

The certification of a management system based on standard Malaysia Sustainable Palm Oil Standard (MSPO) respectively, consists of the offer and contract phase, the audit preparation, performance of the Stage 1 audit with evaluation of the management documentation, performance of the Stage 2 audit, issue of certificate and surveillance/recertification.

The auditors are selected by the Scheme Manager of TUV NORD Malaysia in accordance with their approvals for the particular sector and their qualification.

1. Certification procedure

1.1 Customer Enquiry / Drafting Of Offer

MSPO Application Form MSPO-F01 filled in by the customers must be used by TN Malaysia in order to draft the offer. Audit man-day allocation shall be aligned with scheme owner requirements. Contract agreement will be submitted to customer based on the details submitted in the MSPO Application Form.

1.2 Audit preparation

Following signing of the contract, the auditor prepares for the audit based on the questionnaire filled in by the customer and the calculation sheet, and discusses and agrees the further procedure with the organization to be audited.

During preparation for the surveillance or recertification audit, the organizations to be audited have the duty to report fundamental changes in their organisational structure or changes in procedure to the certification body.

1.3 Audit Stage 1

The Stage 1 audit is conducted in order to

- audit the management system documentation of the customer,
- assess the site and site-specific conditions of the customer and hold discussions with the personnel of the organization in order to determine the degree of preparedness for the Stage 2 audit,
- assess the status of the customer and his understanding of the requirements of the standards, particular with regard to identification of key performance or significant aspects, processes, objectives and operation of the management system,
- to collect necessary information regarding the scope of the management system, processes and location(s) of the client, and related statutory and regulatory aspects and compliance (e.g. quality, environmental, health and safety legal aspects of the client's operation, associated risks, etc.),
- review the allocation of resources for stage 2 audit and agree with the client on the details of the stage 2 audit,
- evaluate if the internal audits and management review are being planned and performed, and that the level of implementation of the management system substantiates that the client is ready for the stage 2 audit.

If nonconformities were identified in the stage 1 audit, these must be corrected by the customer before the stage 2 audit.

If at the end it cannot be established positively that the customer is ready for the Stage 2 Audit, the audit is broken off after the Stage 1 Audit.

The lead auditor is responsible for the coordination of the activities of the stage 1 audit and if necessary for coordination and cooperation of the auditors concerned amongst themselves.

1.4 Certification audit (Stage 2 audit)

The customer receives an audit plan at the beginning of the stage 2 audit. The plan is agreed with the customer in advance.

The audit begins with a start-up meeting, in which the participants are introduced to each other. The procedure to be followed in the audit is explained. Within the framework of the audit at the organization's premises, the auditors review and assess the effectiveness of the management system which has been installed. The basis for this is standard MS 2530 respectively.

The task of the auditors is to compare the practical application of the management system with the documented processes and to assess them in relation to fulfilment of the requirements of the standard. This is achieved by means of questioning of the employees, examining the relevant documents, records, orders and guidelines and also by visiting relevant areas of the organization.

A final meeting takes place at the end of the on-site audit. At least those employees take part in the audit who have management functions within the organization and whose areas were included in the audit. The lead auditor reports on the individual elements and explains the positive and negative results. If nonconformities are established, the lead auditor can only recommend the organization for issue of the certificate after acceptance or verification of the corrective actions by the audit team, see Section 7 "Management of nonconformities". Attention must be drawn to this fact in the final meeting.

The audit is documented in the audit report (the documentation must be separate for stage 1 and stage 2 audits) and is completed by means of further records (e.g. audit questionnaire and hand-written records).

1.5 Stakeholder Consultation

Stakeholder consultation is one of the means of verification of the requirements listed in the standards. Both national and local stakeholders can provide relevant information as to the management unit's compliance with the requirements of the standards in terms of the environmental, social or economic aspects.

These stakeholder groups may include national and local level government departments and agencies, and non-government organisations (NGOs) involved, or having interest, in oil palm management, as well as representatives of indigenous and/or local communities directly affected by the management and operations in the management unit that is being audited by the Certification Body.

The details of identification for Stakeholder Groups prior to the Audit, Consultation during the audit and evaluating the information and feedback received from consultation shall be aligned with Scheme Owner requirements.

Stakeholder consultation shall be carried out during stage 2 and recertification audit to ensure continued compliance with the requirements of the certification standards. However, stakeholders'

consultation during surveillance audit may be limited to those stakeholders who have raised concerns, complaints or disputes prior to the audit.

1.6 Peer Review Process

The aim of a peer review process by an independent expert of the Certification Body's audit report is to obtain a second opinion on the level of compliance of the management unit concerned against the requirements of the agreed standards for oil palm management certification. The appointed peer reviewers shall be independent of the Certification Body.

Certification (Stage 2) and Recertification Audit report shall forward for Peer Review upon reviewed by Technical Reviewer. Two peer reviewers will be involved in one audit and they will be appointed by the Certification Body based on the issues associated with the management unit being audited. The two peer reviewers shall comprise of one member who is competent in the area of social health and safety, and the other in the field of environment or best management practices.

1.7 Issue of certificate

The certificate is issued when the certification procedure has been reviewed and released by the head of the certification body or his deputy or nominated representative. The person who reviews and releases the procedure may not have participated in the audit.

The certificate can only be issued when the nonconformities have been accepted or verified by the audit team.

Normally the certificates are valid for 5 years.

2. Surveillance audit

Surveillance audits must be conducted once per year during the period of validity of the certificate.

- Surveillance audits shall be performed not more than 12 months but not sooner than 9 months from the date of certification issuance.
- The surveillance audit is carried out to verify previous audit findings and to report if there are any changes in the certification unit which have significant impact on MSPO certification e.g. operation, FFB Supply base, number of employee, MSPO compliant palm oil produced.

The client receives a report following the surveillance audit.

3. Recertification audit

Recertification audits – including the review of corrective actions of identified nonconformities – have to be completed prior to the expiry of the certificate. The recertification shall consider a continuous certification.

In the recertification audit, a review of the documentation of the management system of the organization takes place and an on-site audit is conducted, whereby the results of the previous surveillance programme(s) over the period of the certification are to be taken into consideration. All requirements of the standard are audited.

Activities related to the recertification audit may include a stage 1 audit if there are significant changes in the management system or in connection with the activities of the organization (e.g. changes to the law).

Re-certification audit shall be carried out in the 5th year of certification 6 months before expiry of the certificate.

The audit methods used in the recertification audit correspond to those used in a stage 2 audit.

4.1 Extension audit

If it is intended to extend the scope of an existing certificate, this can be implemented by means of an extension audit. An extension audit can be conducted within the framework of a surveillance audit, a recertification audit or at a time which is set independently.

A new member shall only be added to the existing group during surveillance or re-certification audit. The group manager shall inform CB in writing within 60 working days before an audit, if a member applied for group certification.

The period of validity of a certificate does not change as a result. Exceptions must be justified in writing.

4.2 Short-notice announced audits

Any individual certificate holder and any member of certificates groups agreed to unannounced on-site audit by MSPO recognized certification bodies.

The unannounced audit can be requested by the scheme owner or induced by the certification body that was conducting the last regular audit.

In case of an unannounced audit, and upon further request of the certification body or scheme owner, an operator shall grant unlimited access by the certification body and/or scheme owner representative to its premises and land.

In such cases

- the certification body shall describe the conditions under which these short notice announced visits are to be conducted,
- it does not exist the possibility to raise against members of the audit team Objection.

5. Takeover of certificates of other certification bodies

In general, only certificates from accredited certification bodies can be taken over. Organizations with certificates which originate from non-accredited certification bodies are treated like new clients.

A "Pre-Transfer-Review" must be conducted by a competent person from the certification body which is taking over the certificate. This review generally consists of an examination of important documents and a visit to the client.

Certificates which have been suspended, or where there is risk of suspension, may not be taken over. Any nonconformities which have not been corrected should as far as practicable be clarified with the previous Certifier before the takeover. Otherwise they must be dealt with in the audit.

The further surveillance programme is based on the programme which has been in place up to the time of the takeover of the certificate.

6. Certification of multi-site organizations (Group Certification)

If an organization which has several sites is certified, these sites must also be audited. Certification of organizations with several production sites/branch offices/locations etc. with similar types of activity and which operate under a single management system may be done alone by means of random sampling procedure.

7. Management of nonconformities

An analysis of the causes must be performed for each nonconformity and corresponding corrective actions must be implemented.

The organization has the duty, depending on the seriousness of the nonconformity, to inform the audit team. The Corrective action request timeline commence from the moment when the lead auditor formally presents to operator, with the following timeline:

- a) The operator shall correct minor NC within maximum of 9 months
- b) The operator shall correct major NC within 60 days from date last day of onsite.

Notes 1: Action taken to correct a major NC may continue over a period of time which is longer than 60 days. However, the operator must take action within this period, which is sufficient to prevent new occurrence of NC within the scope of certification.

Notes 2: Major NC raised during Surveillance Audit shall lead to immediate suspension of the certificate.

Failure to respond or take any corrective action within the timeframe and mutually agreed, would result:

- a) During Stage 2 or Renewal Audit: Discontinuation of the MSPO certification and the auditee will have to repeat Stage 2 audit.
- b) During Surveillance Audit: Suspension of the existing MSPO Certification. If the suspension is not lifted within the specified time, existing MSPO Certification will result withdrawal and declare invalid certification after 120 days from first date of suspension.

The auditee may appeal for extension of not more than 30 days in the event of failure to take corrective action on all non-conformities within the mutually agreed timeframe. Acceptance of the appeal is subjected by Lead Auditor approval.