

# From waste to verified value:

## IOI Palm Wood's SIRIM ECO Label sets benchmark for circular agro-based products

As global regulations tighten, certified materials such as OnCore are emerging as lower-risk options for exporters.



IOI Palm Wood's OnCore product range has been granted the SIRIM ECO Label

In the rapidly evolving global trade landscape, the burden of proof has shifted to manufacturers, who are facing increasing pressure to substantiate environmental claims as regulations tighten and demand for transparency grows.

Measures such as the EU Deforestation Regulation (EUDR) and the development of Malaysia's carbon market – the Bursa Carbon Exchange (BCX) – are reshaping expectations, with green credentials now requiring independent verification rather than self-declaration.

### A MILESTONE IN MALAYSIAN CERTIFICATION

IOI Palm Wood has announced that its OnCore product range has been granted the SIRIM ECO Label (SIRIM ECO 086:2024), a Malaysian certification for environmentally responsible products.

The label indicates that the product meets specified environmental and regulatory criteria, including resource efficiency and limits on hazardous



substances. It also provides a recognised standard that supports compliance with international procurement requirements, simplifying the due diligence process.

#### TRACEABILITY AND REGULATORY ALIGNMENT

The EUDR, which is expected to come into force in Dec 2026 for large operators, requires companies to demonstrate that materials are deforestation-free and traceable to precise locations.

IOI Palm Wood uses oil palm trunks sourced from plantations certified under the Malaysian Sustainable Palm Oil (MSPO) scheme. As an agricultural by-product, the material avoids some of the regulatory and environmental challenges associated with conventional timber sourcing.

The certification process enables traceability throughout production, positioning the

material for use in export markets, including furniture and construction.

#### MEASURING THE IMPACT

While OnCore is considered inherently sustainable, IOI Palm Wood is in the advanced stages of conducting a Life Cycle Assessment (LCA) to measure the environmental impact of its products.

The study will provide a cradle-to-gate analysis of greenhouse gas emissions, as well as the carbon sequestration potential of the material. Results are expected to be released by the end of 2026 and are intended to support customers' carbon reporting requirements.

#### A CHANGING CARBON LANDSCAPE

As Malaysia prepares to introduce its carbon tax framework in 2026, the strategic value of low-carbon materials

#### LEGEND

- 1 Unused oil palm trunks are transformed into high-performance, sustainable panels at IOI Palm Wood
- 2 Certified materials with verified environmental data are increasingly seen as part of long-term strategies to manage carbon risk

such as OnCore has moved from potential to essential.

Materials with verified environmental performance are likely to become more significant. Manufacturers and designers are doing more than purchasing raw materials – they are investing in future-proofed assets that mitigate carbon risk and enhance long-term brand resilience in a decarbonising economy. **P**

*All images courtesy of IOI Palm Wood.*