

Malaysian Sustainable Palm Oil (MSPO) Certification Requirements

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Revision History

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1	Dec 2020	Nor Faizah	Azrul WanAzizan	-	-	New Issued

Related Documents

Document Number	Title
MSPO Certification Scheme MSPOCS01-1 October 2019	The Malaysian Sustainable Palm Oil (MSPO) Certification Scheme and Its Implementation Arrangement
ACB-SC/2018	Requirements for Certification Bodies Operating Supply Chain Certification under the Malaysian Sustainable Palm Oil (MSPO) Certification Scheme 9 Nov 2018

1 Introduction

This recognition booklet is designed to assist your organization on the requirements for certification to MSPO Principle & Criteria and MSPO Supply Chain Certification standards.

2 Accreditation Status

Certification to this standard is accredited by Department of Standards Malaysia (DSM). BSI Services Malaysia Sdn. Bhd. holds accreditation for the:

- i. MS2530-2:2013 MSPO Part 2: General principles for independent smallholders
- ii. MS2530-3:2013 MSPO Part 3: General principles for oil palm plantations and organized smallholders
- iii. MS2530-4:2013 MSPO Part 4: General principles for palm oil mills
- iv. Supply Chain Certification Standard (MSPO SCCS)

With Accreditation No. **MSPO 09112018 CB 12** and MSPO SCCS certification Accreditation No. **PC 02032020 CB 21**. *The latest version of the standards shall be applicable.*

3 The Certification Process

The following section outlines the steps that apply during the BSI certification process for MSPO P&C and MSPO SCCS. BSI reserves the right to provide its clients and those that request quotations with marketing and technical information relating to standards, training and compliance services.

3.1 Initial Inquiry

BSI will respond to either verbal or written expressions of interest from organizations interested in one or more of our programs. If your organization is located near one of BSI's offices, an advisory visit may be arranged to discuss your recognition requirements and how BSI can help your organization achieve them.

BSI Services Malaysia Sdn. Bhd. will also, on request and receipt of a BSI Service Request Form, prepare a proposal tailoring our services to your organization's needs. The proposal includes a copy of the BSI Standard Terms and Conditions. This document (MSPO Certification Guidebook) is an addendum to the Standard Terms and Conditions and outlines additional contractual requirements that your organization is required to follow to ensure certification, once achieved, is maintained.

3.2 Application for Certification and Assessment

Receipt of your organization's Application form (or authorized acceptance of a valid BSI proposal), along with the accompanying payment of the non-refundable application fee (or invoicing instructions) together with this document forms the contract between your organization and BSI.

Your requirements will be entered into our database and a Client Manager will be appointed to look after your certification or assessment requirements. The Client Manager will be your primary point of contact with BSI and is responsible for ensuring that our certification/assessment services are delivered to your organization in the most effective manner possible.

3.3 Client Contact

As soon as practicable after receipt of your signed application/proposal, a BSI Client Manger (or nominated representative) will contact your organization. The Client Manager will seek to establish a working relationship between your organization and BSI, and to confirm your recognition requirements in terms of the certification or assessment services, standards or codes of practice, locations, and activities and/or products to be included in the scope of certification.

The Auditor (or nominated representative) will seek to gain an appreciation of the structure of your organization and the activities being conducted. In particular the Auditor will:

- Seek an appreciation of the nature and scope of the organization's activities, structure and location(s), including any activities for which confirmation is being excluded; and
- Determine the status of system documentation and implementation including organizational policies, objectives and targets.

3.4 Contract of Services

BSI Services Malaysia Sdn. Bhd. will provide MSPO certification services contract with you. Additional to the BSI Standard Terms and Conditions, the Accreditation Body (AB) - DSM has:

- Rights to access your premises as well as documents, records deemed necessary by the BSI or DSM.
- Rights to conduct regular or short notice (minimum of two weeks) compliance assessments and witness assessments

3.5 Pre / Gap Assessment (Optional)

A Pre-Assessment often proves an invaluable tool in determining system implementation, particularly for new systems that are still in the early stages of development. This one-off assessment includes the identification of gaps against the requirement of the nominated Standard or Code of Practice. At the conclusion of the Pre-Assessment you will receive a report which highlights any gaps as well as options for next steps on your path to certification.

3.6 Stakeholder Consultation

Stakeholder consultation shall be carried out during the audit process. BSI Malaysia Sdn. Bhd. shall notify the stakeholders at least 30 days before the start of the field visit during the audit.

3.7 Site of audit

MSPO 2530:

The estates or smallholders sample were determined based on formula $S = R\sqrt{n}$ where n is the number of estates, R is the risk determined by BSI Services Malaysia Sdn. Bhd.

MSPO SCCS:

The organization shall identify the site(s) to be covered under the scope of certification. This site(s) shall generally be permanent location(s) at which the organizations carry out its operations.

A multiple site organization is an organization having an identified central function (normally referred as central office) at which certain activities are planned, controlled or managed and a network of local offices or branches (sites) at which such activities are fully or partially carried out. The organization shall identify in advance the sites that it wanted to include in the certificate. All the sites will be subjected to audit as sampling is not allowed in MSPO Supply Chain certification.

3.8 Certification Audit

The purpose of the Certification Audit is to establish whether your organization's MSPO management system has been implemented and complies with the relevant standard by examining actual practices, documentation and records and comparing them against the organization's policies and procedures. The audit process is, effectively, an undertaking to establish that your documented policies and practices are understood by your personnel and have been effectively implemented.

Stage 1 Audit is carried out on site to determine (1) the adequacy of the applicant's documentation, (2) whether an internal audit or assessment in the case of Group certification and management review have been conducted and (3) the readiness of the applicant to proceed to Stage 2 Audit.

After the findings of the Stage 1 Audit have been resolved and issues from stakeholders have been identified, the Applicant is required to inform the Audit Team Leader on the readiness to proceed to Stage 2 Audit. It is recommended that all proposed actions to address the issues of concerned identified during Stage 1 audit are submitted to the Audit Team Leader at least two weeks before the conduct of Stage 2 Audit.

During Stage 2 Audit, the audit team will evaluate the implementation including the effectiveness of the applicant's MSPO system and practices against the requirements of the MS2530 standard.

The Audit will be led by appropriately qualified and experienced Auditors and, where required, Witness Auditors, Observers and/or Technical Specialists acting as advisers to the audit team may also be present. These specialists bring current specialized knowledge of the activities being audited to the audit team and ensure that the audit provides a relevant and practical review of aspects critical to the business.

BSI assessors use MSPO checklists to complete your assessment. These checklists form the basis of the report.

3.9 Certification Audit Report

At the conclusion of the audit, the audit team will prepare a written report on the audit findings and the audit team leader will present these findings to your organization's senior management at the exit meeting.

The audit findings include a summary of the overall compliance of your system with the requirements of the relevant standard(s) or codes of practice. The final summary report will be subsequently provided after completion of the Audit and closure of any non-conformance.

For MSPO P&C summary report, the summary report shall be finalized within 45 days of the site assessment of the audit, for cases with no major NCs observed. For cases with major NCs, the full report will be

finalised within two weeks of the closure of the last major NC, but no later than two weeks following the 90-days closure period.

For MSPO SCC summary report, the summary report shall be finalized within 14 days of closure of the last non-conformance or if there is no non-conformance, within 14 days of the closing meeting.

The summary report will include the following information;

- Summary of the evaluation activity undertaken.
- Objective evidence and information of your organizations compliance to the MSPO P&C or MSPO SCCS.
- Lists any non-compliances and/or non-conformances identified.
- List any stakeholders' comments.
- If applicable production and sales of palm oil and palm oil product

Non-conformities will be discussed with your team during the Auditor's visit and outlined at the exit meeting. If you are unclear regarding the meaning of anything in your report, please contact your BSI Client Manager.

If non-compliances and/or non-conformances have been raised during your organisations' assessment BSI will provide guidance on the steps that are needed to take place to continue to certification. Such guidance may include timeframes for close out or requirement for re-assessment. BSI cannot provide guidance on how to close out non-compliances and/or non-conformances.

It is your organization's responsibility to respond to the non-compliances and/or non-conformities detailed in your audit report by the designated time frame. Failure to do so may result in suspension or cancellation of your certification.

3.9.1 MSPO P&C non-compliances and/or non-conformances

Non-conformities are categorized as Major and Minor. Opportunity for Improvement (OFI) may be raised. For initial certifications where major non-compliances remain outstanding after three (3) months, a full re-assessment is required. For 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 BSI and you, not longer than six months from the last day of the audit.

Minor non-compliances will be raised to major if they are not addressed by the time of the following surveillance audit. The timeline for non-compliances is accounted from the date of the closing meeting. If there is recurring minor non-compliances on the same indicator in successive surveillance audits will automatically be raised to major.

3.9.2 MSPO SCCS non-compliances and/or non-conformances

Non-conformities are categorized as Major. Opportunity for Improvement (OFI) may be raised. All non-conformances shall be addressed to the satisfaction by the organization before certification is granted by BSI. For Initial certification, if non-conformances are not satisfactorily addressed within three (3) months of the initial certification audit, a full re-audit shall be required.

Non-conformances raised during surveillance audit against a certified organization are serious and the integrity of the MSPO Supply Chain Certification is at risk. A maximum of one (1) month is to be given to the certified organization to address the non-conformance. The CB shall assess the effectiveness of the corrective and/or preventive actions taken within 14 days after submission of the proposed corrective actions. Should the non-conformance not be satisfactorily addressed within the one (1) month plus 14 days' timeframe, the certificate shall be suspended and subsequently terminated if the non-conformance is not addressed within an agreed timeframe as set by CB and client, not longer than three (3) months from the last day of the audit. A full re-audit shall then be necessary.

Where objective evidence indicates that there has been a demonstrable breakdown in the supply chain caused by the certified client's actions or inactions, and that oil palm products have been or are about to be shipped which are falsely identified as MSPO certified product, then immediate action shall be taken by BSI, and the MSPO Supply Chain certification shall be suspended until such time that the situation has been addressed. It is a requirement that BSI informs MPOCC of the decision to suspend certification.

3.10 Peer Reviewer

The draft final Stage 2 Audit Report will be submitted to two independent peer reviewers appointed by BSI Malaysia Sdn. Bhd. Peer reviewer shall review the report within three (3) weeks. Audit Team Leader shall respond to the comments made by the peer reviewers. All issues shall be resolved before the finalization of the audit report.

3.11 Audit Cycle

The first annual surveillance audit within twelve (12) months of the certificate issue date, but not earlier than eight (8) months after the certificate issue date. The subsequent annual surveillance audits shall be undertaken at least once a calendar year. The surveillance audit shall then be undertaken within six (6) months of the suspension date, otherwise an initial certification audit shall be carried out.

3.12 Certification Decision

After confirmation that any necessary corrective actions have been taken, which may involve a follow up visit by the BSI Assessor, the findings and recommendations made in the audit report are subject to an extensive review process prior to certification being granted. For MSPO P&C prior granting the certification and finalization on review, an external peer review process will take place for any initial certifications and re-certifications and this may take up to three weeks.

3.13 Certificates

When your organization has achieved certification, BSI will provide you with a Certificate as a statement that your organization has achieved certification to the relevant standard(s) with validity of five (5) years. The certificate should be displayed where it will be seen by customers and potential customers. The certificate will include important data such:

- Name and location of the certified unit
- Name and location of the multiple site
- Certified area by name and size (for MSPO P&C)
- Certified volume CSPO and CSPK (for MSPO P&C)

- Supply Chain model
- Date of certification and expiry
- Scope of certification
- Certification number
- Standard for which certification has been granted

When copies or elements of the certificate are used in tenders or offered to potential or existing customers, the certificate should be accompanied by the scope of certification document (if issued separately) as it is important for them to understand the scope of activities for which certification has been granted (see 'scope' below).

Incorrect use of the certificate can result in a customer being misled as to the extent of your organization's certification. Clients are obliged to ensure that BSI has been formally notified of the latest address, ownership, changes to key management responsibilities, major management system changes and capability information so that the certificate maintains its currency. Failure to do so may compromise your organization's certification status.

All original certificates remain the property of BSI Services Malaysia Sdn. Bhd. and must be returned on request.

3.14 Scope of Certification

The scope of certification fully details the scope of your organization's certification in terms of:

- Names and addresses of all locations covered by the certification;
- Achievement of certification to the relevant standard(s) or code(s) of practice;
- The capability statement (range of products, services, and activities) for each location covered by the certification and;
- Any specific exclusions from the scope of certification

Clients are obliged to ensure that BSI has been formally briefed in a timely manner when any variations occur. Clients should not wait until the next scheduled assessment to notify BSI. Failure to do so may compromise the organization's certification status.

3.15 Suspension of certification

In the event that your organization is unable to comply with the requirements of the relevant standard, BSI may refuse to grant certification or suspend your current certificate. The decision to refuse certification, and the grounds for that decision, will be communicated to your organization in writing.

When an organization's certification is suspended the organization shall, for the period of suspension or refusal:

- Withdraw and cease to use any advertising or promotional material that promotes or advertises the fact that the organization is certified.
- Cease from making any certified product claim from the suspension date and inform your supply chain clients within three (3) business days.
- Ensure that all copies of certificates and scopes of certification are removed from areas of public display.

- Cease to use the MSPO Trademark logo on stationery and other documents including media and packaging that are circulated to existing and potential clients, or in the public domain.

The organization shall advise BSI in writing of action taken with respect to the requirements listed above;

- BSI shall advise the organization in writing of the certification processes that will need to be completed to restore certification; and
- During the period of suspension the organization shall continue to pay all fees levied by BSI.

When your organization is ready to reinstate certification an audit may require to be undertaken to ensure that continuous compliance to the MSPO requirements / standards.

3.16 Cancellation of certification

When an organization's certification is cancelled, the organization shall immediately:

- Cease any advertising and promotional activities that promote the fact that the organization holds certification.
- Withdraw and cease to use any advertising and promotional material that promotes the fact that the organization holds certification.
- Cease to use relevant MSPO Trademark logo in any way to promote the fact that the organization holds certification and
- Cease from making any certified product claim from the termination date and inform your supply chain clients within three (3) business days.
- Return all certificates and pay outstanding fees.

3.17 Variations to certification

Your organization is required to advise BSI if there are any significant changes to your organization or the product. Variations to certification may originate from:

- Variations to the scope of certified product
- Major nonconformities
- Voluntary withdrawals
- Withdrawal of certification by BSI
- Change of certification scope
- Change of ownership
- Change of management
- Change of company name
- Change of ABN etc.

BSI will determine if the degree of change is significant to require an additional assessment or if the changes can be assessed at the next schedule audit or if the product requires re-assessment.

3.18 Reduction in Scope of certification

When an organization's scope of certification is reduced, BSI shall issue revised certificates and scopes of certification as appropriate and the certified organization shall:

- Ensure that use of the certification mark is adjusted to reflect the reduced scope of certification
- Ensure that all advertising and promotional activities and materials are adjusted to reflect the reduced scope of certification and
- Pay any fees that are applicable for the facilitation of this activity.

4 Use of the BSI certification mark

You are entitled to use the appropriate BSI 'Kitemark' whilst you maintain certification to this program with BSI. For a copy, please contact our BSI local support or visit www.bsigroup.com.

Use of the logo is subject to Condition and rules of its application.

5 Use of MSPO Trademark Logo

The certified organization that want to use the MSPO logo, make claims or communicate about the production, procurement or use of MSPO certified materials shall apply and follow the rules on MSPO logo usage licence established by MPOCC. BSI Client Manager will assess the correctness usage of the Trademark logo during the audits.

6 Standard Owner Information

MSPO is the owner of these standards.

Additional information, including copies of the Standards may be obtained through their website at <https://www.mpocc.org.my/>

It should be noted that MPOCC or the DSM may elect to contact client directly for feedback or discussion of audit information.

7 Confidentiality

BSI will treat all information in accordance with the applicable Privacy Act.

8 Additional Obligations

Following certification, there are a number of managerial responsibilities which your organization will need to observe to maintain BSI's certification. These include:

- Continued compliance with the relevant systems standard(s) or code(s) of practice;
- Compliance with the BSI Standard Commercial Terms and Conditions and obligations as specified in this document as well as other guidance documentation that may be specifically provided from time-to-time;
- Conduct of regular internal reviews of your system, with appropriate documentation of such reviews and of any subsequent corrective actions;
- Notification to BSI of any significant changes in the structure (key responsibilities and management system), ownership and operations of your organization to enable the impact of such changes on the certified ownership system to be evaluated; and
- Notification to BSI of any litigation or serious events or matters that relate to the scope of your certification.
- Meet the requirements of the Certification Agreement. This requires that your organization and products remain compliant with the scheme requirements at and the conditions of certification at all times.
- Fulfil the certification requirements, including implementing appropriate changes when are communicated by BSI in a time appropriate manner.
- Comply with all requirements under any relevant Malaysian standard, private standard or code of practice expressly governing the MSPO P&C Certification Systems and MSPO Supply Chain Certification Systems not limited to:
 - i. Make all necessary arrangements to allow the evaluation and continuous assessment activities to take place to maintain your certification. This includes but is not limited to; Equipment, Product, Locations, Areas, Personnel and Sub-contractors.
 - ii. Making necessary arrangements for investigation of complaints;
 - iii. Making necessary arrangements for witness/compliance assessment by Accreditation Body.
 - iv. Making claims regarding certification consistent with the scope of certification; and
 - v. Reproducing copies of the certification to others where relevant, in its entirety or as specified in the certification scheme
- Maintain in place appropriate managerial and control procedures (including a customer complaints management procedure), providing evidence of such when requested by BSI or BSI Malaysia to ensure compliance with all standards, private standard or code of practice the Agreement
- Take appropriate action and documents the actions taken if there are any complaints;
- Immediately inform BSI or BSI Malaysia if there are any claims, complaints and changes of the Client that may affect the validity of the certificate issued to the Client or bring BSI Malaysia's reputation in disrepute.

8.1 Complaints

Your organization is required to keep a record of all known complaints. These records must be made available to the audit team and BSI when requested. Information concerning the complainant should be made available internally where necessary for dealing with the complaint. The complainant details should not be disclosed to a third party, other than an accreditation or regulatory body, unless the complainant expressly consents to its disclosure.

Your organization is required to demonstrate that you have taken appropriate action to address these complaints through investigation and correct any deficiencies found. These actions must be documented.

It may be necessary for BSI to conduct audits of certified clients at short notice or unannounced to investigate complaints, or in response to changes or as follow up. BSI shall describe the conditions under which such audits will be conducted.

8.2 Misleading Statement

Your organization is not permitted to use its certification in a manner that could bring BSI or scheme owner into disrepute. This includes making misleading or unauthorized statements. If you are unsure if a statement could be misleading you are advised to contact BSI prior to making the statement. Statements include but are not limited to the use of the logo on non-certified product, advertising (including your website) and internal communication.

If your organization is required to provide copies of their certification documents these must be reproduced in its entirety. Failure to do so may be misleading to the recipient as to the scope of certification.

8.3 Changes to Circumstances

Your organization is required to advise BSI of any changes without delay to circumstances that may affect certification. Examples of such changes include but are not limited to;

- Authorized Representative
- Business name (Legal entity) and Trading Name (where applicable)
- Business number / reference
- Ownership
- Contact details
- Location, site addresses
- Business activity/ies, scope of certification (Products and Processes)
- System Management Number of employees, covering all shifts and sites
- Billing Details

8.4 Observers

From time to time BSI requires an Observer to be in attendance at an audit. This may be related to training of new staff and witness assessment of existing staff. It is a requirement of certification that your organization allows these activities to occur. Failure to allow this activity to occur may result in cancellation of your certification.

BSI will, at all times, ensure that the use of observers is kept to a minimum and your organization will be advised prior to the assessment activity. The Observer does not take an active part in an assessment.

9 Complaints and Appeal

Appeals against certification decisions and / or complaints against service delivery levels may be raised with your Client Manager. If your disagreement have been unable to resolve either through your Client Manager or with the management BSI office, you may appeal in writing within 21 calendar days from receipt of the decision to the Head of Compliance & Risk of the BSI Malaysia Sdn. Bhd. office. The address of office can be found on website www.bsigroup.com.

Following the receipt of an appeal or complaint, selected BSI personnel will be appointed who are independent of the issue. Contact will be made to acknowledge receipt of the issue, outline the process, gather and verify additional data and information required. The results of the appeal or complaint decision will be communicated formally.

For receiving any official appeal and complaint about any issue relates to assessment outcome or certification status, BSI will:

- Forward the appeal/dispute to our appeal panel and respond as quickly as possible with a target of responding within 10 working days (if practicable).
- Investigate the complaint and respond as quickly as possible with a target of responding within 10 working days
- If it is not possible to respond to your dispute and appeal within 10 working days we will explain why and give you a date by which you can expect a full response

The Appeal Panel or Review Committee shall consist of three persons considered as experts in the area of business relevant to the appeal. The Review Committee shall be constituted as follows:

- One person that is expert in the relevant area of business; and
- Two people that are independent from the original decision making.

The appellant shall represent himself and no legal representation will be allowed unless approved by the Appeal Panel or Review Committee.

As an alternate to the Head of Compliance & Risk of the BSI Malaysia Sdn. Bhd., a complaint or appeal against the service delivery by BSI or audit outcome can be raised to:

Nor Faizah Bt Azizan

Technical Reviewer (Sustainable Palm Oil)

Email: Nor.Faizah@bsigroup.com