

# RSPO

Roundtable on Sustainable Palm Oil

## **RSPO Certification Systems**

Final document approved by RSPO Executive Board

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Endorsement of the International Generic Criteria as a National  
Interpretation in small producing countries (Annex 1A)*



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## 1. Introduction

The Roundtable on Sustainable Palm Oil (RSPO) is a global, multi-stakeholder initiative on sustainable palm oil. Members of RSPO, and participants in its activities come from many different backgrounds, including plantation companies, manufacturers and retailers of palm oil products, environmental NGOs and social NGOs and from many countries that produce or use palm oil. The principal objective of RSPO is “to promote the growth and use of sustainable palm oil through co-operation within the supply chain and open dialogue between its stakeholders”.

The RSPO Principles and Criteria for Sustainable Palm Oil Production were adopted in November 2005, are being applied for an initial pilot implementation period of two years from the date of adoption, and will be reviewed at the end of this period.

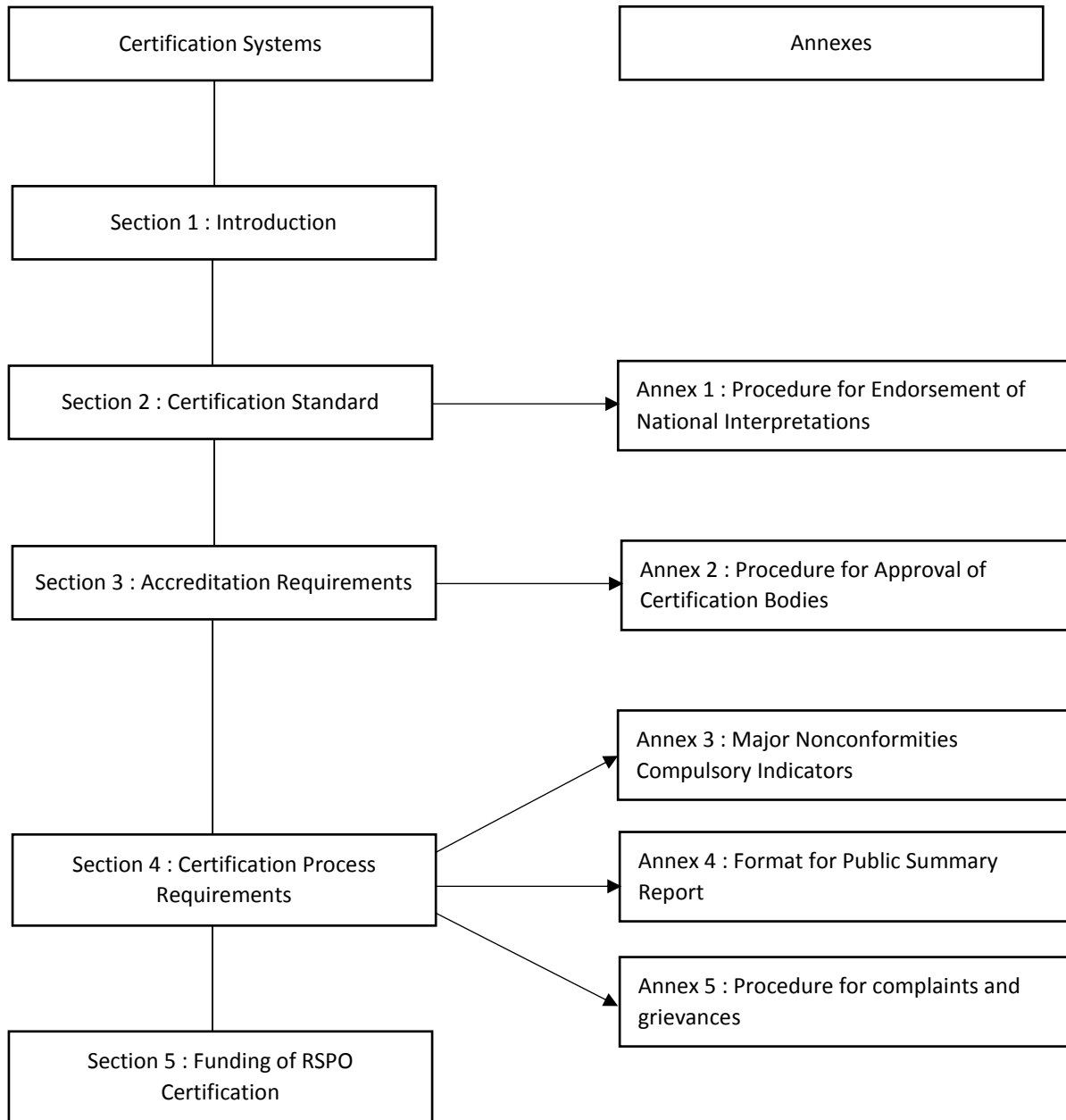
No public claims relating to compliance with the RSPO principles and criteria can be made without third party certification and authorisation by RSPO. Third party certification arrangements are needed for evaluation of compliance with the RSPO Principles and Criteria, and in supply chain audits to verify compliance with requirements for sustainable palm oil traceability.

The RSPO Verification Working Group (VWG) was established in order to provide detailed recommendations on certification arrangements for consideration by RSPO’s Executive Board (EB). The objective of these detailed requirements is to ensure that RSPO assessments are carried out with objectivity and consistency, together with the required levels of technical rigour and stakeholder credibility.

These certification systems will be reviewed by RSPO after two years. The RSPO Executive Board can also decide to review any aspect of these systems at any time at its discretion. Certification bodies will be asked to hold an annual meeting to review best practice and provide feedback to RSPO.

### 1.1. Overview of this document

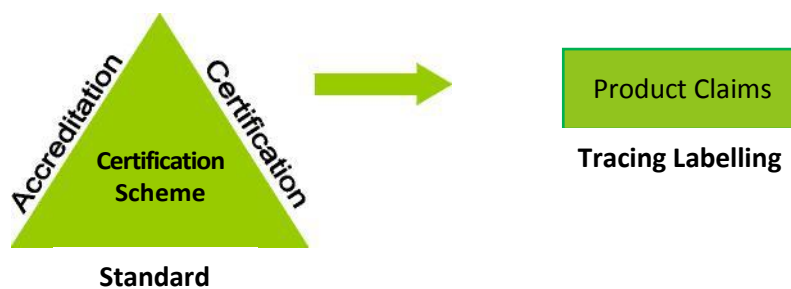
The following diagram shows the structure of this document, including the links to each annex:



## 1.2 Elements of a certification scheme

Certification schemes are usually made up of three key elements:

- Certification standard. This sets out the requirements which must be met and against which certification assessments are made. The RSPO systems are detailed in section 2, below.
- Accreditation requirements. This is the approval mechanism for ensuring that the organisations which undertake certification are competent and produce credible, consistent results. The RSPO systems are detailed in section 3, below.
- Certification process requirements. This is the process of establishing whether or not a set of requirements (i.e. the standard) has been met, usually carried out by a certification body. The RSPO systems are detailed in section 4, below.



## 2. Certification standard

The RSPO certification standards are as follows:

### ***2.1. Sustainable production of palm oil***

Sustainable palm oil production is comprised of legal, economically viable, environmentally appropriate and socially beneficial management and operations. This is delivered through the application of the RSPO Principles and Criteria for Sustainable Palm Oil Production, and the accompanying indicators and guidance (referred to collectively in this document as the 'RSPO Criteria'). All of the RSPO Criteria apply to the management of oil palm. All relevant RSPO Criteria also apply to mills.

National interpretations of the international indicators and guidance will also be developed; in order to keep overall control of the quality of any set of indicators and guidance claiming to be official interpretations, especially in the local legal context, national interpretations will require endorsement or recognition by RSPO. This endorsement will require the following steps:

- Participation: approval by RSPO of the national multistakeholder working group composition.
- Process: drafting of national interpretations by the national multistakeholder working group, field testing, and national public consultation.
- Endorsement: draft national interpretations are submitted to RSPO for formal endorsement.

See Annex 1: Procedure for Endorsement of National Interpretations.

Following endorsement of a national interpretation, this is accepted as further specification of the international RSPO Criteria.

Until a national interpretation of the international indicators and guidance has been developed and formally endorsed by RSPO, the applicable certification standard is the international RSPO Criteria. Where the international RSPO Criteria are being used, the certification body must develop local indicators through a consultative process,



available in the local language. The first interpretation by a certification body in a country must be submitted to the RSPO Secretariat for approval, and will be published on the RSPO website.

## ***2.2. Supply chain requirements for sustainable palm oil***

***The palm oil material may go through many production and logistical stages between the grower and the product.***

Any individual batch of palm oil can be traded through one of three supply chain mechanisms that are approved by RSPO:

- Fully segregated
- Mass balance
- Book and Claim

For the first two of these, fully segregated and mass balance, traceability from the plantation through to the certified end product is required. The mechanism used to trace palm oil will be those specified in Annex 7 of the RSPO document *Developing a mechanism for palm oil traceability from plantation to end user – final report August 2006*. Compliance with traceability requirements shall be verified by an accredited certification body.

### **3. Accreditation requirements: mechanism for approval and monitoring of third party certification bodies**

3.1 Certification must be undertaken by a body that conforms to these accreditation requirements. Individuals cannot be approved as a certification body.

3.2 RSPO will use a mechanism for approving certification bodies that is based on accreditation against *ISO/IEC Guide 65: 1996 General requirements for bodies operating product certification systems* and/or *ISO/IEC Guide 66: 1999 General requirements for bodies operating assessment and certification/registration of environmental management systems*<sup>1</sup>, where the generic accreditation is also supplemented by a set of specific RSPO certification process requirements.

3.3 Certification bodies must be accredited by national or international accreditation bodies, such that their organisation, systems and procedures conform to ISO Guide 65 and/or ISO Guide 66.

3.4 The accreditation body itself must be operating in accordance with the requirements of *ISO 17011:2004 Conformity assessment – general requirements for accreditation bodies accrediting conformity assessment bodies*. This must be demonstrated either as 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).

3.5 RSPO requests accreditation bodies to notify RSPO if a complaint is received by any RSPO stakeholders concerning their competency or process or the outcome of an accreditation assessment or implementation. ISE/IEC 17011 requires accreditation bodies to handle complaints within 60 days. Should any accreditation body fail to resolve a complaint within that timeframe, they are requested to inform the RSPO Secretariat immediately. Assessments of accreditation bodies by RSPO will be conducted annually.

3.6 In order to provide the technical rigour and credibility required for a sector- specific approach such as the RSPO Principles and Criteria, that includes many performance-based requirements related to social and environmental criteria, RSPO have supplemented the ISO Guide 65 or ISO Guide 66 requirements with a set of specific certification process requirements.<sup>2</sup> These additional requirements

for certification against the RSPO Criteria and the RSPO supply chain standard must be incorporated within the certification body's accredited systems. The additional RSPO requirements are defined below in section 4.

3.7 The certification body must demonstrate to RSPO by submitting an annual report that their accredited systems include all of the requirements detailed in section 4 below. Implementation of these requirements will be reviewed by RSPO annually.

See Annex 2: Procedure for Approval of Certification Bodies.

## 4. Certification process requirements

ISO Guide 65 and ISO Guide 66 recognize that there will be additional requirements for specific certification schemes. The requirements for RSPO certification audits include the following additional elements over and above those specified by ISO Guide 65 or ISO Guide 66. These additional elements are necessary to ensure a sufficient level of technical rigour and credibility.

The accredited systems of the certification body must include the following specific requirements:

### 4.1. *Specific competencies of assessment teams*

4.1.1. The certification body must define the minimum competencies of lead assessors and the requirements for assessment teams, for both RSPO Criteria and supply chain assessments. As a minimum, these must be consistent with the specifications defined in *ISO 19011: 2002 Guidelines for quality and/or environmental management systems auditing*, with modifications to take into account the specific requirements of palm oil and chain of custody evaluation, as described below.

4.1.2 Assessment procedures for certification assessments against the RSPO Criteria must require that teams demonstrably include sufficient oil palm expertise to address all of the requirements of the RSPO Criteria relating to a specific assessment of the legal, technical, environmental and social issues, and must include team members that are fluent in the main languages relevant to the location where the specific assessment is taking place, including the languages of any potentially affected parties such as local communities.

Lead auditors must have, as a minimum,

- a minimum of post high school (post secondary school) training in either agriculture, environmental science or social sciences;
- at least five years professional experience in an area of work relevant to the audit (e.g., palm oil management; agriculture, ecology; social science);
- training in the practical application of the RSPO Criteria, and RSPO Certification Systems;
- successful completion of an ISO 9000/19011 lead auditor course;

- a supervised period of training in practical auditing against the RSPO Criteria or similar sustainability standards, with a minimum of 15 days audit experience in at least 3 audits at different organizations.

4.1.3 Assessment procedures for verification assessments against the RSPO Criteria must require that teams demonstrably include sufficient knowledge and experience to address all of the requirements of the RSPO Criteria, including the legal, technical, environmental and social issues relating to a specific assessment:

- Field working experience in the palm oil sector, or demonstrable equivalent.
- Good Agricultural Practices (GAP), and Integrated Pest Management (IPM), pesticide and fertilizer use.
- Health and safety auditing on the farm and in processing facilities, for example OHSAS 18001 or Occupational, Health & Safety Assurance System.
- Worker welfare issues and social auditing experience, for example with SA8000 or related social or ethical accountability codes.
- Environmental and ecological auditing, for example experience with organic agriculture, ISO 14001 or Environmental Management Systems (EMS).
- Fluency in the main languages relevant to the location where the specific assessment is taking place, including the languages of any potentially affected parties such as local communities.

## **4.2. Assessment process**

4.2.1 The certification body must define the procedures relating to the assessment process. As a minimum, these must be consistent with the specifications defined in *ISO 19011: 2002 Guidelines for quality and/or environmental management systems auditing*.

4.2.2 The procedures must require that the initial certification assessments, and the subsequent monitoring or surveillance assessments, include an appropriate range of methods to collect objective evidence, including documentation review, field checks and interviews with external stakeholders (see section 4.3 below).

4.2.3 The unit of certification shall be the mill and its supply base:

- The unit of certification must include both directly managed land (or estates) and associated smallholders and outgrowers, where estates have been legally established with proportions of lands allocated to each.
- All the FFB from the directly managed lands (or estates) shall be produced to certifiable standards. The mill will develop and implement a plan to ensure that 100% of associated smallholders and outgrowers are of certifiable standard within 3 years.

4.2.4 Organizations<sup>1</sup> that have a majority<sup>1</sup> 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 only if all the following are complied with:

### **RSPO Membership**

- (a) The parent organization or one of its majority<sup>1</sup> owned and / or managed subsidiaries is member of RSPO. The requirements (b) to (j) will be applicable, whether the registered RSPO member is the holding company or one of its subsidiaries;

<sup>1</sup> For groups with complex management structures the following are required:

- (a) A statement of the ultimate controlling shareholders and directors in the managing agency company/companies.
- (b) Ditto in respect of each of the operating groups.
- (c) Application for membership by the top asset owning company/companies.
- (d) Application for membership by the managing agency company/companies.

## Time-bound Plan

- (b) A challenging time-bound plan for certifying all its relevant entities<sup>2</sup> is submitted to the Certification Body (CB) during the first certification audit. The time-bound plan should contain a list of subsidiaries, estates and mills. The Certification Body will be responsible for reviewing the appropriateness of this plan<sup>3</sup>, taking into account comments received from stakeholders following the public consultation process. Progress towards this plan will be verified and reported on in subsequent annual surveillance assessments (see Annex 4). Where the Certification Body conducting the surveillance audit is different from that which first accepted the time-bound plan, the later Certification Body shall accept the appropriateness of the time-bound plan at the moment of first acceptance and shall only check continued appropriateness.
- (c) Any revision to the time-bound plan or to the circumstances of the company shall cause the plan to be reviewed (as provided for in the guidance on surveillance assessments, Annex 4) for whether it is still appropriate, such that changes to the time-bound plan are permitted only where the organisation can demonstrate 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 is raised. Where there is evidence of systematic failure to proceed with implementation of the plan, a major non-compliance is raised.

## Requirements for uncertified management units and/or holdings

- (e) No replacement of primary forest or any area identified as containing High Conservation Values (HCVs) or required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. Any new plantings since January 1st 2010 must comply with the RSPO New Plantings Procedure (Annex 5).
- (f) Land conflicts, if any, are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.
- (g) Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.

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<sup>2</sup> Relevant entities – including both the business units and parent company(ies)' commitment to RSPO, membership status and involvement with palm oil for each subsidiary

<sup>1</sup> Majority shareholding: the largest shareholding. Where the largest shareholdings are equal (e.g. 50/50) this applies to the organisation that has management control.

<sup>3</sup> in particular, that the time scale is sufficiently challenging, taking into account circumstances around each entity

- (h) Legal non-compliance, if any, are being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.
- (i) Certification bodies will assess compliance with these rules for partial certification at each and every assessment of any of the management units (see Annex 4). Assessment of compliance with requirements (e) – (h) by the certification body based on self-declarations only by the Company, with no other supporting documentation, will not be acceptable. Verification of compliance must be based on the following approach:

Positive assurance statement, which is based upon self-assessment (i.e. internal audit) by the organisation. This would require evidence of the self-assessment against each requirement.

Targeted stakeholder consultation may be carried out by the certification body. If this has already been conducted by a certification body, other certification bodies may request for the summary report through the organization.

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

- (j) For requirements (e) – (h), the approach to defining major and minor non-compliance can be applied from the relevant national interpretation. For example, if a non-compliance against a ‘major indicator’ in a non-certified holding/management unit is identified, the current certification assessment cannot proceed to a successful conclusion until that is addressed.
- (k) Failure to address any of the requirements (e)-(h) may lead to certification suspension(s) (consistent with the RSPO Certification Systems document rules on non-compliance).

4.2.5 Certification assessments will determine conformity or nonconformity with each indicator. Nonconformities must be graded as either minor or major, in accordance with Annex 3. A certificate of conformance with the RSPO Criteria cannot be issued while any major nonconformities are outstanding. Major nonconformities raised during surveillance assessments must be addressed within 60 days, or the certificate will be suspended. Major nonconformities not addressed within a further 60 days will result in the certificate being withdrawn. Minor nonconformities will be raised to major if they are not addressed by the following surveillance assessment.



4.2.6 The maximum period of validity of the certificate is 5 years. A re-assessment of compliance must take place before the end of the 5 year period.

4.2.7 During the lifetime of the certificate, monitoring or surveillance assessments to check continued compliance must take place at least annually, that are timed to capture seasonal variation.

4.2.8 Assessments should include but not be limited to areas of potential environmental and social risk.

4.2.9 The level of sampling to take place during a certification assessment shall include every mill and be based on a minimum sample of  $0.8\sqrt{y}$  where  $y$  is the number of management sub-units.

### **4.3. Gathering evidence from stakeholders during certification assessments**

4.3.1 Procedures for certification assessment must include gathering evidence from all relevant stakeholders, including statutory bodies, indigenous peoples, local communities, workers' organizations, smallholders local and national NGOs designed to ensure that all relevant issues concerning compliance with the RSPO Criteria are identified.

4.3.2 Procedures must include public announcement by the certification body of the assessment at least one month prior to commencement. Announcement must include as a minimum informing relevant stakeholders (see 4.3.3) in appropriate language and format including posting the announcement on the company's website (where they have one), and informing the RSPO Secretariat in writing (who will post the announcement on the RSPO website). The announcement must, as a minimum, include details on the entity or entities to be assessed, their location, the dates of assessment, contact details for both the company and the certification body, direct stakeholders to make comment to the certification body, and must be available in appropriate languages.

4.3.3 Procedures must include gathering evidence about all relevant principles and criteria directly from stakeholders including statutory bodies, indigenous peoples, local communities \*including displaced communities, if any+, workers and workers' organizations [including migrant workers], smallholders, and local and national NGOs.

4.3.4 Where 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, the certification body must consult directly with all 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 (RSPO Criteria 2.2 and 2.3).

4.3.5 Monitoring or surveillance assessments must be conducted at least annually and must include appropriate evidence gathering to verify corrective action or in response to complaints (see 4.6.1 below).

#### **4.4. Public availability of documentation, including the results of certification**

4.4.1 In addition to the requirements of ISO Guide 65 or ISO Guide 66, the certification body must make the following documents publicly available upon request, and on their website:

- Where a certificate of conformance has been issued, a summary report following a standard format (see Annex 4) outlining the results of the certification assessment, including a summary of findings, any identified non-compliances, and issues raised by stakeholder consultation. The summary report must be prepared by the certification body, and should exclude any information that is commercially confidential, or where disclosure of information would result in negative environmental or social outcomes. The report will be made available on the RSPO website in appropriate languages and will be made available within two months of the certificate issue.
- Procedures for complaints and grievances, including resolution mechanisms.
- The register of certified organizations, which must include details of the scope of each certificate, i.e. which sites, tonnages and/or processes are approved.

#### **4.5. Conflict of interest**

4.5.1 Procedures for identifying and managing conflicts of interest must include provision for a specific independent committee, set up by the certification body. The independent committee must consist of at least three external members, and must meet at least annually with managers of the certification body to formally review the certification body's performance in this respect.

4.5.2 Records of the conflict of interest committee's discussions, recommendations and consequent corrective actions must be maintained for at least 10 years.

4.5.3 Certification bodies and members of assessment teams must have maintained independence from the company or family of companies for a minimum of five years to be considered not to have a conflict of interest

4.5.4 Certification bodies cannot have provided management advice to the company being audited.

#### **4.6. Mechanisms for complaints and grievances**

4.6.1 Procedures must include a mechanism for complaints and grievances concerning certified organizations that is open to any interested party.

See Annex 5: Procedure for Complaints and Grievances relating to the Performance of Certification Bodies.

#### **4.7. Control of claims**

4.7.1 Certification procedures must include measures to ensure compliance with RSPO requirements for the control of trademarks and claims by certified organisations.

4.7.2 RSPO requirements for control of claims will include the following:

- Arrangements for controlling claims relating to compliance with the RSPO Criteria, including use of approved logos and/or statements. The issues covered should include: business-to-business correspondence and sales documentation where compliance is claimed, use of claims either off-product (in promotional material) or on-product (linked to supply chain certification), and the use of specific logos and/or approved statements. This will include specific approved claims relating to each RSPO supply chain mechanism.

- Where certified organisations are implementing a time-bound plan for achieving certification of all relevant entities, certain off-product claims can be made involving the use of approved statements.

## **5. Funding of RSPO certification**

RSPO certification will begin on the basis of direct commercial relationships between the certification body and the auditee.

## **6. Definitions**

**Accreditation:** Third-party attestation related to a certification body conveying formal demonstration of its competence to carry out specific certification tasks.

**Assessment:** Process undertaken by an accreditation or certification body to assess against particular standards and/or other normative documents.

**Certification body:** Third party that assesses and certifies the conformity of organisations with respect to published standards or other normative documents.

**Lead assessor:** Assessor who is given the overall responsibility for specified assessment activities.

**Outgrowers:** Farmers, where the sale of FFB is exclusively contracted to the grower/miller. Outgrowers may be smallholders.

**Smallholders:** Farmers growing oil palm, sometimes along with subsistence production of other crops, where the family provides the majority of labour and the farm provides the principal source of income and where the planted area of oil palm is usually below 50 hectares in size.

**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.

**Surveillance:** Set of activities to monitor the continued fulfilment of requirements for certification.

## ***Annex 1: Procedure for Endorsement of National Interpretations***

### ***1. Background***

Sustainable palm oil production is comprised of legal, economically viable, environmentally appropriate and socially beneficial management and operations. This is delivered through the application of the RSPO Principles and Criteria for Sustainable Palm Oil Production, and the accompanying indicators and guidance (referred to collectively in this document as the 'RSPO Criteria').

National interpretations of the international indicators and guidance will also be developed. Until a national interpretation of the international indicators and guidance has been developed and formally endorsed by RSPO, the applicable verification standard is the international RSPO Criteria. Where the international RSPO Criteria are being used, the certification body must develop local indicators through a consultative process, available in the local language. The first interpretation by a certification body in a country must be submitted to the RSPO Secretariat for approval, and will be published on the RSPO website.

When the international RSPO Criteria are amended, appropriate changes to the national interpretation must be made within 12 months.

In order to keep overall control of the quality of any set of requirements claiming to be official interpretations of the RSPO Criteria, especially in the local legal context, national interpretations will require endorsement or recognition by RSPO. This endorsement will require compliance with the following:

- Participation: requirements for a national multistakeholder working group, striving for representation of all stakeholder categories (section 2 below).
- Content: requirements for the content of a national interpretation document (section 3).
- Process: requirements for developing a national interpretation by the national multistakeholder working group (section 4).
- Endorsement: draft national interpretations are submitted to RSPO for formal endorsement (section 5).

RSPO have also produced a flowchart which outlines the elements of this procedure.

## **2. Participation**

2.1 The RSPO national interpretation process must be initiated by an RSPO member(s), who will act as the coordinator of the process and formal link to RSPO. The member(s) will be responsible for chairing meetings, for secretarial functions, and for ensuring that documents are posted on the RSPO website for the public consultation process.

2.2 The national interpretation working group should include self-selected representatives from the following RSPO interest categories, with at least one member of each interest category being an RSPO member:

- Producers, including smallholders
- Supply chain and investors
- Environmental interests
- Social interests

Relevant government representatives should also be invited to participate.

2.3 Invitations should be circulated widely and publicised through the RSPO website to ensure adequate opportunity for interested stakeholders to nominate themselves for inclusion.

2.4 It is recommended that the working group also invites a number of technical experts to provide technical support for the group's discussions.

### **3. Content**

3.1 National interpretation documents will provide specific interpretation, for all or some of the RSPO Criteria, relating to appropriate indicators and guidance that are applicable at the national level.

3.2 National interpretation should include the identification of applicable legal requirements. Any conflicts between RSPO Criteria and national legal requirements should be referred to RSPO for resolution, with a suggestion from the working group as to how the conflicting elements can be resolved.

3.3 Where measurable indicators have been developed at the international level, national interpretations should include acceptable performance levels for these indicators. National interpretations should be confined to the scope of the RSPO Criteria and not include additional elements.

### **4. Process**

4.1 The national interpretation process must include the following elements:

- The working group must convene for physical meetings on at least two occasions; at least one of which must be subsequent to the public consultation period.
- Public consultation periods for obtaining comments on draft requirements, totalling at least 60 days. Draft documents must be made available in appropriate languages, and the working group must show evidence that it has sought and taken account of input from producers, supply chain and investors, environmental interests and social interests.
- Field testing, focusing on specific criteria that do require national interpretation.

4.2 The working group will make decisions based on consensus. For the process of national interpretation, consensus will mean:

General agreement, characterised by the absence of sustained opposition to substantial issues by any national interpretation working group member with voting rights and by a process seeking to take into account the views of all parties concerned and to reconcile any conflicting arguments.

Note that consensus does not imply unanimity.

4.3 The national interpretation review period must be consistent with the review period of the RSPO criteria.

## **5. Endorsement**

5.1 The final draft national interpretation document will be submitted to RSPO for formal endorsement. The RSPO Secretariat, with the support of technical experts, will check that these requirements relating to participation (section 2), content (section 3) and process (section 4) have been complied with, and will submit a recommendation to the RSPO Executive Board.

5.2 The endorsement process must resolve any conflicts between the RSPO Criteria and the national interpretation.

5.3 The Executive Board will discuss applications for endorsement of national interpretations as an agenda item at each meeting. The Board's decision will be final.

5.4 Following endorsement of a national interpretation, this is accepted as further specification of the indicators and guidance accompanying the international RSPO Criteria.

5.5 National interpretations endorsed by RSPO must be posted on the RSPO website in English and the appropriate local language.

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<sup>4</sup> Basierend auf ISO/IEC (1996). *Leitlinien 2 Standardisierung und damit verbundene Tätigkeiten - allgemeines Vokabular*. Genf, Schweiz



## **Annex 1a: Procedure for Endorsement of the International Generic Criteria as a National Interpretation in small producing countries**

Effective date: 1 October 2011

### **1. Background**

Sustainable palm oil production is comprised of legal, economically viable, environmentally appropriate and socially beneficial management and operations. This is delivered through the application of the R SPO P&C for sustainable palm oil including indicators and guidance (October 2007) (referred to collectively in this document as the ‘R SPO Criteria’). Until a national interpretation of the international indicators and guidance has been developed and formally endorsed by R SPO, the applicable verification standard is the International RSPO Criteria.

National and Local interpretations of the international indicators and guidance can be developed in the following approaches as described in the Appendix 1 of RSPO Certification System 2007:

1. Developed through participatory multi-stakeholder working groups
2. Developed through a consultative process facilitated by the certification body
3. Adoption of the international RSPO Criteria in its entirety as a national interpretation.  
(Appendix 1 a)

In smaller producing countries the necessary elements for participation of a multi stakeholder working group may be absent and a country can elect to adopt the International RSPO Criteria in its entirety providing certain requirements are met (section 2).

In all cases RSPO secretariat would strongly encourage all countries to develop a national Interpretation through participatory multi-stakeholder working groups.

In cases where the other options are utilized, RSPO strongly encourage all countries to develop multi-stakeholder working groups to help “Implement” RSPO believing that such participatory action is beneficial TO ALL PARTIES.

The recognition that the International RSPO Criteria has been adopted as the national Interpretation of a small producing country (SPC) must be through submission to the RSPO Secretariat for approval, and will be published on the RSPO website.

## **2. Requirements for adoption**

In order to keep overall control of the quality of any set of requirements claiming to be official interpretations of the RSPO Criteria, especially in the local legal context, national interpretations adopting the International RSPO criteria will require endorsement by RSPO. This endorsement will require compliance with the following

2.1 The total output CPO production of the country must not exceed 5% of Global CPO production.

2.2 A complete listing of applicable local, national, international laws, conventions and treaties be compiled. To be known as the “Laws, Conventions and Treaties” applicable to the sustainable production and use of Palm Oil of {country} – (LCT for NI of {country}).

2.3 The applicable guidance for smallholders is also adopted.

2.4 A draft national interpretation (comprising of the International RSPO Criteria, the appropriate smallholder guidance and the completed LCT for NIs) are submitted to RSPO for formal endorsement (section 5).

2.5 All documents must be in English and the local language.

2.6 There is no conflict with RSPO P&C and national law.

Should any of the above not be fulfilled initially or at a later date then a National Interpretation must be:-

Developed through participatory multi-stakeholder working groups. (Appendix 1 of RSPO Certification System 2007)

Or

Developed through a consultative process facilitated by the certification body. (Appendix 1 of RSPO Certification System 2007)

### **3. Public Consultation**

3.1 The adoption of the international RSPO Criteria for national interpretation process must include the following elements:

3.1.1 Public consultation periods for obtaining comments on the draft national interpretation (comprising of the International RSPO Criteria, the appropriate smallholder guidance and the completed LCT for NI) totaling at least 60 days. RSPO is adequately informed prior to the public notification.

3.1.2 The notice for public consultation is placed on the Company website and the stakeholders including the relevant government agencies are notified in writing of their existence.

3.1.3 Draft documents must be made available in English and appropriate languages.

3.1.4 Evidences of public consultation shall be provided in the documents submitted to the RSPO.

### **4. Endorsement**

4.1 The final draft national interpretation document (comprising of the International RSPO Criteria, the appropriate smallholder guidance and the completed LC T for NI) will be submitted to RSPO for formal endorsement.

4.2 The RSPO Secretariat, with the support of technical experts, will check that the document complies with all the necessary requirements.

4.3 The endorsement process must resolve any conflicts between the RSPO Criteria and National legislation.

4.4 The Executive Board will discuss applications for endorsement of national interpretations as an agenda item at each meeting. The Board's decision will be final.

## **5. Guidance in what is appropriate national legislation**

Acts and Schedules relating to in general or specific

5.1 Agriculture - all aspects including licenses' and permit requirements, Quarantine, Plant disease and Pests, Extension services and seeds Specifically - Oil palm, production and processing and export

5.2 Buildings and Amenities – all aspects of construction including, permits, approvals and inspections, safety, Housing requirements, Building works, Sanitation, Potable water and Industrial Waste

5.3 Companies – all legal obligations including Permits and licenses to operate, Registration, Tax and Value added Tax, Customs and Duties, Arbitration and dispute mechanisms, trade and competition, control of security personnel

5.4 Factories and industrial Facilities, Ports and storage - all operational aspects including permits and approvals, licenses to operate, control of waste

5.5 Employment – all Labour and practices requirements, conditions to be met in accommodation, sanitation, work hours and associations, workers rights, Trade unions, Specifically – women in the workplace, Apprentices, Industrial Organisation, Workers compensation, Young workers and Children in the workplace, minimum wage determinations

5.6 Environment - including all regulations on air, land, water, resources (including Flora and Fauna) and communities. The requirements of Environmental impact assessment. Specifically - Rare threatened and endangered Flora and Fauna (wildlife), Waste and pollution, national Parks and Reserves, Forest, Water resources (Uptake and discharge into) - licenses and permit requirements for operations, Water quality standards and testing, extraction of road and house building material.

5.7 Chemicals - Importation, Registration, transport, Storage, Handling and disposal of chemicals used in the mill, plantations and in general use within the operation Specifically - Pesticides, Inflammable, Poisons and Dangerous goods

5.8 Hydrocarbons - Storage, Transport, Handling and disposal of all types of mineral oils and fuel Specifically - Fuel, diesel, petrol and lubricants and legislation on their

5.9 Medical – including, Facilities, Registration of practitioners, storage and control of drugs, Public Health, births and deaths, child and maternity care, abuse, domestic violence and abuse Specifically – new legislation on AIDS/HIV and other infectious or contagious diseases

5.10 Education - all aspect in the control and management of schools and teaching

5.11 Land Issues – including Acquisition, Registration, Titles, Survey, Tenure, Land disputes, Land settlement schemes, Formation of land groups, Native customary rights, Indigenous people and their rights including dispute resolution and judiciary mechanism and Physical and spatial planning and all aspect of agricultural development

5.12 Occupational Health and Safety – including aspects on notifications, reporting and linked with various factory or workplace acts together with specific acts on dangerous goods chemicals of practices Specifically – electricity, fire, gas,

5.13 Transport – including the licensing of vehicles, traffic regulations, Roads and their maintenance.

5.14 Applicable codes of practice

## ***6. Guidance in what is appropriate international legislation***

6.1 Annex 1 of the RSPO Principles and Criteria for Sustainable Palm Oil Production Including Indicators and Guidance October 2007, lists those international Conventions identified by the RSPO as relevant to developing a national interpretation.

6.2 This list of international Conventions identified by the RSPO as relevant to developing a national interpretation will be reviewed periodically.

## ***Annex 2: Procedure for Approval of Certification Bodies***

### ***1. Background***

RSPO will use a mechanism for approving certification bodies that is based on accreditation against ISO Guide 65 or ISO Guide 66, where the generic accreditation is also supplemented by a set of specific RSPO certification process requirements. The accreditation authority itself must be operating in accordance with the requirements of ISO 17011. This must be demonstrated either as 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).

RSPO have supplemented the ISO Guide 65 or ISO Guide 66 requirements with a set of specific certification process requirements. These additional requirements for certification against the RSPO Criteria and the RSPO supply chain standard must be incorporated within the certification body's accredited systems.

Certificates of compliance with the RSPO Criteria cannot be issued on the basis of assessments performed by certification bodies that are not approved by RSPO.

The certification body must demonstrate to RSPO that their accredited systems include all of the certification process requirements (section 2 below). Implementation of these requirements will be reviewed by RSPO annually (section 3 below). Organisations that are certified by RSPO approved certification bodies will be allowed to make public claims relating to their compliance (section 4 below).

### ***2. Initial Approval of Certification bodies***

2.1 The applicant certification body must complete the Checklist for Applicant Certification Bodies (attached to this procedure), detailing the elements of their accredited systems that incorporate each of the RSPO requirements. This must include documentation from the accreditation body demonstrating full compliance with ISO 17011 (clause 3.4). Evidence against clause 3.3 must include the accreditation evaluation report relating to the certification body. Evidence against clause 4.1.1 must include details of lead assessors. RSPO must ensure that its officers or appointed experts verify the documentation received.

2.2 The checklist will be reviewed by the RSPO Secretariat. Where there is a lack of evidence that any specific RSPO certification process requirements have been addressed, further information will be sought from the applicant. When acceptable

evidence of compliance with all requirements has been submitted by the applicant, the Secretariat will provide a recommendation to the RSPO Executive Board that the certification body should be approved.

2.3 The applicant certification body must hold appropriate professional indemnity insurance.

2.4 Recommendations for approval of certification bodies will be announced on the RSPO website at least 30 days before consideration by the Executive Board. Stakeholder comments will be invited.

2.5 The Executive Board will discuss applications for approval of certification bodies, together with any associated stakeholder comments, as an agenda item at each meeting. The Board's decision will be final.

2.6 RSPO will maintain a list of approved certification bodies on the RSPO website. The certification body's applicant checklists will be publicly available.

### **3. Annual Review of Certification bodies**

3.1 An approved certification body must submit an application checklist annually for review by RSPO. This must identify any relevant changes in the body's accreditation status or accredited systems, and must be accompanied by relevant accreditation monitoring reports.

3.2 The Executive Board will discuss applications for annual renewal of certification body approval, together with any associated complaints or grievances that have been received from stakeholders, and any other relevant information concerning the performance of the certification body, as an agenda item at each meeting. The Board's decision will be final.

3.3 RSPO will inform the relevant accreditation body if the certification body loses RSPO approval.

### **4. Use of RSPO Claims**

4.1 RSPO will enter into contracts with certification bodies, allowing organisations that are certified by RSPO approved certification bodies to make public claims relating to compliance with the RSPO Criteria. These claims can be made in accordance with the RSPO rules.

4.2 Where a certification body loses its RSPO approval, all certificates issued remain valid for six months. Any oil which has been produced within that period remains certified. RSPO should inform all certificate holders.



## Annex 2 Checklist for Applicant Certification Bodies

| RSPO requirement for accreditation         | Certification body accreditation      | RSPO Secretariat comments |
|--|---------------------------------------|---------------------------|
| Clause 3.3                                 |                                       |                           |
| Clause 3.4                                 |                                       |                           |
| RSPO requirement for certification process | Certification body accredited systems | RSPO Secretariat comments |
| Clause 4.1.1                               |                                       |                           |
| Clause 4.1.2                               |                                       |                           |
| Clause 4.2.1                               |                                       |                           |
| Clause 4.2.2                               |                                       |                           |
| Clause 4.2.3                               |                                       |                           |
| Clause 4.2.4                               |                                       |                           |

|              |  |  |
|--------------|--|--|
| Clause 4.2.5 |  |  |
| Clause 4.3.1 |  |  |
| Clause 4.3.2 |  |  |
| Clause 4.3.3 |  |  |
| Clause 4.4.1 |  |  |
| Clause 4.5.1 |  |  |
| Clause 4.5.2 |  |  |
| Clause 4.6.1 |  |  |
| Clause 4.7.1 |  |  |

## **Annex 3: Major Nonconformities against the RSPO Principles and Criteria definition of compulsory indicators**

Indicators have been defined for each of the RSPO criteria. Indicators are specific pieces of objective evidence that must be in place to demonstrate or verify that the criterion is being met.

Using the international indicators

Until a national interpretation of the international indicators and guidance has been developed and formally endorsed by RSPO, the applicable certification standard is the international RSPO Criteria. Where the international RSPO Criteria are being used, a sub-set of the international indicators has been defined as “compulsory”, and which automatically trigger ‘Major Nonconformities’ when not complied with. These are listed in this annex. Lack of compliance with other indicators triggers a ‘Minor Nonconformity’.

National interpretation

National interpretations of the international indicators and guidance will also be developed. In addition to the requirements of annex 1, endorsement of a national interpretation by RSPO will also require the following safeguards relating to non-conformities:

- The following criteria must include at least one compulsory indicator: 1.1, 1.2, 2.1, 2.2, 2.3, 3.1, 4.1, 4.4, 4.6, 4.7, 4.8, 5.1, 5.2, 5.5, 5.6, 6.1, 6.2, 6.3, 6.4, 6.5, 6.6, 6.7, 6.8, 6.9, 6.10, 7.1, 7.2, 7.3, 7.5, 7.6, 7.7, 8.1.
- At least 45% of all indicators must be identified as compulsory.
- The combination of indicators for each criterion must be sufficient to ensure compliance with the criterion.

Note: some other recommended indicators are also identified, for consideration in the review of the RSPO Criteria.

## Principle 1: Commitment to transparency

| Criterion  | Indicators that trigger major non-conformities   |
|--|--|
| Criterion 1.1 Oil palm growers and millers provide adequate information to other stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages & forms to allow for effective participation in decision making. | Indicators:<br><br>Records of requests and responses must be maintained.   |
| Criterion 1.2 Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.  | Indicators:<br><br>Documents that must be publicly available include: <ul style="list-style-type: none"> <li>• Land titles/user rights (criterion 2.2).</li> <li>• Health and safety plan (4.7).</li> <li>• Plans and impact assessments relating to environmental and social impacts (5.1, 6.1, 7.1, 7.3).</li> <li>• Details of complaints and grievances (6.3).</li> <li>• Negotiation procedures (6.4).</li> </ul> |

## Principle 2: Compliance with applicable laws and regulations

| Criterion  | Indicators and Guidance  |
|--|--|
| Criterion 2.1 There is compliance with all applicable local, national and ratified international laws and regulations. | Indicators: <ul style="list-style-type: none"> <li>• Evidence of compliance with relevant legal requirements.</li> </ul> |

|  |  |
|--|--|
| <p>Criterion 2.2 The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.</p>                       | <p>Indicators:</p> <ul style="list-style-type: none"> <li>• Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land.</li> <li>• Where there are, or have been, disputes, additional proof of legal acquisition of title and that fair compensation has been made to previous owners and occupants; and that these have been accepted with free prior and informed consent.</li> <li>• Absence of significant land conflict, unless requirements for acceptable conflict resolution processes (criteria 6.3 and 6.4) are implemented and accepted by the parties involved.</li> </ul> |
| <p>Criterion 2.3 Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent.</p> | <p>Indicators:</p> <ul style="list-style-type: none"> <li>• Maps showing extent of recognised customary rights (criteria 2.3, 7.5 and 7.6)</li> <li>• Copies of negotiated agreements detailing process of consent (criteria 2.3, 7.5 and 7.6)</li> </ul>  |

Principle 3: Commitment to long-term economic and financial viability

| Criterion   | Indicators and Guidance  |
|---|--|
| <p>Criterion 3.1 There is an implemented management plan that aims to achieve long-term economic and financial viability.</p> | <p>Indicators:</p> <ul style="list-style-type: none"> <li>• A documented business or management plan (minimum 3 years).</li> </ul> |

## Principle 4: Use of appropriate best practices by growers and millers

| Criterion  | Indicators and Guidance  |
|--|--|
| <p>Criterion 4.1 Operating procedures are appropriately documented and consistently implemented and monitored.</p>   | <p>Indicators:</p> <ul style="list-style-type: none"> <li>• A mechanism to check consistent implementation of procedures</li> </ul> <p>Recommended indicator: SOPs current &amp; authorised.</p> |
| <p>Criterion 4.2 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.</p>          |  |
| <p>Criterion 4.3 Practices minimise and control erosion and degradation of soils.</p>  |  |
| <p>Criterion 4.4 Practices maintain the quality and availability of surface and ground water.</p>  | <p>Recommended indicator: Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones along all bodies of water at or before replanting.</p> |
| <p>Criterion 4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.</p> | <p>Recommended indicator: An IPM Plan is documented and current</p>  |

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|--|--|
| <p>Criterion 4.6 Agrochemicals are used in a way that does not endanger health or the environment. There is no prophylactic use, and where agrochemicals are used that are categorised as World Health Organisation.</p> <p>Type 1A or 1B, or are listed by the Stockholm or Rotterdam Conventions, growers are actively seeking to identify alternatives, and this is documented.</p> | <p>Indicators:</p> <ul style="list-style-type: none"> <li>• Justification of all chemical use.</li> <li>• Chemicals should only be applied by qualified persons who have received the necessary training and should always be applied in accordance with the product label. Appropriate safety equipment must be provided and used.<br/>All precautions attached to the products should be properly observed, applied, and understood by workers. Also see criterion 4.7 on health and safety.</li> <li>• Storage of all chemicals as prescribed in FAO Code of Practice (see Annex 1). All chemical containers must be properly disposed of and not used for other purposes (see criterion 5.3).</li> </ul> |
| <p>Criterion 4.7 An occupational health and safety plan is documented, effectively communicated and implemented.</p>   | <p>Indicators:</p> <p>The health and safety plan covers the following:</p> <ul style="list-style-type: none"> <li>• A health and safety policy, which is implemented and monitored.</li> <li>• The responsible person should be identified. There are records of regular meetings between the responsible person and workers where concerns of workers about health, safety and welfare are discussed.</li> <li>• Recording of occupational injuries. Suggested calculation: Lost Time Accident (LTA) rate (either specify acceptable maximum, or demonstrate downward trend).</li> </ul>  |
| <p>Criterion 4.8 All staff, workers, smallholders and contractors are appropriately trained.</p>   | <p>Indicators:</p> <ul style="list-style-type: none"> <li>• Records of training for each employee are kept.</li> </ul>   |

## Principle 5: Environmental responsibility and conservation of natural resources and biodiversity

| Criterion  | Indicators and Guidance  |
|--|--|
| <p>Criterion 5.1 Aspects of plantation and mill management that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.</p>  | <p>Indicators:</p> <ul style="list-style-type: none"> <li>• Documented impact assessment.</li> </ul>   |
| <p>Criterion 5.2 The status of rare, threatened or endangered species and high conservation value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and their conservation taken into account in management plans and operations.</p> | <p>Indicators:</p> <p>Information should be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:</p> <ul style="list-style-type: none"> <li>• Presence of protected areas that could be significantly affected by the grower or miller.</li> <li>• Conservation status (e.g. IUCN status), legal protection, population status and habitat requirements of rare, threatened, or endangered species, that could be significantly affected by the grower or miller.</li> <li>• Identification of high conservation value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower or miller.</li> </ul> <p>If rare, threatened or endangered species, or high conservation value habitats, are present, appropriate measures for management planning and operations will include:</p> <ul style="list-style-type: none"> <li>• Ensuring that any legal requirements relating to the protection of the species or habitat are met.</li> </ul> |



|   |  |
|---|--|
| Criterion 5.3 Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.  |  |
| Criterion 5.4 Efficiency of energy use and use of renewable energy is maximised.  |  |
| Criterion 5.5 Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practice. | <p>Indicators:</p> <ul style="list-style-type: none"> <li>• Documented assessment where fire has been used for preparing land for replanting.</li> </ul>   |
| Criterion 5.6 Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.  | <p>Indicators:</p> <ul style="list-style-type: none"> <li>• An assessment of all polluting activities must be conducted, including gaseous emissions, particulate/soot emissions and effluent (see also criterion 4.4).</li> </ul> |

Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and mills

| Criterion  | Indicators and Guidance   |
|--|---|
| Criterion 6.1 Aspects of plantation and mill management that have social impacts are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement. | <p>Indicators:</p> <ul style="list-style-type: none"> <li>• A documented social impact assessment.</li> <li>• Evidence that the assessment has been done with the participation of affected parties. Participation in this context means that affected parties are able to express their views through their own representative institutions during the identification of impacts, reviewing findings and plans for mitigation, and monitoring the success of implemented plans.</li> </ul> |

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|--|--|
| <p>Criterion 6.2 There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.</p>   | <p>Indicators:</p> <ul style="list-style-type: none"> <li>• Documented consultation and communication procedures.</li> </ul>   |
| <p>Criterion 6.3 There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.</p>  | <p>Indicators:</p> <ul style="list-style-type: none"> <li>• The system resolves disputes in an effective, timely and appropriate manner.</li> <li>• Documentation of both the process by which a dispute was resolved and the outcome.</li> <li>• The system is open to any affected parties.</li> </ul>   |
| <p>Criterion 6.4 Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</p> | <p>Indicators:</p> <ul style="list-style-type: none"> <li>• Establishment of a procedure for identifying legal and customary rights and a procedure for identifying people entitled to compensation.</li> <li>• The process and outcome of any negotiated agreements and compensation claims is documented and made publicly available.</li> </ul> |
| <p>Criterion 6.5 Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to meet basic needs of personnel and to provide some discretionary income.</p>  | <p>Indicators:</p> <ul style="list-style-type: none"> <li>• Documentation of pay and conditions.</li> </ul>  |

|   |   |
|---|---|
| <p>Criterion 6.6 The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</p> | <p>Indicators:</p> <ul style="list-style-type: none"> <li>• A published statement in local languages recognizing freedom of association.</li> </ul>   |
| <p>Criterion 6.7 Child labour is not used. Children are not exposed to hazardous working conditions. Work by children is acceptable on family farms, under adult supervision, and when not interfering with education programmes.</p>   | <p>Indicators:</p> <ul style="list-style-type: none"> <li>• Documentary evidence that minimum age requirement is met.</li> </ul>  |
| <p>Criterion 6.8 The employer shall not engage in or support discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age.</p>   | <p>Indicators:</p> <ul style="list-style-type: none"> <li>• A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment.</li> </ul>                   |
| <p>Criterion 6.9 A policy to prevent sexual harassment and all other forms of violence against women and to protect their reproductive rights is developed and applied.</p>   | <p>Indicators:</p> <ul style="list-style-type: none"> <li>• A policy on sexual harassment and violence in the workplace and records of implementation.</li> </ul>   |
| <p>Criterion 6.10 Growers and mills deal fairly and transparently with smallholders and other local businesses.</p>   | <p>Indicators:</p> <ul style="list-style-type: none"> <li>• Current and past prices paid for FFB shall be publicly available.</li> <li>• Pricing mechanisms for FFB and inputs/services shall be documented.</li> </ul> |
| <p>Criterion 6.11 Growers and millers contribute to local sustainable development wherever appropriate.</p>   |   |

## Principle 7: Responsible development of new plantings

| Criterion   | Indicators and Guidance  |
|---|--|
| <p>Criterion 7.1 A Comprehensive and participatory independent social and environmental impact assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.</p>                                   | <p>Indicators:</p> <ul style="list-style-type: none"> <li>Independent impact assessment, undertaken through a participatory methodology including external stakeholder groups.</li> </ul>                            |
| <p>Criterion 7.2 Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.</p>   | <p>Indicators:</p> <p>This activity should be integrated with the SEIA required by 7.1.</p>  |
| <p>Criterion 7.3 New plantings since November 2005 (which is the expected date of adoption of these criteria by the RSPO membership), have not replaced primary forest or any area containing one or more High Conservation Values.</p>   | <p>Indicators:</p> <p>This activity should be integrated with the SEIA required by 7.1.</p>  |
| <p>Criterion 7.4 Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.</p>   | <p>Recommendation: “Extensive” needs to be defined and indicators clarified</p>  |
| <p>Criterion 7.5 No new plantings are established on local peoples’ land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</p> | <p>Indicators:</p> <p>This activity should be integrated with the SEIA required by 7.1.</p> <p>Guidance:</p> <p>Refer also to criteria and guidance for 2.2, 2.3, 6.2, 6.4 and 7.6 for indicators of compliance.</p> |

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|---|---|
| <p>Criterion 7.6 Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.</p> | <p>Indicators:</p> <ul style="list-style-type: none"> <li>• Documented identification and assessment of legal and customary rights.</li> <li>• Establishment of a system for identifying people entitled to compensation.</li> <li>• This activity should be integrated with the SEIA required by 7.1.</li> </ul> <p>Recommended indicator: Copies of negotiated agreements</p> |
| <p>Criterion 7.7 Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.</p>     | <p>Indicators:</p> <ul style="list-style-type: none"> <li>• Documented assessment where fire has been used for preparing land for planting.</li> <li>• This activity should be integrated with the SEIA required by 7.1.</li> </ul>   |

## Principle 8: Commitment to continuous improvement in key areas of activity

| Criterion   | Indicators and Guidance   |
|---|---|
| <p>Criterion 8.1 Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.</p> | <p>Indicators:</p> <p>The action plan for continual improvement should be based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and should include a range of indicators covered by these principles and criteria. As a minimum, these must include, but not necessarily be limited to:</p> <ul style="list-style-type: none"> <li>• Reduction in use of certain chemicals (criterion 4.6).</li> <li>• Environmental impacts (criterion 5.1).</li> <li>• Waste reduction (criterion 5.3).</li> <li>• Pollution and emissions (criterion 5.6).</li> <li>• Social impacts (6.1).</li> </ul> |

## **Annex 4: Format for public summary report**

### 1. Scope of the Certification Assessment

- Type (mill, estate and mill etc.)
- Location (map and GPS), mill and or hectarage statement
- Description of supply base (fruit sources)
- Date of plantings and cycle
- Other certifications held (ISO etc)
- Organisational information/contact person
- Tonnages certified

### 2. Assessment Process

- Assessment methodology (program, site visits)
- Date of next surveillance visit
- Lead assessor/assessment team
- Certification body
- Outline of how stakeholder consultation was managed

### 3. Assessment Findings

- Summary of findings (template required) – available within 60 days
- Identified Non-Conformances and Noteworthy Positive Components
- Issues raised by stakeholders

### 4. Certified organisation's acknowledgement of internal responsibility

- Formal sign-off of assessment findings

## **Annex 4A: Procedures for Annual Surveillance Assessments**

### **A4.1 Background**

The Annual Surveillance Assessment (ASA) is a set of activities to monitor the continued fulfilment of requirements for certification according to the RSPO Principles and Criteria. The ASA is to take place annually within 12 months of the date of the last certification, or its anniversary date, but not sooner than 9 months after.

A report of the ASA must be submitted by the Certification Body for review by RSPO and for making public. The report must be submitted within 30 days of the end of the surveillance visit and RSPO will give a decision within 30 days of receipt of the report. During this up to 60-day period the current certification will continue to be valid.

The date of receipt by RSPO shall be the date of receipt of a report that is properly written, technically accurate and compliant with assessment of RSPO Principles and Criteria (P&C). Where a report is clearly deficient of the above, it may be returned to the Certification Body for improvement in which case, RSPO shall not be considered to have received the report yet. If past the 60-day period, the continuation of the previous certification will then be subject to review.

Once approved, the certification will be continued for another year with no time gaps in between. If the certification had previously been suspended and is to be resumed with the current ASA, the resumption will be from its last anniversary, and last only to the following anniversary.

The volumes of ALL certified products are to be revised, up or down as the case may be, according to the production the previous year. Other changes should also be made if necessary (e.g. new contact person, addresses, etc.). The Certification Body is also required to inform the agencies appointed by RSPO to manage trade of RSPO certified products (such as Utz Certified and Green Palm Pte Ltd.), including providing them with the revised volumes of certified products.

### **A4.2 Surveillance Assessment Requirements**

ISO Guide 65 and ISO/IEC 17021: 2006 recognise that there will be additional requirements for specific certification schemes. As such, RSPO certification assessment, including ASA, requires compliance with 4.2.1, 4.2.2 and 4.2.3, as stated below, over and above those specified by ISO Guide 65 and ISO/IEC 17021. They are required to ensure sufficient technical rigour and credibility in the assessment.

#### **A4.2.1 Competencies of assessment teams**

4.2.1.1 The requirements for ASA against the RSPO Principles & Criteria are, inter alia, that the certification teams possess sufficient expertise to address ALL the various aspects of the RSPO P&C. These relate to specific assessments of legal, technical, environmental and social issues around palm oil production. The assessment team must also include members fluent in the main local languages, including those of any potentially affected parties. Translators may be used for minor local languages but not the major local language(s) spoken or used by the largest number of immediate stakeholders within and around the production unit.



## A4.2. 2 Assessment process

4.2.2.1 The procedures (to be formulated by the Certification Body), must require that the ASA includes an appropriate range of methods to collect objective evidence, including field checks and interviews with internal and external stakeholders.

4.2.2.2 The unit of surveillance assessment shall be the certified mill and its supply base; This will include:

- ALL directly managed or owned land (or estates). Where the directly managed or owned land sends its crop to more than one certification unit, it shall be assessed together with the unit which receives the larger share of its crop at that time. Once assessed under a certification unit, the managed land will remain under that unit until no longer supplying it or with justified reason given for its change. Any such changes must be reported to RSPO by the Certification Body.
- ALL associated smallholders (including scheme smallholders) where their fruit supply is included, by the mill, in its certification. Associated smallholders may be structurally bound by contract, credit agreement or by planning to a particular mill, but the association is not necessarily limited to such linkages. Associated smallholders must be assessed within 3 years from when their fruit was first included in the mill certification. Thereafter, they must be assessed annually during the ASA. During the course of the 5 year validity of the mill certification, where the mill or the smallholder(s) choose to terminate the association (i.e. their fruit is no longer processed by the mill) the Certification Body is to record the date of the termination and reasons for.

4.2.2.3 For organisations with partial certification, the Certification Body is to verify and report on progress made from the last assessment against the time-bound plan for certifying other units within the organisation. Any alteration made to the time-bound plan, for example, due to acquisitions/disposals, emergence/re-emergence of land disputes and/or labour conflicts must be reported. The company's justifications for any revision are also to be reported, with the Certification Body's considered opinion on the matter and recommendation for acceptance/rejection. Where the structure of the holding company is changed during the course of the implementation of the time-bound plan, so as to alter the plan, the change in structure must be legal and registered with the relevant authorities. The documentation relating to such structural changes must be presented to the Certification Body for verification, if necessary. Where there is evidence that the time bound plan is not being adhered to, or the conditions justifying a time-bound plan have changed, the Certification Body must raise this in the assessment report and refer the matter to the RSPO Complaints Committee through the RSPO Secretariat. The Committee shall investigate the extent of the breach and advise on remedial measures. At each ASA, the Certification Body must be satisfied that the company has not opened new land without HCV assessment since first certified. New acquisitions by the company which have not replaced primary forests or HCV areas are required to comply with certification requirements within three years of the date of acquisition. New acquisitions which have evidently replaced primary forests or HCV areas will not be eligible for RSPO certification and will, by the rules of partial certification, render the entire company ineligible for certification. Where there is a dispute whether a primary forest or HCV has been replaced or lost, the company shall, at its own cost, provide

RSPO with expert opinion. Non-compliance with requirements for partial certification will be referred to the RSPO Complaints Committee and can result in the suspension of certification for the parental company and ALL its holdings.

4.2.2.4 At each ASA, particular attention must be paid to previous non-conformities, even if they had been closed out. Are the major non-conformities still closed? And the previous minor non-conformities should be checked for being closed. If not, they are to be upgraded to major non-conformity status and the company given 60 days to close them out. New minor non-conformities must be closed out by the next ASA. A number of criteria require that plans be drawn up and be implemented. While the first certification assessment may have focused on the availability of plans and commencement of their implementation, the ASA must seek the evidence of continued implementation of all plans.

4.2.2.5 At each ASA, particular attention must be paid to previous non-conformities, even if they had been closed out. Are the major non-conformities still closed? And the previous minor non-conformities should be checked for being closed. If not, they are to be upgraded to major non-conformity status and the company given 60 days to close them out. New minor non-conformities must be closed out by the next ASA. A number of criteria require that plans be drawn up and be implemented. While the first certification assessment may have focused on the availability of plans and commencement of their implementation, the ASA must seek the evidence of continued implementation of all plans.

4.2.2.6. The surveillance assessment shall include all contractors, where directly employed in the work of the certification unit, and its supply base.

### A4.2.3 Format for surveillance assessment report

4.2.3.1 The ASA report produced by the Certification Body must contain the following, in this format:

#### **1. Scope of the Surveillance Assessment Report**

- Identity of Certification Unit: location (map and GPS)
- Production volume of ALL certified products, actual annual volumes since date of last reporting period and projected volumes for the next 12 months from current reporting period.
- Certification Details: RSPO membership number (including child numbers for each certification unit, obtainable from RSPO Secretariat), certificate number and date of previous assessment and certification.
- Description of fruit supply base including palm age profiles of all directly managed plantings for each management unit.
- Progress against time-bound plan by parent company.
- Progress of associated smallholders or outgrowers towards compliance with relevant standards - should be in accordance to the 3 year implementation plan.
- Organisational information/contact person(s)

## **2. Assessment Process**

- Names of assessment team members and CVs of new members not on the last assessment team.
- Assessment program

## **3. Assessment Findings**

- Summary of findings by each principle and some example criteria.
- Identified Non-Conformities and noteworthy Positive and Negative Observations.
- Status of non-conformities (both minor and major) previously identified, even if already closed out.
- Issues raised by stakeholders

## **4. Certified organisation's acknowledgement of internal responsibility**

- Date of next surveillance visit
- Date of closing non-conformities (both major and minor)

Sign-off of surveillance assessment findings

## Annex 5: Procedure for Complaints and Grievances Relating to the Performance of Certification Bodies

### 1. Background

This procedure details the mechanism for resolving complaints and grievances relating to the performance of accredited certification bodies approved by the RSPO Executive Board.<sup>1</sup>

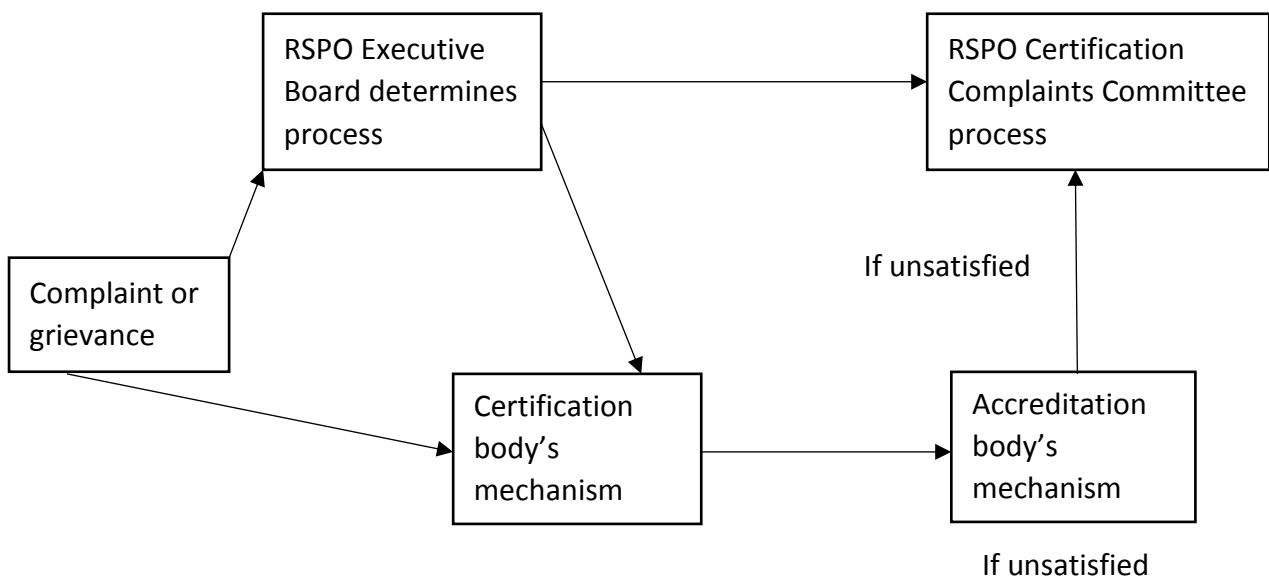
Complaints and grievances can be submitted by any interested party, where the interested party has a legitimate interest in, or is directly affected by, the operations of the organisation which has been assessed for compliance against the RSPO Criteria or by the certification decision.

This includes complaints relating to the process and the outcome of a certification assessment or concerning other aspects relating to implementation of the RSPO certification systems.

### 2. Accepting a complaint or grievance

2.1 A complaint or grievance can be made either through the certification body's mechanism for complaints (which will include subsequent referral to the accreditation body, and then to RSPO, if the complainant remains unsatisfied by the outcome), or directly to the RSPO Executive Board. In the latter situation, the RSPO Executive Board will then determine whether the complaint or grievance should firstly follow the certification body's mechanism, or whether it can be referred directly to the RSPO Certification.

Complaints Committee.



2.2 Unless the complaint has been referred directly to the RSPO Certification Complaints Committee (see 2.1), RSPO will only consider a complaint or grievance where the certification and accreditation bodies' mechanisms for complaints have already been followed. If the complainant remains unsatisfied by the outcome or unsatisfied with the progress of reaching a resolution, then the complaint may be formally submitted to the RSPO Secretariat within 30 days. It is the responsibility of the complainant to ensure that the letter of complaint has been successfully transmitted to the RSPO Executive Board. In order to be eligible for consideration, the complaint must:

- be in writing and signed by the complainant, or their delegated representative;
- specify the grounds on which the complaint is made, relating to a specific requirement of the RSPO verification systems;
- be accompanied by relevant documented evidence;
- indicate what steps were taken to resolve the issue prior to lodging the complaint;

2.3 Upon receipt of a letter of complaint the RSPO secretariat shall formally acknowledge receipt. The RSPO Secretariat shall ensure that the parties to the complaint agree in writing to all provisions of this procedure. The complaint or grievance will be referred to the RSPO Executive Board "Verification Complaints Committee" for consideration within 30 days of accepting the complaint.

### **3. RSPO Certification Complaints Committee**

3.1 The members of the Committee shall be appointed by the RSPO Executive Board. The Committee shall consist of at least four individuals, including at least one from each RSPO sector, namely producers, supply chain and investors, social, and environmental, together with at least one external expert advisor on accreditation issues.

3.2 The parties to the complaint have a right to object to the involvement in a specific complaint of any member of the Committee, with valid reason(s). The RSPO Executive Board shall make a decision on any objection by the parties to the complaint, which shall be final. The members of the Committee shall not be directly or indirectly a party to the complaint and shall declare any interest related directly or indirectly to any of the parties or to the complaint itself in advance. The RSPO Executive Board shall ensure that the composition of the Committee satisfies the requirement of impartiality.

3.3 The RSPO Secretary General or his/her delegate shall be the secretary to the Committee, as a nonvoting member, and shall remain strictly impartial in the collating and presentation of the facts of the case.

#### **4. Complaints Process**

4.1 The RSPO Verification Complaints Committee shall examine the evidence substantiating the complaint. The Committee may meet by teleconference or other means as appropriate. When assessing the evidence substantiating the complaint, the Committee may request additional information from the parties to the complaint, and from any other source as deemed necessary. The provision of information will be without prejudice towards all others.

4.2 The Committee shall decide on the complaint by consensus. Consensus shall be understood as the absence of sustained opposition. The Committee shall report its evaluation and recommendation to the RSPO Executive Board within 90 days after the complaint has been referred. In exceptional circumstances, such as where no decision could be reached, the Committee may seek the approval of the RSPO Executive Board for an extension of time, up to a maximum of 30 days. The RSPO Executive Board may grant an extension of the time, subject to satisfactory explanation of the reasons for the extension.

4.3 The Executive Board will discuss recommendations of the Committee as an agenda item at each meeting. The Board's decision will be final, and binding for all parties to the complaint.

4.4 The final decisions and follow-up actions shall be filed in the RSPO Certification Complaints Register and shall be maintained by the RSPO Secretariat, and which will be publicly available. The RSPO Secretary General is responsible for the implementation of any follow up action as required, and for informing the parties to the complaint, in writing, of the decision, not later than ten (10) days after date of decision.

Note: only certification bodies can withdraw a certificate.

#### **5. Costs**

5.1 The cost of evaluating a complaint or grievance shall be determined by the RSPO Certification Complaints Committee.

5.2 The Committee takes the decision whether to recover all or part of the costs of evaluating the complaint from the complainant or complaine, or if RSPO has to cover costs.

5.3 In the event that the complainant or complaine has been ordered to pay the full costs, or part of them, the complainant or complaine will be under obligation to pay the amount due to RSPO within ten (10) days after the date of the decision.