supplier engagement

Impact on the ground

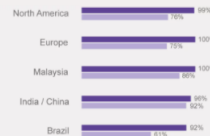
Grievances

Partnerships and industry networks

Traceability on global & regional level *



2020 Quarter 2, Updated on October 7
Third party verification from Control Union



The 'Plastic ban'

- 170 nations have pledged to "significantly reduce" use of plastics by 2030.
- A product that is tagged as 'eco-friendly', quite naturally, has more of a consumer connection and is likely to accrue lucrative sales than a product that is popularized to harm the environment.
- With the Covid concerns eliminating single use plastics from the industry has taken a few steps backwards
- However, the push for elimination of single use plastics and urgent need for circular economy in plastics remains a top priority.
- Mandated EPR strategies is in the emergence.

Waste not want not: Malaysia moves to become a leader in tackling plastic waste

Aside from the inflow from other countries, a bulk of the plastic problem originates from Malaysians. As industry players await the Extended Producer Responsibility (EPR) scheme, relevant regulations are required for a circular economy.

Nestlé aiming at 100% recyclable or reusable packaging by 2025

Global Leader in recycling certification



Enterprise
Heng Hiap Industries first in world to get Ocean Bound Plastic Certification

Jennifer Jacobs / theedgemarkets.com
August 18, 2020 09:56 am +08



THE EDGE - PAM
Green Excellence Award 2021

EXTENDED!
REOPENING FOR
SUBMISSIONS NOW
JULY 16, 2023



Main Market listed issuers will now be required to include the following disclosures in their Sustainability Statements

Indicators Linked to material sustainability matters
“common sustainability matters”

11 x Common Indicators

- Anticorruption
- Community/Society
- Diversity
- Energy Management
- Health and Safety
- Labour Practices and Standards
- Supply Chain Management
- Data Privacy and Security
- Water
- Waste Management
- Emission Management

Sector Specific Indicators

- Biodiversity
- Community/Society
- Customer Health & Safety/product Responsibility
- Emissions - Air Quality / Pollution
- Materials
- Supply Chain / Supplier Environmental Assessment
- Supply Chain / Supplier Social Assessment
- Effluents

Assurance of Sustainability Claims

Seeking assurance has lot of internal and external benefits:

- ✓ Bring a greater sense of confidence in disclosures by increased recognition, trust and credibility
- ✓ Stand apart in the eyes of investors, rating agencies and other analysts for a better investment and rating decisions.
- ✓ Reduced risk and increase value of sustainability reports.
- ✓ Improved Board and CEO level engagement for better internal decision making.
- ✓ Strengthened internal reporting and management systems.
- ✓ Improved stakeholder communication.



AA1000
Licensed Assurance Provider
000-779

INDEPENDENT ASSURANCE STATEMENT

Control Union was commissioned by Apical Group to conduct an independent assurance of Apical Sustainability Report 2019.

The information in the Sustainability Report is the exclusive responsibility of Apical group. Control Union was not involved in the preparation of any material included in this document.

The responsibility of Control Union is to express an opinion concerning the information including graphs, tables and statements included in the report, within the assurance scope mentioned below, with the purpose to inform all the interested parties. This Assurance Statement applies to the related information included within the scope of work described below and within the boundaries specified in the Report.

Assurance Scope

The sustainability report was developed using the Global Reporting Initiative (GRI) standards. The assurance process involves verification of the following aspects:

Inclusivity:

Engagement with stakeholders in the report development process and their involvement in organizational decision making

Apical has a complete stakeholder engagement process that aims to obtain insight into sustainability expectations across its different business operations. The results are incorporated into the organization's strategy and target setting and serve as an important input as to how issues are prioritized at the highest organizational level.

Apical has continued to seek feedback on its Sustainability report from an external stakeholder panel. The publication of their full statement demonstrates the willingness of the organization to respond to stakeholder input and adds to the transparency of the Report.

Materiality:

Identification of issues in the report that are relevant and significant to the organization's stakeholders, the presence of and the extent to which these material issues are disclosed in the report.

Apical's materiality topics were selected based on surveys conducted on their 2018 materiality issues to ensure that those issues were still important and relevant for their stakeholders in 2019. We found that the management approach for priority issues was well embedded within the business and feeds into the founder's philosophy of doing what is good for the community, country, climate, customer and company.

Responsiveness:

Acting on stakeholder issues and provision of feedback through decisions, actions, performance and communication

Apical engages with their stakeholders through various channels (conference calls, presentations, one-on-one) and this ensures a two-way dialogue between both parties. In this way Apical is able to directly address the concerns of stakeholders by explaining their sustainability practices to them particularly

Reporting Standard:

- **GRI Standards or other**

Assurance Standard:

- AA1000AS (V3)
- ISAE 3000



ISAE 3000 (Revised)
Issued March 2015;
Updated July 2022

International Standard on Assurance Engagements™

Assurance Engagements other
than Audits or Reviews of
Historical Financial Information

IAASB APPROVES ISSA 5000

Formal Publication Expected in December, Range of Guidance & Application Materials Planned for January 2025

The IAASB approved International Standard on Sustainability Assurance 5000 on September 20, 2024. With this milestone, we will now finalize the text of the standard for certification by the Public Interest Oversight Board.

Scope of the Engagement for Assurance

AA 1000 AS



LIMITED VS. REASONABLE: limited assurance engagements are NOT “easier” than reasonable engagements



- Suitable criteria (i.e., a reporting framework), appropriate underlying subject matter, and sufficient and appropriate evidence must be present for all assurance engagements—be they limited or reasonable assurance in nature.
- Deficient criteria and inappropriate underlying subject matter cannot be remedied by lowering the level of assurance obtained, nor does obtaining limited assurance mean that less evidence can be available to the assurance provider.
- Limited assurance engagements put the onus on skilled practitioners—possessing both assurance skills and techniques (**ISAE 3000** section 3000.12b) and sufficient competence in the underlying subject matter (**ISAE 3000** section 3000.31c)—to determine how much assurance needs to be obtained for enhanced user confidence about the report.
- Limited assurance engagements include an informative summary of the work performed as the basis for the practitioner’s conclusions. Accordingly, the reports must be written with great care to help users accurately understand and interpret the scope of the review performed.

- Stakeholder Inclusivity
- Transparency
- Integration sustainability in to your corporate strategy

Is the only way to survive and thrive!

"If you think compliance is expensive – try non-compliance"

Former U.S. Deputy Attorney General Paul McNulty



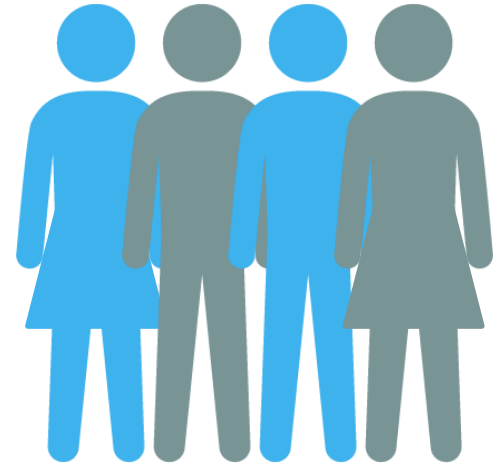
Thank You

“Supply and value chain solutions built
by individuals who care”

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General; malaysia@controlunion.com

Control Union (Malaysia) Sdn. Bhd.
Certifications, Collateral services, Commodity Inspections & Industrial Inspections

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www.controlunion.com

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