

RSPO Certifications Systems for Principles & Criteria

Draft 1 - December 2019 for Public Consultation

Endorsed by the RSPO Board of Governors on xx

Document Title : RSPO Certification Systems for Principles & Criteria: xx

Document Code : RSPO-PRO-T01-002 Vxx ENG

Scope : International

Document Type : Certification System

Approval /
Endorsement Date : xx xx & endorsed by Board of
Governors

Contact : certification@rspo.org

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 requirements	12
2.1	Accreditation overview	12
2.2	Requirements for the Accreditation Body	12
2.3	Suspension, withdrawal and termination of accreditation	13
3	General requirements for Certification Bodies (CBs)	14
3.1	Accreditation of CBs	14
3.2	Accreditation status	14
3.3	Conformity with ISO requirements	14
3.4	Contract of service	14
3.5	Rotation of CB at the end of every audit cycle.....	15
3.6	Transfer of certification between CBs.....	15
3.7	Impartiality and conflict of interest	16
3.8	Confidentiality	17
3.9	Resource requirements.....	17
3.10	Subcontracting requirements	19
3.11	Feedback mechanism and Complaints process.....	20
4	Certification process requirements for certification against P&C	21
4.1	Unit of certification	21
4.2	Information for applicants and application review	21
4.3	Initial certification audit planning	22
4.4	Procedure for the initial audit process.....	22
4.5	Minimum requirements for multiple management units	24

4.6	Stakeholder consultation	26
4.7	Sampling.....	27
4.8	Decision making	28
4.9	Addressing major and minor non-compliances	28
4.10	Reporting and communications.....	29
4.11	Certificates	29
4.12	Suspension and withdrawal of certification	30
4.13	Annual surveillance audits	30
4.14	Recertification Audits.....	31
4.15	Publicly available information	31
4.16	Control of claims.....	31
Annex 1: Certification of ISH Groups against RSPO Independent Smallholder Standard.....		32
Annex 2 : Audit for Group Certification.....		37
Annex 3: Transfer of certification - additional requirements.....		40
Annex 4: Audit Report.....		41
Annex 5: Peer Review Process.....		43
Annex 6(a): Public Notification Template for Mills with Supply Base.....		45
Annex 6(b): Public Notification Template for Independent Smallholders Group.....		47

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 organisations (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:
- a. 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 subset of RSPO P&C that must be independently evaluated prior to any development of new plantings.
 - b. The *RSPO Supply Chain Certification Standard* (RSPO SCC Standard) is structured as a series of auditable requirements designed to be used by organisations 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 Organisations 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 organisation 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:

- a. **Certification standards:** These set out the requirements which shall be met by an organisation and against which certification assessments are made, where applicable. These are:
 - i. the *RSPO P&C*, supported by the *RSPO P&C: Audit Checklist for Assessing Compliance* (RSPO generic audit checklist) and *National Interpretations*, where applicable;
 - ii. RSPO Independent Smallholder Standard;
 - iii. Jurisdictional Approach;
 - iv. RSPO Group Certification System Requirements for Oil Palm Producers without Mill;
 - v. *RSPO-RED, RSPO Requirements for compliance with the EU Renewable Energy Directive requirements*;
 - vi. *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]; and
 - vii. New Planting Procedure

The latest versions of the above documents apply.

- b. **Accreditation requirements:** These are the requirements, defined in this document, for ensuring that (i) the organisation that undertakes the accreditation of CBs (the AB) is competent and produces credible, consistent results; and (ii) the organisations (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.

- c. **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. The result will be made publicly available on the RSPO website within 3 working days of the receipt of the case. For details of the 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 RSPO Independent Smallholder Standard and RSPO Group Certification System Requirements for Oil Palm Producers without Mill are outlined in Annex 2 to this document.
- 1.3.2 The requirements in chapter 1, 2, 3 and 4 of this document 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).

RSPO has made a provision that all CBs accredited for certification against the RSPO Principles and Criteria can also undertake supply chain audits of the CPO mills requirements contained in Principle 3 of the P&C 2018, provided that one of the audit team members has successfully completed an SCC lead auditor training course.

- 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 Group Certification System Requirements for Oil Palm Producers without Mill

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

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 Environmental Management Systems – Requirements with Guidance for Use

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

*ISO/IEC 17021 -1 Conformity assessment - Requirements for bodies providing audit
and certification of management systems*

*IAF MD2 IAF Mandatory Document for the Transfer of Accredited Certification of Management
Systems*

*ISEAL Alliance. Assuring Compliance with Social and Environmental Standards: Code of Good
Practice, v 2.0.*

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.

Audit Team Leader	A qualified Lead Auditor who has been appointed by the CB to lead an audit team.
Accreditation	Third-party attestation related to a certification body conveying formal demonstration of its competence to carry out the RSPO certification assessment.
Accreditation Body (AB)	The organisation that undertakes the accreditation of certification bodies (CBs). The organisation shall be a signatory to the appropriate International Accreditation Forum (IAF) or Multilateral Recognition Arrangement (MLA), or a full member of the International Social and Environmental Accreditation and Labelling Alliance (ISEAL).
Assessment	The combined processes of audit, review, and decision on a client's conformity with the requirements of a standard.
Audit plan	description of the activities and arrangements for an assessment/audit.
Certificate	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)	A third-party conformity assessment body that undertakes an RSPO certification assessment and issues a certificate.
Client	Company or Management Unit seeking assurance of their conformity with the requirements in a standard.
Conflict of interest	Situation in which a party has an actual or perceived interest that gives, or could have the appearance of giving, that party an incentive for personal, organisational, or professional gain, such that the party's interest could conflict, or be perceived to conflict with, the conduct of an impartial and objective certification process.
Corrective action	Action to eliminate the cause of a detected non-compliance and to prevent recurrence
Field experience	Experience gained through practical working experience and/or auditing experience

Group member	Individual oil palm smallholders/ farmers that are enrolled in a group certification scheme.
Independent Smallholders	<p>A smallholder can pursue certification through the RSPO Independent Smallholder Standard if:</p> <ul style="list-style-type: none"> • They are NOT a scheme smallholder • The total size of their oil palm production areas is <ul style="list-style-type: none"> ◦ ≤ smaller or equal to 50 hectares(ha) if no threshold is defined in a National Interpretation; OR ◦ ≤ smaller or equal to the maximum size defined in a National Interpretation (e.g. for Indonesia this implies threshold size is 25 ha or below and for Ecuador 75 ha or below.) • They have the enforceable decision-making power on the operation of the land and production practices. • They have the freedom to choose how they utilise the land, type of crops to plant, and how to manage them (how they organise, manage and finance the land). • They meet any further criteria relative to the applicability of this standard as provided in the National Interpretation in their country.
Impartiality	Actual and perceived presence of conflict of interest.
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.
Local expert	<p>Person provide specific knowledge or expertise to the audit team on issues relating to the activity to be audited or language or culture.</p> <p>The local expert does not act as an auditor in the audit team.</p>
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-compliance (NC)	Non-fulfilment or lack of evidence of fulfilment of an RSPO requirement. NCs are graded into two categories, i.e. minor and major NCs. The grading of the NC shall follow the Indicators. Indicators marked with (C) indicates Critical and any NC against this indicator (i.e. indicator marked as (C)) shall be graded as Major NC. Non-compliance against indicators without marking with (C) shall be graded as Minor NC

Opportunities for Improvement (OFI)	Situation where the evidence observed indicates a requirement has been effectively implemented, but based on auditor experience and knowledge, additional effectiveness or robustness might be possible with a modified approach. It can be, but is not necessarily, an item that will lead to a future nonconformity if not addressed.
Outgrowers	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.
Outsourcing	The practice of contracting an internal business process (activities that produce a specific service or product) out to a third party organisation.
Peer review	The evaluation of work by an independent competent person. Peer review process is used to ensure the quality of audits, improve performance, and provide credibility to the audit.
Peer reviewer	An independent person who is competent to conduct the peer review of the CB's work.
Plantation	The land containing oil palm and associated land uses such as infrastructure (e.g. roads), riparian zones and conservation set- asides.
Recertification audit	Audit of an organisation for renewal of RSPO certification before expiry of the current valid certificate. RSPO re-certification audit shall be undertaken once in every five years.
RSPO IT platform	<p>IT platform where license of the certified management unit is submitted and approved by the RSPO Secretariat. The system is used for tracing RSPO certified palm oil, palm kernel oil, fractions and palm fatty acids (PFAD), palm kernel fatty acids (PKFAD) and palm kernel expeller, throughout the supply chain from mill to refineries included, under the supply chain models.</p> <p>This IT Platform also allows the trading of RSPO credits under the Book and Claim model.</p>
RSPO Interpretation Forum	An interpretation forum for CBs, auditors and the AB to clarify any questions on the RSPO standards, systems and procedures.

Scheme smallholders	Farmers, landowners or their delegates that do not have the: <ul style="list-style-type: none"> - Enforceable decision-making power on the operation of the land and production practices; and/or - Freedom to choose how they utilise their lands, type of crops to plant, and how they manage them (whether and how they organise, manage and finance the land).
Surveillance audits	Annual systematic repetition of conformity assessment activities as a basis for maintaining the validity of RSPO certification.
Suspension	Process of temporarily making accreditation or certification invalid, in full or for part of the scope of accreditation or certification.
Stakeholders	An individual or group with a legitimate and/or demonstrable interest in, or who is directly affected by, the activities of an organisation and the consequences of those activities.
Technical Support	Services provided by CB's organization which are used to demonstrate conformity with the P&C requirements. This include analysis of effluent quality, water quality, air emissions, etc.
Termination	Voluntary cancellation of the accreditation agreement by either party according to the contractual arrangements.
Withdrawal of CBs	Process of cancelling an accreditation.

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 shall be accredited by the Accreditation Body (AB) appointed by the RSPO.
- 2.1.2 CB accredited for RSPO P&C is allowed to conduct related RSPO certification/verification activities such as certification of ISH standard, RSPO RED, RSPO NEXT, Group Certification, and NPP verification. Accredited CB for RSPO P&C shall be in compliance with the relevant requirements defined by RSPO and the AB.
- 2.1.3 The RSPO and the AB shall publish a list of accredited CB 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 17011:2017 Conformity Assessment - 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 assessment reports of accredited CBs 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 the *ISO/IEC 17021-1* with the specific RSPO requirements detailed in sections 3 and 4 of this document. All AB's assessors shall be trained on *ISO/IEC 17021-1* and this document.
- 2.2.5 The *ISO/IEC 17021-1* 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. This document includes some areas of overlap with *ISO/IEC 17021-1*.

- 2.2.6 The AB's documented systems and procedures shall include requirements relating to the transfer of the certification of an organisation from one accredited CB to another, consistent with the requirements of *IAF Mandatory Document for the Transfer of Accredited Certification of Management Systems* (IAF MD2) 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 shall establish 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 days through announcements on the RSPO website. A suspended CB is only allowed to conduct annual surveillance audits of their existing certified units. The suspended CB is not permitted to undertake initial certification audits, re-certification audits or any verifications under the RSPO schemes, and shall inform all of its RSPO certified 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 suspended, withdrawn, terminated, 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 four months of company's next surveillance date, the company shall be given three-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 the 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 organisation, 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/IEC 17021-1 Conformity assessment – Requirements for bodies providing audit and certification of management systems*, with modifications to take into account the specific requirements set out in this document. Where there is any inconsistency or conflict between the RSPO Certification Systems and any relevant ISO requirements, the RSPO requirements shall always take precedence.

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.
- 3.4.2 The agreement shall contain the following:
 - i. Scope of assessment, duration and costs related to the assessment services;
 - ii. The CB's and client's contractual rights and obligations including the following:
 - the client's right to appeal in relation to the CB's assessment process including the decision making;
 - the rights of CB's and AB's representatives to access the certificate holder's premises as well as documents, records deemed necessary by the CB or its AB;
 - the right of the CB to conduct an unannounced audit (to investigate complaint) and to bring observers in the audit (where required);
 - the right of the AB to conduct witnessed assessment, compliance assessment, unannounced assessment or a short notice assessment.

Note : The term "unannounced audit/assessment" is an additional audit carried out in response to, for example, a complaint against or identified potential risk linked to the integrity of the certificate issued to the certified organisation, for which CB or AB does not announce the date of the audit to the certified organisation. The RSPO recognizes there might be legal and logistical challenges in the implementation of unannounced audits. Hence, subject to practical arrangements required relating to legal or logistic challenges the CB or AB shall inform the certified organisation about the audit at least 3 working days in advance. The audit team conducting the audit shall be different from the audit team that conducted the previous certification.

- 3.4.3 Prior to entering into a contract, the CB shall
- i. check in the RSPO website to confirm that the potential client or its parent organisation is an RSPO member. The CB shall contact the RSPO Secretariat if the membership status of the client is in doubt. An organisation shall be a member of RSPO before it can undergo a certification assessment against the RSPO P&C.
 - ii. ensure that the potential client has submitted to the RSPO Secretariat the Disclosure of non-compliant land clearing (Annex 2 of the Remediation and Compensation Procedure (RaCP)). The CB shall cross check with the RSPO Secretariat of the submission of the form.
- 3.4.4 The CB contract agreement with one management unit shall only for one certification cycle (i.e. 5 years).

3.5 Rotation of CB at the end of every audit cycle

- 3.5.1 The certificate holder shall rotate CB at the end of each certification cycle.
- 3.5.2 The new CB shall manage the change in accordance with the recertification audit requirements.

3.6 Transfer of certification between CBs

- 3.6.1 Transfer of the certification of an organisation between accredited CBs can only take place when the current CB accreditation is suspended, withdrawn or terminated. Guidance on the required process is detailed in Annex 3 to this document. Transfer of CBs is only allowed only once within a certificate cycle (i.e. once within 5 years)-
- 3.6.2 If a CB has been suspended, withdrawn or terminated by the 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.
- 3.6.3 After reviewing the documentation, the new CB shall issue the organisation 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 CB shall submit the request for annual license through the RSPO IT platform within 2 weeks of the issuance of the certificate. The certificate is only valid if the license is active.

3.7 Impartiality and conflict of interest

- 3.7.1 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.
- 3.7.2 The CB shall not include in their audit team any individual
- employed by a company which is a current RSPO client to them, or
 - currently working with or representing the palm oil sector at a national or regional level such as a commercial palm oil trade association.
- 3.7.3 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.
- 3.7.4 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.
- 3.7.5 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 (face-to-face or electronically) with managers of the CB to formally review the CB's performance in this respect.
- 3.7.6 The CB and members of its assessment teams shall have maintained independence from the organisation being assessed for a minimum of three years to be considered not to have a conflict of interest.
- 3.7.7 The CB shall not use the same lead auditor as audit team leader for more than three (3) consecutive audits (counting all types of audits, i.e. certification audits and surveillance audits) of a management unit, including if the lead auditor changes CB. The lead auditor shall also not participate or involve in any associated audit activities (either as auditor or technical reviewer or decision maker) of the same management unit.
- 3.7.8 The CB shall not accept any contracts from their certified client relating to verification and/or investigation of complaints. However, for complaints received via the CB's system refer to 3.11 of this document .

- 3.7.9 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 organisation 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.

3.8 Confidentiality

- 3.8.1 The CB shall have a documented policy on confidentiality to share with its clients, as part of or referenced to the certification agreement. This policy will cover its handling of commercially sensitive information.
- 3.8.2 The CB shall inform the certified unit that the RSPO Public Summary Audit Report and Certificate are to be made publicly available in the RSPO website.
- 3.8.3 Personnel, including any committee members, contractors, external bodies or individuals acting on the CB's behalf, shall keep confidential all information obtained or created during the performance of the CB's activities except as required by law.

3.9 Resource requirements

- 3.9.1 The CB shall implement all provisions, including legal arrangements, to ensure that 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.
- 3.9.2 The CB shall have documented processes for
- Determining the competence criteria for personnel involved in the audits and other certification activities;
 - Determining the initial competence evaluation and on-going monitoring of competence and performance of all personnel involved in the certification activities.

The output from these processes shall be to identify personnel who have demonstrated the level of competence required for the different functions of the audit and certification process. Competence shall be demonstrated prior to the individual taking the responsibility for the performance of their activities within the CB.

- 3.9.3 The CB shall employ or have access to a sufficient number of auditors, including the audit team leaders, and technical experts to cover all of its activities and to handle the volume of audit work performed.
- 3.9.4 The CB shall identify annual training needs and shall provide access to specific training to ensure its auditors (including the freelance auditors) and other personnel involved in certification activities are competent for the functions they perform.

- 3.9.5 The CB's audit team shall always include an audit team leader who is a qualified lead auditor. The CB shall define the role of the audit team leader in managing the audit.
- 3.9.6 All auditors shall have the following qualification:
- Possess a Bachelor Degree or tertiary education in related disciplines, such as agriculture, environmental science or social sciences, etc;
 - At least 3 years of field experience in the palm oil sector, health and safety, environmental management including HCV and HCS assessment, social auditing and human rights activities;
 - Successfully completed an RSPO endorsed P&C lead auditor course;
 - Successfully completed the 5-day lead auditor course for ISO 9001 or ISO 14001 or ISO 45001;
 - Demonstrable understanding of the latest version of RSPO Certification Systems;
 - For auditors auditing the ISH standard, auditors shall additionally be trained on the ISH standard;
 - A supervised (by a qualified auditor) period of training in practical audit against the RSPO P&C, with a minimum of 10 days of audit experience in at least two audits.
- 3.9.7 The RSPO P&C lead auditors is a qualified RSPO auditor who shall have, as a minimum:
- At least 5 years of field experience in the palm oil sector, health and safety, environmental management including HCV and HCS assessment, social auditing and human rights activities;
 - Successfully completed a refresher course for RSPO endorsed P&C lead auditor course every three (3) years after the initial qualification as lead auditors;
 - A supervised (by a qualified lead auditor) period of training in practical audits against the RSPO P&C, with a minimum of 15 days' audits experience in at least three audits.
- 3.9.8 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:
- Local/regional knowledge and experience, including knowledge of local laws;
 - Knowledgeable in Best Agricultural Practices, and Integrated Pest Management, pesticide and fertilizer use;
 - Experience in health and safety auditing on the farm/plantation and in the palm oil mill, for example against the *ISO 45001 Occupational Health and Safety Management* standard;
 - Experience in handling of the worker welfare or social auditing experience such as experience with the SA8000 or other international sustainability scheme which has the social auditing requirements;
 - For auditor auditing the social requirements, the auditor shall additionally attend international recognized social auditing standard training such as the SA8000, Social systems auditor training (SMETA) or Social training recognised by RSPO;
 - Experience in handling of land rights, gender and indigenous peoples' issues;
 - Experience in environmental and ecological auditing or assessments, such as experience with High Conservation Value (HCV)/High Carbon Stock (HCS) assessments, organic agriculture or the ISO 14001 Environmental Management Systems standard;

- viii. Fluent 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 organisation being assessed. If this is not feasible due to logistical difficulties, the name and affiliation of interpreters shall be included in assessment reports.

- ix. Supply chain expertise (one of the team members shall have successfully completed the RSPO endorsed SCC lead auditor training course) sufficient to conduct the assessment of the supply chain requirement of the palm oil mill. Note: this does not apply for ISH or Group Certification.

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

- 3.9.9 When local expert is used, e.g. for community consultations, the CB shall ensure that the expert is aware of the RSPO requirements prior to the audit.
- 3.9.10 The CB shall register all its approved lead auditors and auditors (including freelance) with the AB, including details on their qualifications and competences.
- 3.9.11 The CB shall evaluate the performance of each lead auditor and auditor in witness assessments at least once every three years or whenever there is complaint against the lead auditor and/or auditor performance.

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
 - i. a formal agreement and/or contract with the subcontractor;
 - ii. documented procedures for managing its relationship with the subcontractor according to the requirements of this document; and
 - iii. 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 Feedback mechanism and Complaints process

- 3.11.1 The CB shall have a system to collect feedback from their clients on the performance of the audit and its auditors.
- 3.11.2 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 organisation, the certification decision or the CB itself.
- 3.11.3 A CB shall notify the AB and RSPO within seven days if a complaint is received from 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 the AB immediately. Furthermore, the CB will inform the complainant about the AB Complaints Procedure which is available on the AB's website.
- 3.11.4 If the complaint refers to the conditions of RSPO membership the CB shall inform the RSPO Secretariat if a resolution was not achieved within 60 days.
- 3.11.5 The CB shall not provide any verification or clarification statement to the public on the outcome of the investigation against the complaint of their certified client.

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 shall be requested from the RSPO Secretariat to include more than one mill on a single certificate. Where organisations are managing plantations only, with no integrated mill, or where the mill is not yet established organization 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 shall determine 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 time bound plan to ensure that 100% of scheme smallholders and scheme outgrowers are compliant with the standard within three years of the mill's initial 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 after three years.
- 4.1.4 For independent smallholders, the RSPO ISH standard shall be used. 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 ISH Standard.
- 4.1.5 For group certification other than ISH, Refer to *RSPO Group Certification System Requirements for Oil Palm Producers without Mill*

4.2 Information for applicants and application review

- 4.2.1 The CB shall provide operations seeking certification at minimum the following documents: standards to be used, application form, the CB's general terms and conditions and details of the appeals and complaints procedures.
- 4.2.2 The CB shall conduct a review of the application to ensure:
 - a. the CB has the competence and ability to perform the certification activity;
 - b. the scope of certification sought, the site(s) seeking certification, time required to complete the assessment including time for stakeholders consultation, and any other points influencing the certification activity are taken into account (e.g. language, safety conditions, threats to impartiality, etc).

- 4.2.3 As a general guideline, the duration of the site audit of a management unit consisting of one mill and one estate should be nine man-days. However, the duration of the site assessment will depend on other factors, such as the size and complexity of the operation, geographic context, known community issues, risk, etc. Justification shall be provided for the determined audit days.

4.3 Initial certification audit planning

- 4.3.1 The CB shall plan the certification audit to be consistent with the requirements defined in clause 9.2 of ISO/IEC 17021-1 and to include all applicable requirements of this Certification Systems. The CB shall ensure that an audit plan is established prior to each audit to provide the basis for agreement regarding the conduct and scheduling of the audit activities. The audit plan shall be communicated and agreed upon, in advance with the client.
- 4.3.2 The CB may synchronize and combine RSPO audits with other on-site assessments (e.g. QMS, EMS, OHSMS etc.) where possible and appropriate at the discretion of the CB and the client.
- 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), applicable requirements in this Certification Systems and/or the RSPO Group Certification System Requirements for Oil Palm Producers without Mill or the RSPO ISH Standard.
- 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 developed by RSPO.
- 4.3.6 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).
- 4.3.7 The audit team leader shall assign to each team member responsibility for auditing specific requirements, sites, areas or activities. Such assignments shall take into account the need for competence, and the effective and efficient use of the audit team. Changes to the work assignment may be made as the audit progresses to ensure achievement of the audit objectives.

4.4 Procedure for the initial audit process

- 4.4.1 The CB shall define procedures for the certification audit process. The 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)

- 4.4.2 The Initial Certification audit can be conducted either in a two-stage audit or a one-stage audit. If a one-stage audit is implemented, the CB shall ensure that the audit team allocates time to review the management documentation of the applicant to ensure that all elements fully meet the requirements of the relevant RSPO Certification Standards.
- 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 on 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 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 and this Certification System Document. Any non-compliances against this Certification Systems Document are classified as a major non-compliance.
- 4.4.5 In cases where an organisation 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.
- 4.4.6 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) shall 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 organisation 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-conformities 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-conformities 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 Organisations 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 organisation that has management control.

This process is permitted only if all of the following are complied with:

- 4.5.2 RSPO membership: The parent organisation or one of its majority owned and/or managed subsidiaries is a member of the RSPO.

The requirements in 4.5.3 below will be applicable, whether the registered RSPO member is the holding company or one of its subsidiaries;

- 4.5.3 Time-bound plan: A time-bound plan for certifying all its management units and/or entities, including the units where the organisation 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.

- a) As a minimum, all estates and mills shall be certified within five years after obtaining RSPO membership. Any new acquisitions shall be certified within a three-year timeframe. Any deviations from these maximum periods requires approval by the RSPO Secretariat.
- b) 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 time-bound plan to be reviewed by the CB. Changes to the time-bound plan are permitted only where the organisation 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 fundamental failure to proceed with implementation of the plan, a major non-compliance shall be raised;

- 4.5.4 Requirements for uncertified management units:

- a) No replacement of primary forest or any area required to maintain or enhance HCVs in accordance with RSPO P&C criterion 7.12. 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;

- b) 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 4.6, 4.7 and 4.8;
- c) Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 4.2;
- d) Legal non-compliance, if any, is being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1;
- e) CBs shall assess compliance with these rules at each assessment of any of the applicable management units. Assessment of compliance with requirements 4.5.4 (a) –(d) 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:
- f) A positive assurance statement is made, based upon self-assessment (i.e. internal audit) by the organisation or assessment carried out by an accredited CB. Evidence of the assessment against each requirement shall be demonstrated and if there is non-compliance whether the non-compliance has been actively addressed or communicated to RSPO.
- g) Targeted stakeholder consultation, including consultation with the relevant NGO's will be carried out by the CB;
- h) Desktop study e.g. web check on relevant complaints;
- i) 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 4.5.4 (a)–(d) 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. Evidence of active engagement with RSPO in resolving the non-compliance shall be available. ;
- k) Failure to address any outstanding non-compliances within uncertified unit(s) as defined in 4.5.4 (j) above may lead to suspension of certificate of the certified unit(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. Announcement shall 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 be available in English and national language. The CB may use the template as provided in Annex 6.
- 4.6.2 The announcement template shall include the following minimum information:
- i. RSPO Member name and membership number;
 - ii. Name of the mill, its supply base and the locations;
 - iii. For ISH, the name of the group, number of group members and the locations;
 - iv. Background of the management unit;
 - v. Type of audit and audit date;
 - vi. Information about the mill including the mill capacity, mill locations and the GPS reference and the estimated annual CPO and PK production;
 - vii. Information about the supply base (each supply base) including the location and the GPS reference, total area to be certified (in ha), total planted area (in ha) and annual estimated FFB production;
 - viii. For ISH, the list of names of the group members including locations, the GPS reference, respective area to be certified(in ha), total planted area (in ha) and the annual estimated FFB production;
 - ix. The name of the standard to be audited including the supply chain model;
 - x. Location maps of the management unit or the ISH group
 - xi. RSPO PO_ID;
 - xii. To indicate whether there is NPP submitted to RSPO Secretariat and the NPP status;
 - xiii. Status of the RaCP process, if applicable;
 - xiv. CB's audit team including their roles and brief qualification of each of the team members;
 - xv. How the stakeholders can submit their comments.
- 4.6.3 Prior to making announcement, the CB shall check with the RSPO Secretariat of the client liability status. Public notification shall only proceed when the Concept Note has been submitted to the RSPO Secretariat.
- 4.6.4 The CB shall inform the RSPO Secretariat in writing by sending 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.
- 4.6.5 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 but not limited to statutory bodies, indigenous peoples, local communities (including women representatives, displaced communities), workers and workers' organisations (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).

- 4.6.6 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 ensure that interested parties are consulted 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. The CB shall keep track which part(ies) has been interviewed in the previous audits to ensure proper coverage of the parties throughout the certification cycle.
- 4.6.7 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 shall establish procedure for sampling methodology (see 4.7.3) of all audits, where there are more than four estates or scheme smallholders. However, the minimum samples of audit shall not be less than 4 and for unit that has less than 4 estates, all estates shall be audited.
- 4.7.2 Sampling of estates and scheme smallholders shall be carried out separately. The CB shall ensure that all estates and/or scheme smallholders shall be audited within the certification cycle.
- 4.7.3 Where sampling is required for a certification assessment, the sampling design shall include all mills and be based on a minimum sample of x estates, where $x = (y \times z)$, where y is the number of estates and where z is the multiplier defined by the risk assessment.

A 'risk level' shall be set at:

Level 1 - low risk

Level 2 - medium risk

Level 3 - high risk

Multiplier z is set as follows:

Low risk = multiplier of 0.8

Medium risk = multiplier of 1.2

High risk = multiplier of 2

Factors to consider in the risk assessment are geographic locations and distance of estates, land size, complexity of the labour force, landscape setting and presence of HCV/ or peat, complexity of supply sheds, number of communities and known conflicts, legality, etc.

This sampling intensity also applies to scheme smallholders, where applicable.

- 4.7.4 Estates and/or scheme smallholders in the selected sample shall 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.)

4.7.5 For Group Certification, the required sampling procedure is presented in Annex 2.

4.8 Decision making

4.8.1 The final decision on certification approval for an organisation 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 shall determine compliance or non-compliance with each of the 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. any non-compliance against indicator marked as (C) shall be graded as 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 shall not be issued while any major non-compliances are outstanding.

4.9.2 Certification submissions to the RSPO IT platform, cannot be based on audits performed more than twelve months before the date of submission. For initial certifications where major non-compliances remain outstanding after twelve months, a full re-assessment is required.

4.9.3 Minor non-compliances shall be raised to major if they are not addressed by the time of the following surveillance audit.

4.9.4 Major non-compliances raised during surveillance and re-certification 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 six months from the last day of the audit. However, for recertification, the suspension cannot be more than the validity of the license in the RSPO IT Platform.

a. Recurring major NC on the same indicator (including the supply chain requirements) in successive audits shall lead to immediate suspension of the certificate. This suspension shall be lifted when the NC is successfully addressed.

b. Recurring minor NC on the same indicator in successive audits shall be raised to major. Recurring of the non-compliance against this non-critical indicator in subsequent audits shall be raised as major which results in immediate suspension.

4.9.5 If there are five or more major NCs within one Principle being observed in an annual surveillance audit or in a re-certification audit, immediate suspension from the RSPO certification. This requirement excludes the SCC requirements for the mill and the ISH standard requirements.

4.9.6 Suspension from RSPO certification shall be carried out within 5 working days after the end of closing meeting including the suspension of the IT platform. The CB shall inform the RSPO secretariat of the decision.

4.9.7 The timeline for the NCs shall be accounted from the date of the closing meeting.

4.10 Reporting and communications

4.10.1 The CB shall prepare an audit report in accordance with Annex 4. The CB is encouraged to use the generic RSPO audit checklist as published on the RSPO website or develop its own checklist based on the NI's requirements.

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 5.

4.10.3 The CB shall finalise the audit report within 30 days of the closing meeting of the audit, for cases with no major NCs observed. For cases with major NCs, the audit report shall be finalised within two weeks of the closure of the last major NC, but no later than two weeks following the 90-day closure period. For initial certifications and re-certifications an additional three weeks is allowed for the peer review.

4.10.4 The CB shall submit a copy of the audit report including the RSPO metrics template and the certificate to the RSPO Secretariat within seven days of a certificate being issued, by uploading it onto the RSPO IT platform, which will subsequently be published on the RSPO website.

4.11 Certificates

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

4.11.2 The certificate shall contain

- (a) Name and location of the certified unit
- (b) Name of the supply base(s), GPS Coordinates and the individual certified area (in ha)
- (c) RSPO membership name and RSPO membership number
- (f) Certified volume CSPO and CSPK (for ISH, the IS-FFB, IS-CSPO, IS-CSPKO and IS-CSPKE)
- (g) Start date and expiry date of the certificate
- (h) Initial date of certification
- (i) Supply chain 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 for suspension or withdrawal. The CB shall also ensure that the license in the RSPO IT platform is suspended.
- 4.12.2 The previously certified entity shall 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 shall decide on their requirements for the lifting of the suspension.
- 4.12.3 Following suspension, 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 for suspension and withdrawal, which ensure that upon notice of suspension or 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 organisation 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 five 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 twelve months of the certificate issue date, but not earlier than eight months after the certificate issue date. The subsequent annual surveillance audits shall be undertaken within twelve months of the license expiration dates, but not earlier than eight 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 organisation 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 in accordance with 4.10 above.

4.14 Recertification Audits

4.14.1 Recertification audits shall be undertaken within twelve months of the license period date, but no earlier than eight months after the original expiry of the previous license 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.

4.14.3 The CB shall submit a recertification audit summary report in accordance with 4.10. above.

4.15 Publicly available information

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

- (a) A summary report of a certification audit (Initial Certification, Surveillance and Re-certification) following a standard format as in Annex 4, 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 is made available on the RSPO website in English, together with the certificate;
- (b) CB's Procedures for complaints and grievances, including resolution mechanisms, on the CB's website;
- (c) The register of all certified organisations, which shall include details of the scope of each certificate (i.e. the management units, with volumes), on the RSPO and CB websites.
- (d) The public notifications and NPP reports on the RSPO website.

4.16 Control of claims

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

Annex 1: Certification of ISH Groups against RSPO Independent Smallholder Standard

A.1.0 Introduction:

- A.1.1 This Annex sets out a brief summary for the systems that shall be followed in the implementation of certification against the requirements of the *RSPO Independent Smallholder Standard*. The general rules for the conduct of the audits as outline in this document is also applicable to auditing the RSPO Independent Smallholder Standard.
- A.1.2 The RSPO Independent Smallholder Standard introduces a phased approach to enable smallholders to achieve compliance over a specified period of time. The approach includes three phases:
- 1) Eligibility (E)
 - 2) Milestone A (MS A)
 - 3) Milestone B (MS B, which is full compliance)
- A.1.3 The phased approach allows the smallholder to enter the system once they are part of a group and meet all eligibility indicators. This approach is designed to screen smallholders for the most unsustainable practices and then, for those who are eligible, allow time for continual improvement and progress towards meeting all requirements. Key requirements of this approach are:
- The group needs to demonstrate progress in moving from meeting Eligibility indicators, to indicators listed under Milestone A and finally meeting the indicators of Milestone B.
 - Progress shall occur within a set timeframe, a maximum of two years is allowed for progressing from Eligibility to Milestone A and a maximum of one year is allowed to progress from Milestone A to Milestone B.
 - Compliance at every milestone is measured by fulfilling all the requirements of the current milestone and all preceding milestones, e.g. to be compliant with Milestone A, the smallholder group has to demonstrate compliance to the Eligibility requirements and requirements of Milestone A.
 - A smallholder can progress directly to Milestone B if at Eligibility they can demonstrate compliance with Milestone A and B. They can move forward and be audited for Milestones A and B at the same point of time, as assessed by Group Manager and third-party auditors. This is also applicable for any trainings (Milestone A) where the group manager assesses the smallholder already possesses the relevant capabilities.
 - At Milestone B, the smallholder needs to be able to demonstrate compliance with and will be audited against all indicators, including those under Eligibility, Milestone A and Milestone B.
- A.1.4 The certification of an Independent Smallholder Group shall take into account the following :
- Group Entity shall be member of RSPO
 - 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:
 - Independently certified to the RSPO Supply Chain Certification Standard; or

- 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.

A.1.5 The certification system includes assessment and verification at each of these three phases. Each phase has its own assurance requirements for assessing compliance, claims that the smallholder can make as well as benefits for the smallholder as shown in the figure below.

A.2.0 Assessment of Compliance for Independent Smallholder Standard

- A.2.1 The requirements outlined in the three stages (Eligibility, Milestone A, Milestone B) and the requirements on the Internal Control System (ICS) mentioned in the RSPO ISH Standard are auditable at the indicator level.
- A.2.2 The auditing mechanism and the trading options for the smallholder groups at the different phases are shown in Figure 1 below

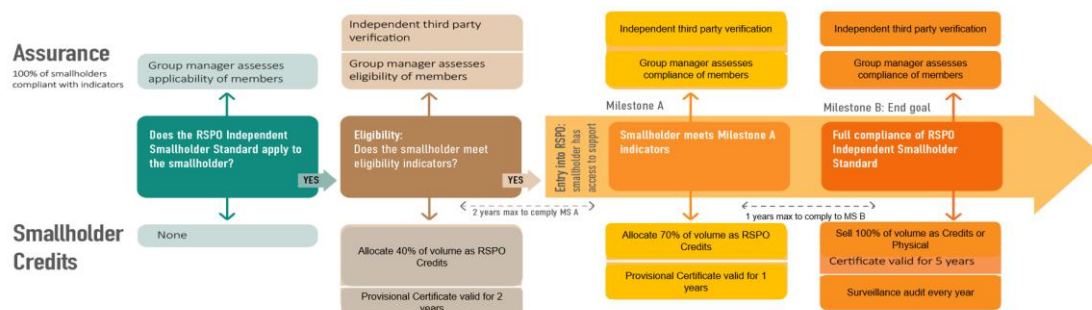


Figure 1: Auditing mechanism and trading options for the different phases

- A.2.3 At the Eligibility phase and Milestone A, the CB shall conduct a pre-audit assessment and at Milestone B, the CB shall conduct an Initial Certification audit followed by the annual surveillance audit according to the requirements laid out in the Certification Systems document for the P&C Certification.
- A.2.4 All non-compliances against the indicators at Eligibility, Milestone A and Milestone B are considered as major non-compliances and are to be addressed in accordance with 4.9 of this Certification System document.

- A.2.5 The requirements at every stage are audited cumulatively. For example, an audit of an Independent Smallholder Group at Milestone A would involve auditing the group against all the indicators of the Eligibility phase and all the indicators of Milestone A.
- A.2.6 The requirements for time bound plan and uncertified management units as in 4.5.3 and 4.5.4 of this document do not apply.
- A.2.7 The requirements on suspension of certificates if 5 or more major non-conformities are found against one principle, as in 4.9.5 of this document do not apply

A.3.0 Audit report

- A.3.1 The audit report as specified in Annex 4 shall be followed with modification of A.4.2 as follow:

The audit report shall include the following:

- a. Name of the ISH group and the individual members;
- b. Detailed description of the certified group that include:
 - i. Location including address and the GPS coordinates of each member (latitude and longitude);
 - ii. Maps of acceptable quality;
 - iii. Date of members joining the group, and the date that group members who have left the group
 - iv. Hectarage of total certified area, mature and immature area, age profile, HCV/HCS area, conservation area;
- c. Any other members (non-certified);
- d. ISH Group's information as below:
 - Last license year's certified FFB produced;
 - Last license year's volume of IS-CSPO, IS-CSPKO and IS-CSPKE Credits;
 - Last license year's actual sold volume IS-CSPO IS-CSPKO and IS-CSPKE credits;
 - Last license year's actual sold volume of certified FFB(if applicable);
 - Last license year's actual sold volume of certified FFB under other schemes;
 - Last license year's actual sold volume of certified FFB as conventional;
 - New license year's certified volume of FFB, IS-CSPO, IS-CSPKO and IS-CSPKE.

A.4.0 RSPO Certificate of Compliance

- A.4.1 A 'Provisional Certificate' is awarded to the Group in the absence of major non-compliances at the Eligibility phase and Milestone A. A single certificate is awarded to the Group in the absence of major non-compliances at Milestone B.
- A.4.2 The group is given 90 days to resolve any major non-compliance raised during the certification or subsequent surveillance audits. If the non-compliances raised during the audits for Milestone A, or Milestone B or subsequent surveillance/re-certification are not closed within 90 the days, the certificate shall be suspended, and subsequently withdrawn. Smallholder groups who have not successfully closed the non- compliances raised during the audit for Milestone A within the 90 days, will no longer be certified and their volumes cannot be sold as certified.
- A.4.3 The maximum period of validity of the Provisional Certificate issued at Eligibility is two years and at Milestone A is one year.

- A.4.4 Upon reaching Milestone B, a single Compliance Certificate is awarded to the group with the maximum validity of five years. The information in the certificate shall follow 4.11 of this Certification System document.
- A.4.5 In the annex of the Certificate individual smallholder is listed with the size of their landholding, GPS Coordinates, date of their joining the Group and the phase they are in compliance with (Eligibility, Milestone A or Milestone B).
- A.4.6 The certified volume IS-CSPO, IS-CSPKO and IS-CSPKE shall be calculated based on the standard extraction of 20% of FFB for CSPO, 2.25% of FFB for CSPKO and 2.75% of FFB for CSPKE.
- A.4.7 The allowable certified volume in the certificate shall be 40% of the group total estimated production volume for Eligibility phase and 70% for MS A phase. The supply chain model for certified ISH group is Identity Preserved(IP).
- A.4.8 The CB shall undertake annual surveillance audits during the certificate's validity, and a full re-certification audit of compliance shall take place before the end of the five-year period.
- A.4.9 All changes in membership number, total hectares or total FFB volumes shall be adjusted at the next annual surveillance audit.
- A.5.0 Inclusion of new members in the Group after certification**
- A.5.1 New members can join the group at any stage and shall be assessed according to their readiness to comply with the standard. For example, a group of smallholders who are already at Milestone A can have new members who are at the eligibility phase join the group. The group will be assessed together but the requirements the members will be assessed for will be according the Milestone they are complying with.
- A.6.0 Sampling of Group Members by CB**
- A.6.1 The minimum sample size should be four members. For groups with fewer than four members 100% of members shall be assessed.
- A.6.2 For the assessments at Eligibility the sample size shall be determined by the formula, $(\sqrt{y}) \times (0.5)$ where y is the number of group members. For the assessments at Milestone A the sample size shall be determined by the formula, $(\sqrt{y}) \times (0.8)$ where y is the number of group members. No risk assessments are required at Eligibility and Milestone A.
- A.6.3 In order to determine the representative sample of Group members for the audits at Milestone B, the CB is required to carry out a risk assessment of the members.
- A.6.4 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.

- A.6.5 The risk level of the size for the group is determined numerically by the formula below. The sample size shall be determined by the formula $x = (\sqrt{y}) \times (z)$, where z is the multiplier defined by the risk assessment. For Guidance a 'risk level' shall be set at Level 1 - low risk, Level 2 - medium risk, Level 3 - high risk.

Multipliers are set as follows: Low risk = multiplier of 1.0, medium risk = multiplier of 1.2, high risk = multiplier of 2.

- A.6.6 For groups composed of members at different phases (Eligibility, Milestone A or Milestone B), separate samples shall be calculated following the respective formula, : one for those at Eligibility, one for those at Milestone A and one for those at Milestone B. Each of the subgroups shall be assessed against the indicators for the phase they are in.

Annex 2 Audit for Group Certification

A.2.0 General Application of Certification to Group Scheme Smallholders or Group of Outgrowers

A.2.1 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 group of scheme smallholders and outgrowers by the certification body (CB):

- Group Entity shall be member of RSPO
- The RSPO certificate of compliance is awarded to a Group Entity.

A.2.2 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.

A.2.3 The requirements for time bound plan and uncertified management units as in 4.5.3 and 4.5.4 of this document do not apply to a Group Certification of FFB Production.

A.2.4 Certification of scheme smallholders and outgrowers shall follow the two options below:

Option 1: Where **the mill has direct management control** over the land and/or operations carried out by the scheme smallholders and outgrowers they should be included in the mill's RSPO P&C certification. The mill shall follow the requirements in the RSPO P&C for the mill, its own estates and all scheme smallholders and/or outgrowers above 50ha in individual plantation size.

Option 2: In cases where **the mill has no management control** over either the land or operations undertaken by the scheme 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. 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.

A.2.1 Group Certification

A.2.2.1 The CB shall enter into contract (see 3.4) with the Group Entity for conducting RSPO certification assessments.

A.2.2.2 The CB shall audit the requirements in and the management systems of the Group Certification Document. 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.

A.2.3 Assessment of Compliance for the RSPO Management System Requirements and Guidance for Group Certification of FFB Production

A.2.3.1 The requirements outlined in the three elements in section 2 of the Group Certification Requirements for Scheme Smallholders and Outgrowers are auditable at the indicator level. All non-compliances against these indicators are considered major non-compliances.

The assessment of the individual members shall determine conformity with each requirement of the RSPO P&C 2018 or the applicable National Interpretation.

A.2.4 RSPO Certificate of Compliance

A.2.4.1 The RSPO certificate of compliance is awarded to the Group as a whole, and in an annex each individual grower or scheme smallholders is listed with the size of their landholding. Information as defined in 4.11.2 (in the main body of this document) shall be met. All changes in membership number, total hectares or total FFB volumes can be adjusted at the next annual surveillance audit.

A.2.5 Sampling for Group Assessments

A.2.5.1 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).

A.2.5.2 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.

- A.2.5.3 The minimum sample size shall be four members. For groups with fewer than four members 100% of members shall be assessed.
- A.2.5.4 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 $x = (\sqrt{y}) \times (z)$, where z is the multiplier defined by the risk assessment. Multipliers are set as follows: Low risk = multiplier of 0.8, medium risk = multiplier of 1.2, high risk = multiplier of 2.
- A.2.5.5 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.

Annex 3: Transfer of certification - additional requirements

- A.3.1 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') and 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.
- A.3.2 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.
- A.3.3 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 shall 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. 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.
- A.3.4 The accepting CB shall either:
- i. Treat the applicant as a new client, and conduct a full certification audit; or
 - ii. Conduct an on-site assessment concentrating on identified problem areas and/or on areas where information is deficient; or
 - iii. Decline the contract; or
 - iv. Continue with the existing annual surveillance programme if no risks are identified during the pre-transfer review.
- A.3.5 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.3.6 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 organisation 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 4 : AUDIT REPORT

- A.4.1 Major elements of the certification systems and P&C shall be met and the report shall demonstrate professional conducts of the audit exercise and the report produced shall cover all aspects of the standard and comply with this certification system requirements.
- A.4.2 The audit report shall include the following:
- a. Name of the mill and its supply base including the scope of certification;
 - b. Details description of the certification unit that include:
 - i. Location including address and the GPS coordinates (latitude and longitude);
 - ii. Maps of acceptable quality;
 - v. Supply base composition including hectares (total certified area, mature and immature area, HCV/HCS area, conservation area, etc), age profile and production of FFB during the last license year;
 - vi. Any other supply base (non-certified);
 - vii. Mill's information as below:
 - Mill's capacity
 - Last license year's certified FFB processed
 - 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
 - Last license year's actual sold CSPO credits (where applicable)
 - New license year's certified volume CSPO and CSPK
 - viii. Supply chain model of certification (IP and/or MB)
 - c. Assessment/audit process
 - i. Composition of the audit team
 - ii. Brief CV demonstrating competency of
 - Lead auditor
 - Audit team members
 - Local experts
 - Other audit team members
 - iii. Name of peer reviewer
 - iv. Audit date and the detail plan
 - d. Stakeholder consultation process
 - i. Date of public notification made
 - ii. List of stakeholders consulted
 - iii. Issues raised by the stakeholders and the respective responses.
 - 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 refer to audit checklist. Non-compliances raised refer to specific indicators as listed under the P&C or under the specific NI, where applicable;
 - g. List of all non-conformances raised and for major NCs shall include the root cause, corrective actions and closure of the NCs;
 - h. List of previous year audit findings including the corrective actions and closure of the NCs;

- i. If applicable, compliance with the other RSPO procedures such as RSPO NPP or RSPO Remediation and Compensation Procedure(RaCP);
- j. Date of audit report and signed off by the company's Management and the CB's audit team leader.

DRAFT

ANNEX 5 PEER REVIEW PROCESS

- A.5.1 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 assessment 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.5.2 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 objective and what speculation is. The process screens report submissions and requires that the audit report to meet the system requirement and contain objectivity showing compliance to the standard.
- A.5.3 The accredited CB shall have a documented system and procedures for peer review process and able to demonstrate its implementation during accreditation audit.
- A.5.4 Peer reviewer 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.
- A.5.5 Competence of Peer Reviewer - The peer reviewers shall meet the following requirements:
- At least 7 years of field experience in the oil palm sector and with specific experience in aspects related to the P&C;
 - Successfully completed the RSPO endorsed P&C lead auditor course;
 - In depth knowledge of applicable local rules and regulations;
 - Familiar with the RSPO P&C certification system.
- A.5.6 The peer reviewer shall register with AB and shall renew their status once in every 2 years. The peer reviewer shall maintain at least 8-hours of training related to the RSPO P&C yearly. The training shall either be conducted by RSPO, endorsed trainers, AB and/or CB.
- A.5.7 The CB shall select the peer reviewer from the list registered in the AB's portal for CB. The CB shall ensure that the peer reviewer is impartial of the job that is assigned to them.
- A.5.8 Peer Reviewer report
- A.5.8.1 The CB shall ensure that the Peer Reviewer submit the Peer Review report on the results of the review not more than 3 calendar weeks of the receipt of the report.
- A.5.8.2 In reviewing the report it is not intended that this should involve editing the text in any detail. The reviewer shall primarily focus on:
- any major omissions or shortcomings in the evaluation process.
 - incorrect technical assumptions.
 - results which could undermine the credibility of the certificate.
- A.5.8.3 The peer reviewer report shall include contain, but not limited to, the followings:
- Indication whether the evidence presented in the assessment report supports the recommendation made by the audit team leader;
 - Indication whether the reviewer support the recommendation for certification being made by the audit team leader;

- iii. Proper justification if the peer reviewer did not support the recommendation made by lead auditor
- iv. Elements of improvement required before the report could be approved/made publicly available

A.5.8.4 The following sets of questions (but not limited to) shall be used in the peer review of the audit report;

QUESTION 1:	Did the audit team have the necessary competence and experience to effectively undertake the audit? Please explain your response.
QUESTION 2:	Was sufficient time allowed to undertake the audit? Please explain your response.
QUESTION 3:	Were the audit findings (NCs) been appropriate raised and the root cause and corrective actions appropriately determined?
QUESTION 4:	Were the audit checklist been appropriately answered?
QUESTION 5:	Has the audit team arrived at an appropriate conclusion based on the evidence presented in the draft audit report? Please explain your response.
QUESTION 6:	Are there any major issues, which needed to be specifically addressed that have not been included in the report? Please explain your response.
QUESTION 7:	Is the report comprehensive and of sufficient quality for public scrutiny? Please explain your response.
QUESTION 8:	Was the audit carried out in an objective and professional manner? Please explain your response.
QUESTION 9:	Any other comments e.g: i) Stated whether you agrees/disagrees with the certification recommendations of the auditors ii) Indicate which findings, including the NCs, and recommendations you disagree with, and why iii) Indicate areas where you feel more information or clarification is necessary 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

A.5.8.6 To allow traceability of the process, the peer review report shall be dated and signed by the reviewer. The CB shall ensure all comments made by the reviewer were answered to the satisfaction of the reviewer.

ANNEX 6(a) : PUBLIC NOTIFICATION TEMPLATE FOR MILLS WITH SUPPLY BASE

Date: xx

Public Notification :

RSPO Initial/Re-Certification Audit of Mill name, Subsidiary name, Parent Company name
(RSPO Membership: X-XXXX-XX-000-00)

Dear Stakeholders,

This is to inform that the above Management Unit under the Parent Company XXX with RSPO membership number X-XXXX-XX-000-00 had appointed CB XXX to conduct the Initial Certification /Re-Certification Audit at Mill name and its supply base, located at XXX. The audit will be conducted from XXX to XXX against the requirements of:

- National Interpretation of RSPO Principles & Criteria 20XX or
- RSPO Principles & Criteria 2018

RSPO PO ID number of the Mill is: RSPO_PO10000XXXX

Brief explanation on the parent company's background

Information of the production data to be assessed on the Mill and estates are as follows:

Name of Mill

Name of Palm Oil Mill	Mill Capacity (Tonnes/ Hr)	Location	GPS Reference (in degree, minute & second)		Forecast Annual Output (MT)	
			Latitude	Longitude	CPO	PK

Name of Supply Base / Estates/Including Scheme Smallholder

Name of Estates / Association	Location	GPS Reference (in degree, minute & second)		Area Summary (Ha)		Forecasted annual FFB Production (MT)
		Latitude	Longitude	Total Certified Area	Planted Area	
Total						

To include location map of the management unit.

To indicate whether the estate had undergone the NPP process. If yes, to include the completion date of the NPP process (i.e. the last date of the 30 days public consultation)

To indicate whether any of the estate in the management unit is undergoing the RaCP (Remediation and Compensation Procedure) process. If yes, to indicate the status.

Brief explanation of the CB background

The audit team for the audit consists of the following:

Audit Team	Role/Area of Requirement	Qualification and Experience
AA	Audit Team Leader – Environmental, health and safety	Brief qualification and experience
BB	Auditor - social	Brief qualification and experience
CC	Auditor – Good agriculture practice	Brief qualification and experience

CB name invites stakeholders to provide comments (if any) on any following matters related to the site for Audit. Comments are only accepted within 30 days from the date of this letter and will be considered in the audit.

Comments that are requested to be treated confidential or to remain anonymous, please insert “CONFIDENTIAL” in the subject of your reply.

Commenters will need to include the following details below in case we may need to contact you for further clarification on any issues that was raised.

Name: Position: Valid Email address: Valid Telephone number:

Comments must be sent to:

CB Name Auditor name Position Address Fax Telephone number Email address	Company name Person in charge Position Address Fax Telephone Number Email address
--------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------

Yours Faithfully,

Name: CB's Scheme Manager name
Position:
CB Name:

ANNEX 6(B) : PUBLIC NOTIFICATION TEMPLATE FOR INDEPENDENT SMALLHOLDERS GROUP

Date: xx

Public Notification :

RSPO Initial/Re-Certification Audit of ISH GROUP NAME (RSPO Membership: X-XXXX-XX-000-00)

Dear Stakeholders,

This is to inform that the above ISH Group with RSPO membership number X-XXXX-XX-000-00 had appointed CB XXX to conduct the Initial Certification /Re-Certification Audit of the group located at XXX. The audit will be conducted from XXX to XXX against the requirements of:

- RSPO Independent Smallholder Standard 2019

RSPO PO ID number of the Group is: RSPO_PO10000XXXX

Brief explanation on the ISH Group background including the following

Name of Group Manager	Group Manager Address	ISH Group location	GPS Reference (in degree, minute & second)	
			Latitude	Longitude

List of group members

Name of farmer	Location	GPS Reference (in degree, minute & second)		Area Summary (Ha)		Forecasted annual FFB Production (MT)	Any Liabilities?
		Latitude	Longitude	Total Certified Area	Planted Area		
Total							

To include location map of the group.

Brief explanation of the CB background

The audit team for the audit consists of the following:

Audit Team	Role/Area of Requirement	Qualification and Experience
AA	Audit Team Leader – Environmental, health and safety	Brief qualification and experience
BB	Auditor - social	Brief qualification and experience
CC	Auditor – Good agriculture practice	Brief qualification and experience

CB name invites stakeholders to provide comments (if any) on any following matters related to the site for Audit. Comments are only accepted within 30 days from the date of this letter and will be considered in the audit.

Comments that are requested to be treated confidential or to remain anonymous, please insert “CONFIDENTIAL” in the subject of your reply.

Commenters will need to include the following details below in case we may need to contact you for further clarification on any issues that was raised.

Name:
Position:
Valid Email address:
Valid Telephone number:

Comments must be sent to:

CB Name	Company name
Auditor name	Person in charge
Position	Position
Address	Address
Fax	Fax
Telephone number	Telephone Number
Email address	Email address

Yours Faithfully,

Name: CB’s Scheme Manager name
Position:
CB Name:



**RSPO will transform markets to make
sustainable palm oil the norm**

FIND OUT MORE AT

www.rspo.org

Roundtable on Sustainable Palm Oil

**Unit A- 37-1, Level 37, Tower A, Menara UOA Bangsar
No. 5, Jln Bangsar Utama 1, 59000 Kuala Lumpur, Malaysia
T : +603 2302 1500 F : +603 2302 1542 E : rspo@rspo.org**

Other RSPO

Offices

**Jakarta,
Indonesia**

**London,
United**

Kingdom

Beijing, China