

RSPO Certifications Systems for Principles & Criteria: FINAL DRAFT January 2017

For Accreditation and Certification Bodies

Adopted by the RSPO Board of Governors on XXXXX

Contents

| | | |
|------|--|----|
| 1 | Scope..... | 4 |
| 1.1 | Introduction to the RSPO and to this document | 4 |
| 1.2 | Elements of the RSPO certification scheme..... | 5 |
| 1.3 | Overview of this document..... | 6 |
| 1.4 | Other relevant documents..... | 6 |
| 1.5 | Definitions..... | 8 |
| 2 | Accreditation Body (AB) requirements | 10 |
| 2.1 | Accreditation overview | 10 |
| 2.2 | Requirements for the Accreditation Body | 10 |
| 2.3 | Suspension, withdrawal and termination of accreditation | 11 |
| 3 | General requirements for Certification Bodies (CBs) | 13 |
| 3.1 | Accreditation of CBs..... | 13 |
| 3.2 | Accreditation status | 13 |
| 3.3 | Conformity with ISO requirements..... | 13 |
| 3.4 | Contract of service | 13 |
| 3.5 | Transfer of certification between CBs | 14 |
| 3.6 | Impartiality and conflict of interest | 14 |
| 3.7 | Confidentiality..... | 15 |
| 3.8 | Assessment team composition requirements | 15 |
| 3.9 | Lead auditor requirements | 17 |
| 3.10 | Subcontracting requirements | 17 |
| 4 | Certification process requirements for certification against P&C | 19 |
| 4.1 | Unit of certification | 19 |
| 4.2 | Information for applicants and certificate holders..... | 19 |
| 4.3 | Assessment planning | 19 |
| 4.4 | Procedure for assessment process | 20 |
| 4.5 | Minimum requirements for multiple holdings | 21 |
| 4.6 | Stakeholder consultation | 23 |
| 4.7 | Sampling..... | 24 |
| 4.8 | Decision making | 24 |

| | | |
|--|--|----|
| 4.9 | Addressing major and minor non-compliances | 24 |
| 4.10 | Reporting and communications | 25 |
| 4.11 | Certificates | 26 |
| 4.12 | Suspension and withdrawal of certification | 26 |
| 4.13 | Annual surveillance assessments..... | 27 |
| 4.14 | Complaints process | 28 |
| 4.15 | Publicly available information..... | 28 |
| 4.16 | Control of claims | 28 |
| Annex 1: Information for certification of smallholders including group certification | | 29 |
| Annex 2: Transfer of certification - additional requirements | | 34 |
| Annex 3: Guidance for Peer Reviewer..... | | 33 |

1 Scope

1.1 Introduction to the RSPO and to this document

- 1.1.1 The Roundtable on Sustainable Palm Oil (RSPO) is a global, multi-stakeholder initiative on sustainable palm oil production and use. Members of the RSPO and participants in its activities come from many different backgrounds, including plantation companies, manufacturers and retailers of oil palm products, environmental and social non-governmental organizations (NGOs), and from many countries that produce or use oil palm products. The principal objective of the RSPO is to promote the growth and use of sustainable palm oil through cooperation within the supply chain and open dialogue between its stakeholders.
- 1.1.2 The methods used by the RSPO to deliver its objective include the development of a standard for certification of sustainable palm oil production, and the development of a standard for certification of the control of RSPO certified oil palm products in the supply chain:
- The *RSPO Principles and Criteria for the Production of Sustainable Palm Oil* (RSPO P&C) is structured as a series of principles, criteria, indicators and guidance, and is designed to be used by palm oil growers and millers to implement sustainable production practices. The RSPO National Interpretation (NI) of the RSPO P&C must be used when the applicable NI has been endorsed by the RSPO. In case where an NI has not been endorsed by the RSPO, the latest version of the RSPO P&C shall be used for the audit. RSPO encourages members to develop an NI. The RSPO P&C are designed to be used before, during and after any land is developed for oil palm plantings. The RSPO New Planting Procedure (NPP) specifies a sub-set of RSPO P&C that must be independently evaluated prior to any development of new plantings.
 - The *RSPO Supply Chain Certification Standard* (RSPO SCC Standard) is structured as a series of auditable requirements designed to be used by organizations in the palm oil supply chain, to demonstrate systems for control of RSPO certified palm oil products. Supply chain certified units can make claims relating to the use of (or support for) RSPO certified palm oil products when they adhere to the requirements of the RSPO SCC Standard. The claim made must be compliant with the *RSPO Rules on Market Communications and Claims* as published on the RSPO website.
- 1.1.3 Organizations that are found during a certification assessment to be in compliance with an RSPO standard are issued with a Certificate of Compliance with a maximum validity of 5 years. The NPP verification statement shall state the applicable sub-set of RSPO P&C that has been independently evaluated.

- 1.1.4 The RSPO is a full member of the ISEAL Alliance, the global membership organization for sustainability standards. The ISEAL Alliance has defined a good practice code for assurance, covering certification and accreditation (*Assuring Compliance with Social and Environmental Standards: Code of Good Practice*), which requires standards system owners to document a plan for how they address risks to the integrity of their assurance systems. The plan should include a list of the most significant risks in their system and a description of the strategies being employed by the standards system owner to address each of these risks. This document is designed to address many of the assurance risks identified by the RSPO.

1.2 Elements of the RSPO certification scheme

- 1.2.1 The RSPO certification scheme is made up of three key elements:

- **Certification standards:** These set out the requirements which shall be met by an organization and against which certification assessments are made. These are:
 - the *RSPO P&C*, supported by the *RSPO P&C: Audit Checklist for Assessing Compliance* (RSPO generic audit checklist) and *National Interpretations*, where applicable
 - the *RSPO SCC Standard* (also relevant for CPO mills)
 - for group certification: the *RSPO Management System Requirements and Guidance for Group Certification of FFB Production* (supported by its accompanying *FAQ document*)
 - *RSPO-RED*, RSPO Requirements for compliance with the EU Renewable Energy Directive requirements
 - *RSPO NEXT*, for voluntary additional efforts for companies that have met the current requirements and guidance of the RSPO P&C [Note: eligibility requirements apply]

The latest versions of the above documents apply.

- **Accreditation requirements:** These are the requirements, defined in this document, for ensuring that (i) the organization that undertakes the accreditation of CBs (the AB) is competent and produces credible, consistent results; and (ii) the organizations (CBs) which undertake certification are competent and produce credible, consistent results.

Accreditation requirements for CBs wishing to become accredited for RSPO SCC auditing are outlined in the separate *RSPO SCC Certification Systems* document.

- **Certification process requirements:** This is the process, also defined in this document, of establishing whether or not the requirements of the standards have been met, and is carried out by a CB. In case a finding requires further interpretation to assess whether the requirements of the standards have been

met, RSPO will publish the case on the RSPO Interpretation Forum with a date of final decision-making. For details of RSPO Interpretation Forum please contact the RSPO Secretariat.

1.3 Overview of this document

- 1.3.1** This document sets out the requirements for the systems that shall be followed in the implementation of certification against the requirements of the *RSPO P&C* and/or its National Interpretations (including the certification of any sub-set of the RSPO P&C as required under the RSPO New Planting Procedure). The RSPO requirements for National Interpretations are defined in the *RSPO Standard Operating Procedure for Standards Setting and Review*. The requirements in this Certification Systems document are also applicable when CBs are auditing against the RSPO-RED, or RSPO NEXT. Particular processes and requirements that apply to the certification of smallholders and independent growers are outlined in Annex 1 to this document.
- 1.3.2** The requirements in chapter 1, 2, 3 and 4 of this document where applicable are also valid for the RSPO NPP verification process, as well as the verification of compliance with the RSPO Remediation and Compensation procedure.
- 1.3.3** These certification systems consist of the requirements for the AB (detailed in section 2 of this document), the general requirements for CBs (section 3 of this document) and the certification process requirements for assessment against the P&C (section 4 of this document). The certification systems that apply to the RSPO SCC Standard are contained in the separate *RSPO Supply Chain Certification Systems* document. Auditing of the CPO mill requirements in the SCC Standard will need to follow the SCC Certification Systems, except for the time for closure for major non-conformities, which will be 90 days (see 4.9.3).
- 1.3.4** A review of this document will take place within five years of publication. The review will include an assessment of the effectiveness of the accreditation mechanism and the continued competence of the current AB. The RSPO Secretariat can also decide to review any aspect of the systems documentation at any time at their discretion, as necessary, following international best practices.

1.4 Other relevant documents

- 1.4.1** Documents that are referenced in this document are listed below. All RSPO documents are available on the RSPO website, www.rspo.org. Where documents have since been updated as a new version before this document is next revised, the latest version of all documents will always prevail.

RSPO Principles and Criteria for the Production of Sustainable Palm Oil, all National Interpretations and all relevant associated guidance

RSPO Management System Requirements and Guidance for Group Certification of FFB Production, and its accompanying FAQ document

RSPO P&C: Audit Checklist for Assessing Compliance (RSPO generic audit checklist)

RSPO Supply Chain Certification Standard

RSPO Supply Chain Certification Systems

RSPO Rules on Market Communications and Claims

RSPO Standard Operating Procedure for Standards Setting and Review

RSPO-RED Requirements for compliance with the EU Renewable Energy Directive requirements

RSPO NEXT

ISO 14001:2015 Environmental Management Systems – Requirements with Guidance for Use

ISO/IEC 17011:2004 Conformity Assessment - General Requirements for Accreditation Bodies Accrediting Conformity Assessment Bodies

ISO/IEC 17065:2012 Conformity Assessment - Requirements for Bodies Certifying Products, Processes and Services (ISO/IEC 17065)

ISO 19011:2011 – Guidelines for Auditing Management Systems (ISO 19011:2011)

IAF MD2:2007 IAF Mandatory Document for the Transfer of Accredited Certification of Management Systems (IAF MD2:2007)

ISEAL Alliance. Assuring Compliance with Social and Environmental Standards: Code of Good Practice, v 1.0.

RSPO New Planting Procedure and all relevant associated guidance

RSPO Remediation and Compensation Procedure and all relevant associated guidance

1.5 Definitions

1.5.1 Definitions of terms used in this document are listed below.

| | |
|-----------------------------|--|
| Accreditation Body (AB) | The organization that undertakes the accreditation of certification bodies (CBs) |
| Assessment | The combined processes of audit, review, and decision on a client's conformity with the requirements of a standard. |
| Certificate of Compliance | Document issued under the rules of a certification system, indicating that adequate confidence is provided that a duly identified product, process or service is in conformity with a specific standard or other normative document |
| Certification Body (CB) | An organization that undertakes an RSPO certification assessment and issues a certificate |
| Client | The person or enterprise that is seeking assurance of their conformity with the requirements in a standard. Also known as operator or entity. |
| Conflict of interest | An actual or perceived interest in an action that results in or has the appearance of resulting in personal, organizational, or professional gain. |
| Corrective action | Action to eliminate the cause of a detected nonconformity or other undesirable situation |
| Group | An organized body of persons or enterprises are part of a shared internal management system and, for assessment purposes, are considered as a single client (e.g.: groups of farmers, of retail stores, of distributors) |
| Group member | The individual enterprise (e.g. oil palm smallholder) that is enrolled in a group assurance scheme. |
| Independent Smallholders | Farmers growing oil palm, sometimes along with subsistence production of other crops, where the family provides the majority of labour and the farm provides the principal source of income and where the planted area of oil palm is usually below 50 hectares in size. |
| Initial certification audit | Initial systematic, documented process for obtaining records, statements of fact or other relevant information and assessing them objectively to determine the extent to which RSPO requirements are fulfilled. |
| Management unit | Unit of certification, which is the mill and its supply base. |
| National Interpretation | An adaptation of the RSPO Principles & Criteria for use in a particular country. |
| Non-compliances (NC) | <p>Non-fulfilment of a requirement.</p> <p>According to their severity, non-compliances are graded into two categories:</p> <p>Minor non-compliances</p> <p>A NC shall be considered minor if all the indicators in this section apply:</p> <ul style="list-style-type: none"> a) it is a temporary lapse, and b) it is unusual / non--systematic, and c) the impacts of the NC are limited in their extent, and d) it does not result in a failure to achieve the objective of the certification requirement. |

| | |
|---------------------------|---|
| | <p>Major non-compliances</p> <p>A NC shall be considered major if a failure:</p> <ul style="list-style-type: none"> a) continues over a long period of time, or b) is repeated or systematic, or c) affects more than one area and/or causes significant damage, or d) is indicated by the absence or a breakdown of a system, or e) is not corrected or adequately responded to by the certified organisation once identified |
| Outgrowers | <p>Farmers or oil palm planters with more than 50 hectares in size who produce FFB for sales, but without mill. Outgrowers can be independent, i.e. independent growers, or associated with a mill, e.g. scheme outgrowers. This definition supersedes the definition in the P&C document.</p> |
| Outsourcing | <p>The practice of contracting an internal business process (activities that produce a specific service or product) out to a third party organisation.</p> |
| Plantation | <p>The land containing oil palm and associated land uses such as infrastructure (e.g. roads), riparian zones and conservation set-asides.</p> |
| Re-certification audit | <p>Re-audit of an organisation for renewal of RSPO certification shortly before expiry of the current accreditation. RSPO re-certification shall be undertaken at least every five years</p> |
| RSPO IT platform | <p>The IT platform in which the units who want to be certified, must be registered. The IT platform keeps track of the progress of the certification.</p> |
| RSPO Interpretation Forum | <p>An interpretation forum for CBs, auditors and the AB to clarify any questions on the RSPO standards, systems and procedures.</p> |
| Scheme smallholders | <p>Smallholders that may be structurally bound by contract, credit agreement or by planning to a particular mill, but the association is not necessarily limited to such linkages. Other terms commonly used for scheme smallholders include associated and/or plasma smallholders.</p> |
| Surveillance audits | <p>Annual systematic repetition of conformity assessment activities as a basis for maintaining the validity of RSPO certification.</p> |
| Suspension | <p>Process of temporarily making accreditation or certification invalid, in full or for part of the scope of accreditation or certification</p> |
| Stakeholders | <p>An individual or group with a legitimate and/or demonstrable interest in, or who is directly affected by, the activities of an organization and the consequences of those activities.</p> |
| Termination | <p>Voluntary cancellation of the accreditation agreement by either party according to the contractual arrangements.</p> |
| Withdrawal of CBs | <p>Process of cancelling an accreditation</p> |

2 Accreditation requirements

2.1 Accreditation overview

- 2.1.1 Any CB that wishes to offer a service of certification assessment against RSPO certification standards must be specifically accredited by the Accreditation Body (AB) that is operating on behalf of the RSPO.
- 2.1.2 CBs accredited for RSPO P&C (including certification of smallholders) are allowed to conduct related RSPO verification activities such as RSPO NPP, and compliance audits for RSPO RED, RSPO NEXT and Group Certification. Accredited CBs for RSPO P&C must be in compliance with the relevant requirements defined by RSPO. CB Accreditation for RSPO SCC should refer to RSPO Supply Chain Certification Systems Document.
- 2.1.3 The RSPO has made a provision that all CBs accredited for certification against the RSPO P&C can also undertake supply chain assessments but only for CPO mills, provided that one of the assessment team members has successfully completed an SCC lead auditor training course (see 3.8.4).

Note: This provision is in order to enable assessment of supply chain requirements of CPO mills to be undertaken at the same time as P&C certification assessments. This does not apply to independent, stand-alone oil mills, which do not have a fixed supply base and therefore are not included as part of a P&C assessment; in these cases, a CB accredited for certification against the SCC Standard must undertake the supply chain assessment. Independent and integrated palm kernel crushers cannot be part of a P&C certification unit and always requires a separate SSC Standard certification, by an SCC accredited CB.

- 2.1.4 The RSPO and the AB both publish a list of accredited CBs on their respective websites.

2.2 Requirements for the Accreditation Body

- 2.2.1 The AB shall demonstrate that it complies with the intent and requirements of *ISO/IEC 17011:2004 Conformity Assessment - General Requirements for Accreditation Bodies Accrediting Conformity Assessment Bodies*. The AB shall demonstrate this either by being a signatory to the appropriate International Accreditation Forum (IAF) Multilateral Recognition Arrangement (MLA) or through full membership of the International Social and Environmental Accreditation and Labelling Alliance (ISEAL).
- 2.2.2 The AB shall be responsible for decisions on the accreditation status of a CB, including application, approval, suspension, withdrawal or termination, as well as expanding and reducing the scope of accreditation.
- 2.2.3 The AB's documented systems and procedures shall include annual monitoring and reviews of CBs' competence and implementation of all RSPO-specific requirements. The AB shall publish its finalized P&C witness and compliance audit reports of accredited CB's on its website.

- 2.2.4 The AB is required to implement its accreditation processes in accordance with documented systems and procedures. These systems and procedures shall be designed to ensure that accredited RSPO CBs are operating in a manner consistent with the intent and requirements of *ISO/IEC 17065:2012 Conformity Assessment - Requirements for Bodies Certifying Products, Processes and Services* (ISO/IEC 17065), together with the specific RSPO requirements detailed in sections 3 and 4 of this document.
- 2.2.5 This document includes some areas of overlap with ISO/IEC 17065. Where there is any inconsistency or conflict between these RSPO Certification Systems and any relevant International Organization for Standardization (ISO) requirements, the RSPO requirements shall always take precedence. ISO/IEC 17065 recognizes that there will be additional requirements for specific certification schemes. The specific requirements for RSPO certification are detailed in sections 3 and 4 of this document, and are necessary to ensure a sufficient level of technical rigour and credibility.
- 2.2.6 The AB's documented systems and procedures shall include requirements relating to the transfer of the certification of an organization from one accredited CB to another, consistent with the requirements of *IAF MD2:2007 IAF Mandatory Document for the Transfer of Accredited Certification of Management Systems* (IAF MD2:2007) and as specified in section 3.5 of this document.
- 2.2.7 Assessments of the performance of the AB in relation to its defined systems and procedures, and any additional RSPO requirements, are conducted by the RSPO Secretariat biannually.
- 2.2.8 The accreditation body shall maintain and implement a written policy and procedures for avoidance of conflicts of interest.
- 2.2.9 The AB has a Dispute Management which primarily deals with the performance and decision-making of the certification bodies (CBs).

2.3 Suspension, withdrawal and termination of accreditation

- 2.3.1 The AB shall have a documented procedure in place for the suspension, withdrawal or termination of the accreditation of CBs.
- 2.3.2 The AB shall notify the RSPO Secretariat of the suspension, withdrawal or termination of accreditation for any CB within 24 hours. The RSPO will inform RSPO members of such developments in two working days through announcements on the RSPO website. A suspended CB is only allowed to conduct annual surveillance audits, but is not permitted to undertake initial certification audits, re-certification audits or any verifications under the RSPO schemes, and must inform all of its RSPO clients of its suspended status. From termination date, the terminated CB is not allowed to do any audits and verifications for the RSPO schemes.

- 2.3.3 Where a CB's accreditation is withdrawn, terminated or suspended, all certificates issued by that CB remain valid until the next surveillance date. In case when a CB's accreditation is being withdrawn, suspended or terminated within short period of company's next surveillance date, the company shall be given 3-months extension from the expiry date of certificate by RSPO. The CB shall inform all of its RSPO certificate holders within 14 days of this change in status, and shall comply with the AB's and RSPO's requirements for transfer of certification to other accredited CBs. If an audit is being performed before the withdrawal, termination or suspension date, but the certification process has not been completed, the RSPO Secretariat together with the AB will decide about the continuation of the process.

3 General requirements for Certification Bodies (CBs)

3.1 Accreditation of CBs

- 3.1.1 Certification shall be undertaken by a CB that has been accredited in accordance with the requirements of the RSPO, as outlined in section 2 of this document.
- 3.1.2 Individuals cannot be accredited as a CB.

3.2 Accreditation status

- 3.2.1 The CB shall only carry out RSPO certification processes described in this document after the date of its accreditation, and only within the scope of its accreditation.
- 3.2.2 The CB shall comply with any requirements set by the AB relating to accreditation decisions, status and scope.

3.3 Conformity with ISO requirements

- 3.3.1 The CB shall demonstrate that all aspects of its organization, systems and procedures for conducting certification in accordance with these Certification Systems are compliant with the relevant requirements of the AB, as specified in section 2.2 of this document.
- 3.3.2 The CB shall develop systems and procedures for certification assessments consistent with the guidance in *ISO 19011:2011 – Guidelines for Auditing Management Systems* (ISO 19011:2011), with modifications to take into account the specific requirements set out in this document.

3.4 Contract of service

- 3.4.1 The CB shall enter into a written, legally enforceable certification agreement for the provision of RSPO certification assessment services with its clients. The agreement must clearly indicate the scope of assessment.
- 3.4.2 The CB's contracting documents shall specify the scope, duration and costs related to the assessment services, and outline the CB's and client's contractual rights and obligations. This must include the client's right of appeal in relation to the CB's assessment process, which must also be contained in the procedures of the CB.
- 3.4.3 The CB's contracting documents shall specifically state the CB's, RSPO's and its AB's right to access the certificate holder's premises as well as documents, records deemed necessary by the CB, RSPO or its AB.
- 3.4.4 The CB's contracting documents shall specifically state the AB's right to conduct regular or short notice compliance assessments and witness assessments.

- 3.4.5 Prior to entering into a contract, the CB shall check the RSPO website to confirm that the client or its parent organization is an RSPO member or has applied to be an RSPO member. The CB shall check with RSPO Secretariat if the membership status of the client is in doubt. An organization must be a member of the RSPO before it can undergo a certification assessment against the RSPO P&C.

3.5 Transfer of certification between CBs

- 3.5.1 Transfer of the certification of an organization between accredited CBs can take place at any time during the validity period of a certificate, in accordance with the requirements of IAF MD2:2007. Guidance on the required process is detailed in Annex 2 to this document. Transfer of CBs is allowed only once within a certificate cycle (i.e. 5 years). If there is a need for a second transfer, a written permission from the RSPO Secretariat must be obtained through a request made by the company or the CB.
- 3.5.2 The transfer of a certification between accredited CBs shall not be permitted if there are outstanding major non-compliances as described in section 4.8.2 of this document and/or if any financial obligations have not been met. If a CB has been suspended, withdrawn or terminated by AB, transfer of certification shall be permitted even if there are outstanding major non-compliances (NC), provided that a corrective action plan has been endorsed by the initial CB. The suspended, withdrawn or terminated CB remains responsible for endorsing the corrective action plan for major NCs. A draft report and corresponding documents must be submitted by the suspended, withdrawn or terminated CB to the new CB.
- 3.5.3 After reviewing the documentation, the new CB shall issue the organization with a new certificate following the next annual surveillance audit (see section 4.13 of this document), maintaining the previous expiry date. Upon issuance of the new certificate, the RSPO shall be informed through the RSPO IT platform.

3.6 Impartiality and conflict of interest

- 3.6.1 Any person or entity engaged by the CB or the CB itself shall:
- Declare any and all interests which may potentially affect the certification process and/or which could possibly constitute a conflict of interest, in advance of engaging in a certification process against the requirements of any RSPO Certification Standards.
 - Report any circumstance or pressure that may influence its independence or confidentiality immediately to the executive management of the CB. The executive management of the CB shall notify the RSPO and the AB of any such report and ensure that any such report is included in the certification report of the certification process and in the file of the client.
- 3.6.2 The CB shall retain records of any real and potential conflicts of interest from its auditors. The CB shall also retain records of its reasoning behind any decisions, including all actions taken to resolve any potential or actual conflict of interest, for at least five years.

- 3.6.3 The CB shall have documented procedures for preventing, reviewing and acting upon any conflict of interest declarations made by its auditors. These procedures shall ensure that the declared potential or actual conflict of interest does not influence the evaluations, actions or decisions of the CB.
- 3.6.4 The CB's procedures for identifying and managing conflicts of interest shall include provision for a specific independent committee, set up by the CB. The independent committee shall consist of at least three external members who are not employees or subcontractors of the CB, and shall meet at least annually with managers of the CB to formally review the CB's performance in this respect.
- 3.6.5 The CB and members of its assessment teams shall have maintained independence from the organization being assessed for a minimum of three years to be considered not to have a conflict of interest.
- 3.6.6 The CB shall not use the same lead auditor as audit team leader for more than three consecutive visits (counting all types of audits, i.e. certification audits and surveillance audits) to a management unit.
- 3.6.7 The CB shall not provide any verifications or other activities concerning complaints or other investigations with companies they have certified.
- 3.6.8 The CB and its subcontractors shall not have provided, or provide management advice or technical support related to the scope of RSPO certification to any organization under contract with the CB for certification assessment services, or with whom it has any relationship which creates a threat to impartiality, for at least three years before certification services are provided. This excludes the provision of RSPO-endorsed public training courses.

3.7 Confidentiality

- 3.7.1 The CB shall have a documented policy on confidentiality to share with its clients, as part of or referenced from the certification agreement. This policy will cover its handling of commercially sensitive information.

3.8 Assessment team composition requirements

- 3.8.1 The CB shall implement all provisions, including legal arrangements, to ensure that any and all persons, subcontractors or other entities (e.g. permanently employed and freelance auditors, experts, consultants, etc.) engaged on its behalf in auditing against the requirements of the RSPO Standards, are trained and knowledgeable about the applicable processes, procedures and documents, and comply with the requirements of the RSPO Certification Systems as a whole.
- 3.8.2 The CB shall ensure that the skills and experience of RSPO certification assessment teams is consistent with the intent and requirements of ISO 19011:2011, with modifications to take into account the specific requirements of the RSPO Certification Systems, as described in this document.

3.8.3 RSPO certification assessment teams shall always include a lead auditor as team leader.

3.8.4 Composition of RSPO P&C audit teams (including NPP verification) shall ensure that the team can demonstrate sufficient oil palm expertise and knowledge of RSPO requirements to address all of the requirements of the RSPO P&C relevant to a specific assessment, including the legal, technical, environmental and social issues, and shall consist of auditors who have:

- Successfully completed an RSPO endorsed P&C lead auditor course (for all auditors on the team);
- Field experience in the palm oil sector (for all auditors on the team);
- Local/regional knowledge and experience, including knowledge of local laws;
- Familiarity with Best Agricultural Practices, and Integrated Pest Management, pesticide and fertilizer use;
- Experience in health and safety auditing on the farm/plantation and in processing facilities, for example against the *BS OHSAS 18001 Occupational Health and Safety Management* standard;
- Worker welfare issues and social auditing experience, such as experience with the SA8000 Standard or related social or ethical accountability codes;
- Experience in environmental and ecological auditing or assessments, such as experience with High Conservation Value (HCV) assessments, organic agriculture or the *ISO 14001:2015 Environmental Management Systems* standard;
- Fluency in one of the main national languages (all auditors on the team). If not enough auditors with language knowledge are available, the CB may seek special permission from RSPO Secretariat to include auditors who do not speak the national language. Knowledge of further languages relevant to the location where the assessment is taking place, including the languages of any potentially affected parties such as local communities: for this interpreters may be used;
Note: when interpreters are used in audits, they shall be independent of the organization being assessed. If this is not feasible due to logistical difficulties, the name and affiliation of interpreters shall be included in assessment reports.
- Supply chain expertise (one of the team members must have successfully completed the RSPO endorsed SCC lead auditor training course) sufficient to conduct an integrated SCC Standard assessment of the palm oil mill. Note: this does not apply for group certification.
- When local experts are used, e.g. for community consultations, the CB will have the responsibility to provide training on RSPO requirements to these experts prior to the audit.

3.8.5 For supply chain audits, specific requirements for the assessment team and lead auditors shall be followed as set out in the Supply Chain Certification Systems document.

3.9 Lead auditor requirements

3.9.1 RSPO lead auditors shall have, as a minimum:

- Post-high school/secondary school training in related disciplines, such as agriculture, environmental science or social sciences;
- Five years' professional experience in an area of work relevant to the audit (e.g. palm oil management; agriculture, ecology; social science);
- Demonstrable understanding of the RSPO Certification Systems;
- Successful completion of an ISO 9000 or ISO 19011 lead auditor course;
- Successful completion of an RSPO endorsed P&C lead auditor course;
- A supervised (by a registered lead auditor) period of training in practical assessments against the RSPO P&C, with a minimum of 15 days' assessment experience in at least three assessments.

Any deviation from these requirements requires specific approval in writing from the RSPO Secretariat.

3.9.2 The CB shall register all of its approved lead auditors and auditors with the AB, including details on their qualifications and competences.

3.9.3 The CB shall evaluate the performance of each lead auditor in witness assessments at least once every three years.

3.10 Subcontracting requirements

3.10.1 The CB may subcontract (outsource) certification work to an affiliate office, external body or person, subject to their compliance with the RSPO requirements for assessment teams and lead auditors as set out in sections 3.8 and 3.9 of this document.

3.10.2 The CB shall have: a formal agreement and/or contract with the subcontractor; documented procedures for managing its relationship with the subcontractor according to the requirements of this document; and mechanisms to review the performance of the subcontractor and ensure that they are fully compliant.

3.10.3 Subcontractors shall also be subject to monitoring by the AB.

3.10.4 Subcontractors shall comply with all applicable requirements in this document.

3.11 Complaints process

3.11.1 Information about procedures for handling complaints and grievances shall be made available by the CB on its website and request to any interested party (clients and stakeholders) in language(s) considered appropriate for the stakeholders. This shall include complaints against the certified organization, the certification decision or the CB itself.

3.11.2 A CB shall notify ASI and RSPO if a complaint is received by any RSPO stakeholders concerning its competency, or concerning the outcome or implementation of a certification assessment that it conducted. The CB shall seek resolution of complaints within 60 days. Should the CB fail to resolve a complaint within that timeframe, it shall inform ASI immediately. Furthermore, the CB will inform the complainant about the ASI Complaints Procedure (<http://www.accreditation-services.com/dispute-management/complaints>).

3.11.3 If the complaint refers to the conditions of RSPO membership the CB will inform the RSPO Secretariat if a resolution was not achieved within 60 days.

4 Certification process requirements for certification against P&C

4.1 Unit of certification

- 4.1.1 For audits against the RSPO P&C, the unit of certification shall be the mill and its supply base. Where more than one mill shares the same supply base, deviations may be requested from the RSPO Secretariat to include more than one mill on a single certificate. Where organizations are managing plantations only, with no integrated mill, or where the mill is not yet established (e.g., during NPP verification, or where the organization wishes to be certified during the land development stage and/or before production has commenced) the requirements in the P&C relating only to mills are not applicable.
- 4.1.2 The unit of certification shall include both directly managed land (and estates) and scheme smallholders and outgrowers, where estates have been legally established with proportions of lands allocated to each. The CB has to establish the status of the smallholders at the time of the assessment.
- 4.1.3 The directly managed lands (or estates) shall be compliant with the P&C in order for a certificate to be awarded. The mill shall develop and implement a plan to ensure that 100% of scheme smallholders and scheme outgrowers are compliant with the standard within three years of mill certification. In monitoring compliance with this timeline, the CB shall raise an observation after one year where 100% of the scheme smallholders and scheme outgrowers are not in compliance, a minor NC after two years, and a major NC if this requirement is not met within three years.
- 4.1.4 For independent smallholders, the RSPO has developed a system of Group Certification which allows a number of individual growers to certify their Fresh Fruit Bunches (FFB) together under a single certificate. In these cases, the unit of certification shall be the group manager and 100% of the group members, and the group manager shall also comply with the requirements of the *RSPO Management System Requirements and Guidance for Group Certification of FFB Production* (2015). Refer to Annex 1 to this document for more detail.

4.2 Information for applicants and certificate holders

- 4.2.1 The CB shall provide operations seeking certification at minimum the following documents: standards to be used during the evaluation, application form, the CB's general terms and conditions and details of the appeals and complaints procedures.

4.3 Initial certification audit planning

- 4.3.1 The CB shall plan the certification audit to be consistent with the guidelines defined in ISO 19011:2011 and to include all elements of these Certification Systems.
- 4.3.2 The CB may synchronize and combine RSPO audits with other on-site assessments (e.g. concerning food safety, quality, etc.) where possible and appropriate.

- 4.3.3 The certification assessment shall cover all of the principles, criteria and indicators in the *RSPO P&C* (or the National Interpretation, where applicable, and/or the *RSPO Management System Requirements and Guidance for Group Certification of FFB Production, 2015, where applicable*), together with other referenced RSPO requirements or procedures and the SCC Standard requirements if relevant (i.e. the SCC mill requirements).
- 4.3.4 For NPP verifications, the certification assessment shall cover all of the principles, criteria and indicators in the RSPO P&C that are referred to in the RSPO New Planting Procedure.
- 4.3.5 The CB shall also determine compliance with any other requirements specified in the *RSPO New Planting Procedure* and the *RSPO Remediation and Compensation Procedure*, and other procedures which may be developed by RSPO under its schemes.
- 4.3.6 Where an organization has achieved certification against all of the RSPO P&C, surveillance audits to check continued compliance shall take place at least annually to ensure that there is continued compliance (see section 4.13 of this document).
- 4.3.7 Planning for the duration of the site assessment of the initial certification audit shall reflect the selection of estates as determined by the sampling process (see section 4.7 below). The duration of the site assessment will depend on various factors, such as the size and complexity of the operation, geographic context, known community issues, etc. As a guideline for a minimum baseline, the duration of the site visit of a management unit consisting of one mill and one estate should be nine man-days.

4.4 Procedure for the initial audit process

- 4.4.1 The CB shall define procedures for the certification audit process. As a minimum, these shall be consistent with the intent and requirements of ISO 19011: 2011.
- 4.4.2 The CB's procedures shall require that the certification audits, and the subsequent surveillance audits, use the following range of methods to collect objective evidence: documentation review, field checks and interviews with internal and external stakeholders (for further details on stakeholders see 4.6.3).
- 4.4.3 The CB's site assessment shall start with an opening meeting, during which the lead auditor shall: inform the certification applicant about the certification process; agree logistics for the assessment; confirm access to all relevant documents, field sites and personnel; explain confidentiality and conflicts of interest measures; and agree on the timing of the closing meeting.
- 4.4.4 The CB shall review the management documentation of the applicant to ensure that all elements fully meet the requirements of the relevant RSPO Certification Standards. The CB shall clarify any issues or areas of concern with the operation seeking or holding certification. This documentation review may be carried out as a separate activity, or integrated within the overall certification audit.

- 4.4.5 The certification audit shall review whether all required documented policies and procedures of the operation seeking or holding certification, are sufficient and adequately implemented to meet the intent and requirements of the applicable RSPO Certification Standards. Any non-compliances against this Certification Systems Document are classified as a major non-compliance.
- 4.4.6 In cases where an organization seeking certification contracts or outsources non-processing activities to independent third parties (such as labour, transport and external bulking activities), the activities of these third parties fall inside the scope of certification, and they shall comply with all relevant requirements of the RSPO certification standards. A risk assessment by the CB shall determine whether a site visit to the third party is required. The scope of a P&C certificate cannot include processing activities performed by other entities. Therefore, mills cannot outsource processing activities, i.e. a mill wanting to certify its palm oil products (e.g. CPO and PK) will need to carry out all related processing activities itself.
- 4.4.7 At the conclusion of the certification audit the CB shall conduct a closing meeting with the client's representative(s). During the closing meeting the CB shall ensure that:
- The client is informed that until they receive written confirmation of their certification registration and its expiry date, the organization is not certified and cannot make any claims concerning certification.
 - The client is made aware of the findings of the audit team including any non-compliances which may result in a negative certification decision, or which may require further actions to be completed before a certification decision can be taken.
 - A detailed record is compiled of the closing meeting including a list of non-compliances raised with clear reference to the specific indicators that each was raised against.
 - The record of the closing meeting shall be signed by the lead auditor and the most senior relevant management representative of the operation seeking or holding certification, and must give clear information whether the management unit is recommended for certification.

4.5 Minimum requirements for multiple management units

- 4.5.1 Organizations that have multiple management units, and/or a majority holding in and/or management control of more than one autonomous company growing oil palm, will be permitted to certify individual management units and/or subsidiary companies under certain conditions. A majority shareholding is defined as the largest shareholding; where the largest shareholdings are equal (e.g. 50/50) this applies to the organization that has management control. This process is permitted only if all of the following are complied with:

RSPO membership

- (a) The parent organization or one of its majority owned and/or managed subsidiaries is a member of the RSPO. The requirements (b)–(j) below will be applicable, whether the registered RSPO member is the holding company or one of its subsidiaries;

Time-bound plan

(b) A time-bound plan for certifying all its management units and/or entities, including the units where the organization has management control and no or minor shareholding, is submitted to the CB during the initial certification audit. The time-bound plan should contain a current list of all estates and mills. **As a minimum, all estates and mills must be certified within five years after obtaining RSPO membership. Any new acquisitions must be certified within a three-year timeframe. Any deviations from these maximum periods must be approved by the RSPO Secretariat.** Progress towards this plan shall be verified and reported on in subsequent annual surveillance audits by the CB. Where the CB conducting the surveillance audit is different from the CB which first accepted the time-bound plan, the later CB shall accept the appropriateness of the time-bound plan at the moment of first involvement and shall only check continued appropriateness;

(c) Any revision to the time-bound plan or to the circumstances of the company shall cause the plan to be reviewed (as provided for in the guidance on surveillance audits in section 4.13 of this document) for whether it is still appropriate, such that changes to the time-bound plan are permitted only where the organization can demonstrate to the CB that they are justified. The requirements will also apply to any newly acquired subsidiary from the moment that the company is legally registered with the local notary or chamber of commerce (or equivalent);

(d) Where there are isolated lapses in implementation of a time-bound plan, a minor non-compliance shall be raised. Where there is evidence of systematic failure to proceed with implementation of the plan, a major non-compliance shall be raised;

Requirements for uncertified management units

(e) No replacement of primary forest or any area required to maintain or enhance HCVs in accordance with RSPO P&C criterion 7.3. Any new plantings since January 1st 2010 shall comply with the *RSPO New Planting Procedure* (NPP). For each new planting development, compliance with the NPP shall be verified by an RSPO accredited CB;

(f) Land conflicts, if any, are being resolved through a mutually agreed process, such as the *RSPO Complaints System* or *Dispute Settlement Facility*, in accordance with RSPO P&C criteria 2.2, 6.4, 7.5 and 7.6;

(g) Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 6.3;

(h) Legal non-compliance, if any, is being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1;

(i) CBs shall assess compliance with these rules at each assessment of any of the applicable management units. Assessment of compliance with requirements (e)–(h) above by the CB based on self-declarations only by the company, with no other supporting documentation, shall not be acceptable. Verification of compliance shall be based on the following approach:

- A positive assurance statement is made, based upon self-assessment (i.e. internal audit) by the organization. This would require evidence of the self-assessment against each requirement;
- Targeted stakeholder consultation, including consultation with the relevant NGO's will be carried out by the CB;

- If necessary, the CB may decide on further stakeholder consultation or field inspection, assessing the risk of any non-compliance with the requirements;

(j) For requirements (e)–(h) above, the definition of major and minor non-compliance is stated in the RSPO P&C. For example, if a non-compliance against a major indicator in a non-certified management unit is identified, the current certification assessment cannot proceed to a successful conclusion unless that is actively addressed;

(k) Failure to address any outstanding non-compliances may lead to certificate suspension(s), in accordance with the provisions of these Certification Systems.

4.6 Stakeholder consultation

4.6.1 For initial and re-certification audits, the CB's procedures shall include a requirement for the CB to make a public announcement of the audit at least one month prior to its start. Announcements must provide information to relevant stakeholders through accessible means and formats, including by posting the announcement on the company website (where they have one). The announcement shall, as a minimum, include details on the entity or entities to be assessed, their location, the dates of the audit and contact details for both the company and the CB (to facilitate comments from stakeholders to the CB), and shall be available in relevant languages. The announcement template is available on the RSPO website. The announcement will be made public on the RSPO website.

4.6.2 The CB shall inform the RSPO Secretariat in writing and send a copy of the announcement at least five working days before the scheduled public announcement, and the RSPO will post the announcement on the RSPO website.

4.6.3 The CB's procedures for certification audit shall include a requirement to gather evidence from relevant stakeholders, designed to ensure that all relevant issues concerning compliance with the RSPO P&C are identified. Relevant stakeholders include statutory bodies, indigenous peoples, local communities (including displaced communities), workers and workers' organizations (including migrant workers), smallholders, and local and national NGOs. A summary of this evidence shall be incorporated into the public summary report of the certification assessment (see section 4.10.1 of this document).

4.6.4 The CB shall review whether oil palm operations have been established in areas which were previously owned by other users and/or are subject to customary rights of local communities and indigenous peoples. If applicable, the CB shall consult directly with all of these parties to assess whether land transfers and/or land use agreements have been developed with their free, prior and informed consent and check compliance with the specific terms of such agreements.

4.6.5 The CB shall include a summary of stakeholder comments and the CB's responses and findings in the public summary report.

4.7 Sampling

- 4.7.1 The CB's procedures shall include the sampling methodology (see 4.7.2) for initial certification, surveillance and re-certification audits, where there are more than four estates or associated smallholders, otherwise all estates must be visited as part of the assessment.
- 4.7.2 Where sampling is required for a certification assessment, the sampling design shall include every mill and be based on a minimum sample of x estates, where $x = 1 + \sqrt{y}$ where y is the number of estates. This sampling intensity also applies to associated smallholders, where applicable.
- 4.7.3 The CB's sampling methodology shall include the requirement that estates and/or associated smallholders to be sampled should include, but not be limited to, locations of potentially greater environmental and social risk, and any perceived risks relating to the current activities being undertaken (e.g. replanting or expansion). The sampling methodology shall also take into account the objective of selecting a representative sample in terms of the diversity of sites (i.e. range of sizes, type of terrain, location, etc.)
- 4.7.4 For group certification of independent smallholders, the required sampling procedure is presented in Annex 1.

4.8 Decision making

- 4.8.1 The final decision on certification approval for an organization is made by the certification body. All major non-compliances shall be addressed to the satisfaction of the CB before certification is granted.
- 4.8.2 Certification assessments will determine compliance or non-compliance with each P&C indicator. Non-compliances shall be graded as either minor or major, in accordance with the status of the relevant indicator in the RSPO P&C (i.e. the 'M' indicates major non-compliance).

Note: Certification decisions include decisions to grant, maintain, renew, suspend, reinstate or withdraw certification as well as decisions on expanding or reducing the scope of certification.

4.9 Addressing major and minor non-compliances

- 4.9.1 A certificate of compliance with the RSPO P&C cannot be issued while any major non-compliances are outstanding. All indicators are clearly designated as either major or minor in the Principles and Criteria (i.e. the 'M' indicates major non-compliance). Certification submissions to the RSPO IT platform, cannot be based on audits performed more than 12 months before the date of submission. For initial certifications and re-certifications where major non-compliances remain outstanding after 12 months, a full re-assessment is required.
- 4.9.2 Minor non-compliances will be raised to major if they are not addressed by the time of the following surveillance audit.

- 4.9.3 Major non-compliances raised during surveillance audits shall be closed successfully within 90 days, or the certificate will be suspended, and subsequently withdrawn if the major non-compliances are not addressed within an agreed timeframe as set between CB and RSPO member, not longer than 6 months from the last day of the audit.
- Recurring major non-compliances on the same indicator in successive surveillance audits will automatically lead to immediate suspension of the certificate. This suspension shall be lifted when the non-compliances are successfully addressed.
 - Recurring minor non-compliances on the same indicator in successive surveillance audits will automatically be raised to major.
- 4.9.4 If there are five or more major non-compliances within one Principle being observed in an Annual Surveillance Audit or in a re-certification audit, this will lead to immediate suspension from the RSPO certification.
- 4.9.5 The timeline for non-compliances is accounted from the date of the closing meeting.

4.10 Reporting and communications

- 4.10.1 The CB shall prepare a certification audit report, including a public summary report using the RSPO audit checklist as published on the RSPO website.
- 4.10.2 For initial certifications and re-certifications the CB shall submit the draft report for peer review. The CB shall only finalise the report after the peer reviewer provided comments. The CB shall respond in writing to the peer review comments. The guidelines for peer review are mentioned in annex 3.
- 4.10.3 Peer reviewers shall not be permanent or temporary employees of the CB and the peer review shall be implemented according to clear terms of reference including confidentiality, independence and impartiality.
- 4.10.4 The CB shall finalise the full report within 30 days of the site assessment of the audit, for cases with no major NCs observed. For cases with major NCs, the full report will be finalised within 2 weeks of the closure of the last major NC, but no later than 2 weeks following the 90-day closure period. For initial certifications and re-certifications an additional 3 weeks is allowed for the peer review.
- 4.10.5 The CB shall submit a copy of the public summary report including the template and the certificate to the RSPO Secretariat within seven working days of a certificate being issued, by uploading it onto the RSPO IT platform, which will subsequently be published on the RSPO website.
- 4.10.6 The public summary report of the mill must contain in table format:
- Last license year's certified volume CSPO and CSPK
 - Last license year's actual sold volume CSPO and CSPK
 - Last license year's actual sold volume PO and PK under other schemes
 - Last license year's actual sold volume PO and PK conventional
 - New license year's certified volume CSPO and CSPK
 - Model of certification (IP and/or MB)

Name and location of certified units

- 4.10.7 The CB shall also submit summary data through the RSPO IT platform, using the template provided on the RSPO website.

4.11 Certificates

- 4.11.1 The CB shall complete the certificate and send a copy of this to the RSPO Secretariat by uploading it onto the RSPO IT platform within seven working days of the certificate being issued. Registration and RSPO approval of the certificate on the RSPO IT platform results in the issuance of an annual license to trade. The RSPO will upload the certificate onto the RSPO website within seven working days.

4.11.2 The certificate must contain

- **Name of certified unit**
- **Name of the supply base(s)**
- **RSPO membership name**
- **RSPO membership number**
- **Certified area, by name and size**
- **Certified volume CSPO and CSPK (for smallholders FFB and estates without mills FFB)**
- **Start date and expiry date of the certificate**
- **Initial date of certification**
- **SCC model**

- 4.11.3 The maximum period of validity of the RSPO P&C certificate is five years. The CB shall undertake annual surveillance audits during the certificate's validity (see section 4.13 of this document), and a full re-certification audit of compliance shall take place before the end of the five-year period.

4.12 Suspension and withdrawal of certification

- 4.12.1 In the event that the CB suspends or withdraws a certificate according to its documented procedures, the CB shall inform the RSPO within one working day, together with the effective date and justification of suspension or withdrawal. The RSPO will update and announce the status of the certificate in the RSPO website database based on the information given by the CB within seven days.
- 4.12.2 The previously certified entity can from this point no longer claim RSPO certification, and all trading of its RSPO certified oil shall cease. Any remaining stocks of certified palm oil shall then be considered as uncertified. The CB will decide on their requirements for the lifting of the suspension.
- 4.12.3 Following withdrawal and termination of a certificate, a full re-certification audit is necessary before certification can be re-awarded.

- 4.12.4 The CB shall have documented procedures concerning conditions of withdrawal, which ensure that upon notice of withdrawal of certification, the client discontinues its use of all promotional and advertising matter that contains any reference to a certified status.
- 4.12.5 Upon request by any interested party, the CB shall correctly state the status of certification of an organization as being suspended or withdrawn.
- 4.12.6 The RSPO Secretariat may instruct a CB to suspend or withdraw a certificate. In such cases the CB will implement the request within 5 working days. This must be based on the internal processes and decisions within the RSPO Secretariat.

4.13 Annual surveillance audits

- 4.13.1 The CB shall undertake the first annual surveillance audits within 12 months of the certificate issue date, but not earlier than 8 months after the certificate issue date. The subsequent annual surveillance audits shall be undertaken within 12 months of the license expiration dates, but not earlier than 8 months after the expiration date.
- 4.13.2 A request for time extension of up to a maximum of three months may be approved by the RSPO Secretariat. If a surveillance audit is not conducted within the required timeframe, unless due to the actions of the CB itself, the CB shall notify the organization and the RSPO Secretariat that the certificate is suspended, until the surveillance audit has been undertaken and the certification decision has been approved by RSPO. The surveillance audit shall be undertaken within six months of the suspension date, otherwise a full recertification audit shall be required.
- 4.13.3 The surveillance audit shall review whether the documented policies and procedures of the certified operation remain sufficient and adequately implemented to meet the intent and requirements of the RSPO certification standards.
- 4.13.4 Surveillance audits shall include evidence-gathering to verify that outstanding corrective action has been effectively implemented, by demonstrably addressing the root cause of the non-compliance and avoiding recurrence by effective preventive action.
- 4.13.5 Surveillance audits shall incorporate site visits to assess continued compliance, as well as specific evaluation in response to any external complaints received or relevant stakeholder comments. The surveillance audit shall be planned to allow for sufficient time to address these requirements.
- 4.13.6 The CB shall submit a surveillance audit summary report within 30 days from the conclusion of the audit to the RSPO IT platform, and this will be publicly available. This report shall follow the format laid out in the RSPO generic audit checklist.

4.14 Recertification Audits

4.14.1 Recertification audits shall be undertaken within 12 months of the certificate issue date, but no earlier than 8 months after the certificate issue date. A request for time extension of up to a maximum of three months may be approved by the RSPO Secretariat.

4.14.2 If the recertification audit decision is taken later than the maximum time extension allowed, i.e. after three months, the certification period will follow a new cycle starting with date of the audit decision.

4.15 Publicly available information

The following documents shall be publicly available upon request, and on the websites of the CB and/or the RSPO:

- A summary report of a certification audit (main certification, surveillance and re-certification) following a standard format, where a certificate has been issued. The summary report shall exclude any information that is commercially confidential or whose disclosure would result in negative environmental or social outcomes. The report will be made available on the RSPO website in English, together with the certificate;
- CB's Procedures for complaints and grievances, including resolution mechanisms, on the CB's website;
- The register of all certified organizations, which shall include details of the scope of each certificate (i.e. the management units, with volumes), on the RSPO website.
- The notifications and NPP reports on the RSPO website.

4.16 Control of claims

The CB's procedures shall include measures to ensure compliance with the RSPO's requirements for the control of trademarks and claims by certified organizations, as detailed in the *RSPO Rules on Market Communication and Claims*.

Annex 1: Information for certification of smallholders including group certification

General Application of Certification to Smallholders

The following notable differences from the Certification Systems requirements outlined in the main body of this document are to be taken into account in the application of certification to smallholders by the certification body (CB):

- The RSPO certificate of compliance is awarded to a Group Entity.
- Traders of Fresh Fruit Bunches (FFB), who may handle FFB between the group members and the palm oil mill, must be either:

1) Independently certified to the RSPO Supply Chain Certification Standard; or

2) Part of the Group structure with a chain of custody system under the control of the Group manager that complies with the applicable parts of the RSPO Supply Chain Certification Standard.

- The rules for partial certification as in the *RSPO Principles and Criteria for the Production of Sustainable Palm Oil 2013* (RSPO P&C) Certification do not apply to a Group Certification of FFB Production.

- Certification of associated smallholders and outgrowers shall follow the below two options:

Option 1: Where **the mill has direct management control** over the land and/or operations carried out by the associated smallholders and outgrowers they should be included in the mill's RSPO P&C 2013 certification. The mill will follow the requirements in the RSPO P&C 2013 for the mill, its own estates and all associated smallholders and/or outgrowers above 50ha in individual plantation size. For growers with up to 50ha of individual plantation size 'the requirements and guidance for individual group members with up to 50 ha' as outlined in Section 3 of the Group Certification document may be used.

Option 2: In cases where **the mill has no management control** over either the land or operations undertaken by the associated smallholders and/or outgrowers on their own land they can all be certified using the group certification requirements, as outlined in the Group Certification document, to obtain their own FFB group certificate. Individual Group members with land above 50 ha will have to show compliance with P&C 2013. Individual Group members with up to 50 ha will have to show compliance with the 'requirements and guidance for individual group members with up to 50 ha' as outlined in Section 3 of the Group Certification document. Under Option 2 the mill should usually be the Group Manager unless there are very strong justifications against this and all associated smallholder and outgrower members must be included in the group certificate.

- The above two options are also available for mills to include independent smallholders.

Group Certification

Successful RSPO certification of a Group requires that the Group Entity has a contract with the CB for conducting RSPO certification assessments and the management systems of the Group are audited by an RSPO accredited CB. A representative sample of the Group Members is included in

the assessment to determine if the management systems are being implemented in accordance with the RSPO requirements for Group Certification.

The RSPO certificate of compliance is awarded to the Group as a whole, and in an annex each individual grower is listed with the size of their landholding, date of their joining the Group and date of their leaving the Group (if applicable). It is recommended that each group member is given a unique member registration number. This allows the Group members to collectively sell their RSPO certified FFB to a palm oil mill or to sell certificates equal to the equivalent quantity of certified sustainable palm oil and certified sustainable palm kernel that could have been produced from the FFB production (based on a fixed and theoretical oil extraction rate) through the RSPO Book and Claim system. All changes in membership number, total hectares or total FFB volumes can be adjusted at the next annual surveillance audit (see section 4.13 in the main body of this document).

Assessment of Compliance for the RSPO Management System Requirements and Guidance for Group Certification of FFB Production

The requirements outlined in the three elements in section 2 of the *RSPO Management System Requirements and Guidance for Group Certification of FFB Production* (2015), entitled Group Certification Requirements, are auditable at the indicator level (i.e. E1.1.1, E2.1.3, etc.). All non-compliances against these indicators are considered major non-compliances.

For section 3 of the *RSPO Management System Requirements and Guidance for Group Certification of FFB Production* (2015), entitled Guidance for Compliance with the RSPO P&C 2013:

The assessment of the Group manager and of the individual members shall determine conformity or non-compliance with each requirement detailed in the columns entitled 'Requirement for Group Manager' and 'Requirement for Individual Member with up to 50ha of plantation size' respectively.

Non-compliances must be graded as either minor or major. Major non-compliances are those which – either alone, or in combination with further non-compliances – result in, or are likely to result in, a major failure in a significant part of the RSPO P&C indicators.

An individual group member with over 50ha of plantation size will need to be audited against the RSPO P&C excepting the mill-related requirements, and non-compliances are classified as determined by the RSPO P&C.

RSPO Certificate of Compliance

A single certificate is awarded to the Group in the absence of major non-compliances. A Group is given 90 days to resolve any major non-compliance raised during the certification or subsequent surveillance audits. Any minor non-compliances raised during the certification or subsequent surveillance audits need to be resolved by the time of the next surveillance audit (or the re-certification audit, whichever is sooner) or will otherwise be raised to major non-compliances.

The certificate number is shared by all Group members with each member having a unique identification code to be referred to as Unique Member Registration Number.

Sampling for Group Assessments

In order to determine the representative sample of Group members for the certification assessment, the CB is required to carry out a risk assessment of the members. The risk assessment shall take into account the diversity of the Group members (i.e. range of size, management structure, diversity of terrain, etc.) and any perceived risk relating to the activities being undertaken (e.g. how much replanting or expansion is occurring, how many members are new and, for subsequent assessments, whether there is a history of non-compliances).

Additionally, the risk assessment shall take into account the perceived risks relating to the capacity of the Group Manager to be performing adequately (e.g. change of management, high turnover of staff, very small staff compared with the size of Group they are managing). The more diverse the Group and the greater the number of risk factors associated with the Group or Group manager, the higher the risk and therefore the larger the sample size required.

Low risk groups are those where the Group is relatively homogeneous, geographically as well as socioeconomically, and where there are no current replanting activities, no current expansion activities and no new members, and where the Group and its manager are well established and, in the case of subsequent assessments, have no history of non-compliances.

Medium risk Groups are those where there is some geographical and socioeconomic homogeneity but it is not uniform across the Group. There is no replanting and or expansion but the Group management has a history of non-compliances.

High risk Groups are those where there is considerable heterogeneity in the Group (e.g. members are geographically or jurisdictionally separated from one another, a range of terrains, varying levels of experience of oil palm cultivation among members, diverse sizes of plantations, a range of socioeconomic situations among members, etc.), where there is recent expansion or replanting, and/or where the Group management has recently undergone changes.

The minimum sample size should be four members. For groups with fewer than four members 100% of members shall be assessed.

For groups composed of members with up to 50ha in individual plantation size and members with more than 50ha in plantation size, two separate samples will be calculated: one for those with up to 50ha and one for those with more than 50ha. This includes a separate risk assessment for each of the two subgroups following the risk level guidance below.

The former group will be assessed against the requirements as detailed in the column entitled 'Requirements for individual members with up to 50ha in plantation size' in section 3, whilst the latter will be assessed against the full RSPO P&C minus mill requirements.

The risk level of the size for the group is determined numerically by the formula below. For Guidance a 'risk level' shall be set at Level 1 - low risk, Level 2 - medium risk, Level 3 - high risk. The sample size should then be determined by the formula $(0.8\sqrt{y}) \times (z)$, where z is the multiplier defined by the risk assessment. Multipliers are set as follows: Low risk = multiplier of 1, medium risk = multiplier of 1.2, high risk = multiplier of 1.4 (see Table below).

Table: Example of sample size for group members in a certification assessment

| Number of group members = y | Minimum (baseline)= 0.8Vy | Level 1 - Low risk = (0.8Vy) x (1) | Level 2 - Medium risk = (0.8Vy) x (1.2) | Level 3 - High risk = (0.8Vy) x (1.4) |
|-----------------------------|---|---|---|---------------------------------------|
| 8 | n.a. minimum is always 4 (result is 2 only) | n.a. minimum is always 4 (result is 2 only) | n.a. minimum is always 4 (result is 3 only) | 4 |
| 14 | n.a. minimum is always 4 (result is 3 only) | n.a. minimum is always 4 (result is 3 only) | 4 | 5 |
| 25 | 4 | 4 | 4 | 6 |
| 39 | 5 | 5 | 6 | 7 |
| 56 | 6 | 6 | 7 | 8 |
| 75 | 7 | 7 | 8 | 10 |
| 100 | 8 | 8 | 10 | 11 |
| 500 | 18 | 18 | 21 | 25 |
| 1000 | 26 | 26 | 30 | 35 |
| 2500 | 40 | 40 | 48 | 56 |
| 3600 | 48 | 48 | 58 | 67 |

Note: Sample sizes are always rounded up (e.g. 2.4 is rounded up to 3). Rounding up is done as the final step in the calculation.

The text below presents sample sizes for a group of 100 members under four scenarios.

Example 1:

The Group has been together for 10 years under the same Group Manager. All of the members' plantation smallholdings are of the same size and in the same valley, which has a flat terrain. All palms are between six and 15 years old, no Group members have loans or debts and the land is all under matriarchal ownership. This represents a low risk situation and all have a risk factor of 1. Therefore the size of the sample is eight out of 100 members.

Example 2:

The Group has been together for 10 years under the same Group Manager. All of the members' plantation smallholdings are of the same size and in the same valley, which has a flat terrain. Eighty of the Group Members have palms that are between six and 15 years old but 20 members are replanting. No Group members have loans or debts and the land is all under matriarchal ownership. This represents a low risk situation for the 80 Group members who have palms that are between six and 15 years old (risk factor 1 and therefore a sampling rate of seven out of 80 Group members); and a high risk situation for the 20 members who are replanting (risk factor 3 and therefore a sampling rate of five out of 20 Group members). The total sample size for the Group is therefore 12 members.

Example 3:

The Group has been together for 10 years under the same Group Manager. All of the members' plantation smallholdings are of the same size and in the same valley, which has a flat terrain. Eighty of the Group Members have palms that are between six and 15 years old but 20 new members have recently joined. No Group members have loans or debts and the land is all under matriarchal ownership. Of the 80 Group members who have palms between six and 15 years of age, 40 had previous non-compliances. This represents a low risk situation for the 40 members who have no history of non-compliances (risk factor 1 and therefore a sampling rate of five out of 40). There is a medium risk for the other 40 members who had previous non-compliances (risk factor 2 and therefore a sampling rate of six out of 40). There is a high risk situation for the 20 new members who have joined the Group (risk factor of 3 and therefore a sampling rate of five out of 20). The total sample size for the Group is therefore 16 members.

Example 4

A group is formed of 100 group members:

The Group consists of 20 growers with over 50ha each in plantation size and 80 growers with up to 50ha each in plantation size. The larger growers in the group all have long established plantations in a long-established purely agricultural landscape, whilst half of the smaller growers only started oil palm operations a few years ago and are located in close proximity of an important watershed. The rest of the smaller growers are neighbours of the larger growers in the same long-established purely agricultural landscape. There is a low risk for the larger growers and for half of the smaller growers. However, the other half of the smaller growers constitute a high risk. The sample is calculated as follows: risk factor 1 is applied to the larger growers, resulting in 4 of the 20 to be audited; risk factor 1 is applied to half of the smaller growers, resulting in 6 of the 40 to be audited; risk factor 3 is applied to the other half of the smaller growers, resulting in 9 of the 40 to be audited. In total $4+6+9=19$ will be audited.

Annex 2: Transfer of certification - additional requirements

The transfer of certification is defined as the recognition of an existing and valid certification, granted by one accredited certification body (CB) (the 'issuing CB'), by another accredited CB, (the 'accepting CB') for the purpose of issuing its own certification. CBs shall respect the wishes of a client to change its CB, either prior to or after the issue of a certificate. If a client wishes to change CB, the issuing CB and accepting CB shall cooperate to exchange relevant information about the client's certification, such as information regarding suspension.

The issuing CB shall transparently disclose information regarding any outstanding Major NCs or financial obligations that have not been met by the client to the accepting CB. On receiving an application for transfer from a client with existing RSPO certification, the accepting CB shall carry out a review of the certification of the prospective client. This review shall include a documentation review, and should include a visit to the prospective client, if no contact can be made with the issuing CB. If a visit is not conducted, reasons for this shall be fully justified and documented by the accepting CB. The review should cover the following aspects and its findings shall be fully documented:

- (i) Confirmation that the client's certified activities fall within the accredited scope of the accepting CB;
- (ii) The reasons for seeking a transfer;
- (iii) That the organisation wishing to transfer certification hold an accredited certification that is valid in terms of authenticity, duration and scope of activities covered by the management system certification. If practical, the validity of certification and the status of outstanding non-compliances should be verified with the issuing CB unless it has ceased. Where it has not been possible to communicate with the issuing CB, the accepting CB shall record the reasons;
- (iv) A consideration of the most recent certification or recertification audit reports, subsequent annual surveillance reports and any outstanding non-compliances that may arise from them. This consideration shall also include any other available, relevant documentation regarding the certification process (e.g. handwritten notes, checklists);
- (v) Complaints received and action taken;
- (vii) Any current engagement by the organization with regulatory bodies in respect of legal compliance.

The accepting CB shall either:

- a. Treat the applicant as a new client, and conduct a full certification audit; or
- b. Conduct an on-site assessment concentrating on identified problem areas and/or on areas where information is deficient; or
- c. Decline the contract; or
- d. Continue with the existing annual surveillance programme if no risks are identified during the pre-transfer review.

The decision as to the action required will depend upon the nature and extent of any problems found, and shall be explained to the client. The justification for the decision shall be documented.

A certificate that is known to be suspended, or under threat of suspension, shall not be accepted for transfer. If the accepting CB has not been able to verify the status of the certification with the issuing CB, the organization shall be required to confirm with the RSPO secretariat that the certificate is not suspended or under threat of suspension. Where an

assessment has already been performed, no certification decision has been taken and the CB involved cannot be contacted, a full re-assessment shall be undertaken.

Annex 3: Guidance for Peer Reviewer

1.0 The need for Guidance

As part of ensuring credibility to the assessment report produced, the RSPO certification scheme has included the requirement for a peer review process. The primary function of the peer review process is to attest to the technical credibility of the evaluation methodology of a particular certification exercise and to examine the conclusions and agree/disagree with the recommendations made by the audit team. The peer review process is, therefore, critical in adding a second tier of professional expertise to the evaluation prior to the decision being taken as to whether a certificate can or cannot be awarded to the company.

A peer review of a certification report is described as a process of engaging substantive experts to read and comment on the audit conducted and report produced in order to validate and support the decision made by the audit team. It is an essential process for judging what is scientific and what speculation is. The process screens report submissions and requires that the audit report meet the system requirement and contain objectivity showing compliance to the standard.

This process is the responsibility of the accredited CB. As such the accredited CB is required to have a documented system and procedures for peer review process and able to demonstrate its implementation during accreditation audit.

This document provides minimum guidance for the peer review process to be adopted by each accredited CB operating under RSPO scheme. Nevertheless, the CB is encouraged to adopt best practices in the industry to ensure rigour and credibility of the scheme.

2.0 The Guidelines

Major elements of the certification systems and P&C must be met and the report should demonstrate professional conducts of the audit exercise and the report produced must cover all aspects of the standard and comply with certification system requirement. Below are basic elements which the public summary assessment report should clearly describe, and the peer reviewer should evaluate its adequacy:

- a. Scope of certification. Name of the mill and its supply base.
- b. Details description of the certification unit that should include:
 - i. Location (latitude and longitude)
 - ii. Maps of acceptable quality
 - iii. Supply base composition including hectares, age profile, production of FFB during the last license year)
 - iv. Any other supply base (non-certified)
 - v. Volume of CPO and PK recommended for certification
 - vi. Contact details
- c. Assessment/audit process
 - i. Composition of the audit team
 - ii. Brief CV of
 - Lead auditor demonstrating competency
 - auditors
 - Local expert
 - Other audit team members

- iii. Audit schedule
- iv. Is the time allocated are appropriate to the scope of audit and its scale of operation
- v. Audit methodology must include site visit to the mill and supply base and cover sufficient sample to allow acceptable decision making.
- d. Stakeholder consultation process
 - i. Date of public notification made
 - ii. List of stakeholders consulted
 - iii. Must include local stakeholders
 - iv. Issues and responses to Stakeholder comments
- e. Time bound plan (TBP) and adequacy of the commitment (i.e. compliance to section 4.5 of the RSPO Certification System).
- f. Results/assessment findings must cover each criterion. Non-compliances raised refer to specific indicators as listed under the P&C or under the specific NI, where applicable. All indicators identified as major are covered in the report. Detail review of each criterion is required.
- g. Non-compliances raised against major indicator must be categorised as Major
- h. All Major non-compliances(NC) must be adequately closed prior to recommendation for certification
- i. Summary list of non-compliances are tallied with evidences described in the report
- j. Is the report comprehensive and of sufficient quality for public scrutiny?
- k. Supply chain elements of the mill are checked and reported
- l. Compliance with other RSPO procedures, such as RSPO NPP or RSPO Compensation Procedure, is demonstrated
- m. Signed off by the company and CB representative (preferably the lead auditor or certification manager)

3.0 Peer Reviewer report

A draft report on the results of the review must be compiled by the reviewer and submitted to the CB within 3 weeks of the receipt of the report. The reviewer however is encouraged to complete the review as soon as possible to allow rapid decision making process.

The peer reviewer report shall contain, but not limited to, the followings:

- Indication whether the evidence presented in the assessment report supports the proposed certification decision
- Indication whether the reviewers support the recommendation for certification being made by the lead auditor
- Proper justification if the peer reviewer did not support the recommendation made by lead auditor
- Elements of improvement required before the report could be approved/made publicly available

It is anticipated that it should not take more than a few hours to read the report and make comments. Please note, that in reviewing the report it is not intended that this should involve editing the text in any detail. The reviewer should primarily focus on:

- any major omissions or shortcomings in the evaluation process.
- incorrect technical assumptions.
- results which could undermine the credibility of the certificate.

Peer Review of Evaluation Reports is required under the RSPO Certification System rules, but equally it provides an invaluable source of information and help for the CB to improve its evaluation and certification procedures and reporting. To assist Peer Reviewers, in addition to the observations made in the earlier list (under section 2.0 above), below are a series of key questions that need to be answered and reported by the reviewer:

| | |
|--|--|
| QUESTION 1: | Has the evaluation team arrived at an appropriate conclusion based on the evidence presented in the Evaluation Report? Please explain your response. |
| | |
| QUESTION 2: | Did the evaluation team have the necessary range of skills and experience to effectively undertake the evaluation? Please explain your response. |
| | |
| QUESTION 3: | Was sufficient time allowed to undertake the evaluation? Please explain your response. |
| | |
| QUESTION 4: | Are there any major issues, which needed to be specifically addressed that have not been included in the report? Please explain your response. |
| | |
| QUESTION 5: | Was the evaluation carried out in an objective and professional manner? Please explain your response. |
| | |
| QUESTION 6: | Is the report comprehensive and of sufficient quality for public scrutiny? Please explain your response. |
| | |
| Please insert any other comments you may have. | |
| e.g: i) Stated whether you agrees/disagrees with the certification recommendations of the auditors ii) Indicate which findings, including the CARs, and recommendations you disagree with, and why | |

- | |
|---|
| <p>iii) Indicate areas where you feel more information or clarification is necessary</p> <p>iv) Suggest actions that you feel should be taken, or issues that should be considered, but have not been done so in the audit report</p> |
|---|

To allow traceability of the process, the peer review report must be dated and signed by the reviewer.

| | | | |
|------------------|--|-------------|--|
| Signature | | Date | |
|------------------|--|-------------|--|