

Audit and Certification Process of GUTcert for

ROUNDTABLE ON SUSTAINABLE PALM OIL CERTIFICATION, SUPPLY CHAIN CERTIFICATION SYSTEM (SCCS)

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1. Principles of GUTcert RSPO Certification

A certification starts with an initial audit and also includes an annual surveillance audit for the following four years. On recertification, a new certification cycle begins, which again includes an annual surveillance audit for the following four years. By means of the surveillance audits, it can be determined to what extent the organisation and its management system have been improved. In addition, the auditors determine, together with the organisation, which potential improvements exist with respect to the management system and the system performance. Only such auditors are appointed who have the necessary high technical and methodical qualification. The audit team:

- audits the management system and verifies its compliance with the internal processes of the organisation,
- determines whether the processes and procedures have been introduced, implemented and maintained effectively, and whether the objectives and specifications/requirements are being pursued,
- verifies the fulfilment of the RSPO requirements.

If the organisation operates at several locations, locations are also audited on a random basis during the course of the certification cycle. Detailed information on the process and its requirements are specified in AA156EN_RSPO_Multiple-sites

Specialities in the GUTcert certification process:

- Personal customer care during the preparation and performance of the process as well as quick response on inquiries.
- The organisation is understood as a partner. Goal of the audit is to improve business processes of the organisation on a lasting basis.
- Standards are accumulated knowledge of experts. The auditors of GUTcert apply this always considering the individual conditions of each customer.
- The employees of GUTcert have a high degree of technical competence and skills to implement these principles.

The personal processing of proposals, the well-preparation of auditors to use audit time on-site effectively and the constant responsiveness of auditors and employees of the certification body are prerequisite to achieve these goals.

Information: GUTcert is an accredited Certification Body for the above mentioned certification system as well as for many other management systems. In all further general GUTcert documents the wording „Certification Body“ will be used.

2. Certification / Issue of the Certificate

2.1. Preparation of the Initial Audit

Data Collection

When an organisation contacts GUTcert, it receives a form for the first data collection, with the request to provide certain basic data. In order to speed up the process, this data can also be provided by telephone or internet. Furthermore GUTcert provides the operation seeking or holding certification with all necessary information concerning the RSPO as a whole, the RSPO Supply Chain Certification Systems, the RSPO Guidelines on Communication and Claims, including the certification body's own standards, indicators, verifiers and checklists or equivalent and other documentation available.

Quotation

On the basis of this data, GUTcert prepares an individual offer describing the conditions for certification. The defined audit programme takes into account the size of the organisation, the scope of application and the complexity of the management system, the products and processes and the described level of effectiveness of the management system, and the results of previous audits. In the interests of the organisation, advantage is taken of all opportunities to reduce the audit time. If the company confirms the offer and places an order on this basis, a desired audit date can be specified. GUTcert can check the offer on the basis of the first document review and modify it, if necessary. If the organisation was initial certified by another CB only a check of appropriateness at the moment of first acceptance and check of continued appropriateness is necessary.

Contract Conclusion, Selection of the Auditors

GUTcert prepares the contract on certification (general terms and conditions) and selects the audit team from the GUTcert pool of auditors. All approved lead auditors must be registered with ASI in the CAB portal including details of qualifications and competencies. Furthermore it is necessary to check whether the relevant customer is member of RSPO. The RSPO Membership is essential for the RSPO certification process. GUTcert auditors are appointed according to technical expertise in the relevant sectors, and undergo regular training on current questions of quality, environmental, energy and occupational health and safety management and the content of international standards.

Certification bodies and members of assessment teams must maintain impartiality from the company or family of companies for a minimum of three years (RSPO SCCS) to be considered not to have a conflict of interest.

Any circumstances or pressure that may influence impartiality or confidentiality shall be reported to the executive management of GUTcert and GUTcert shall notify RSPO of any such report. This report shall also be included in relevant certification reports and in the project file. The term 'consultancy' covers any form of cooperation in the development, implementation or maintenance of a management system. This also includes the conduction of internal audits. Trainings and seminars are also considered as consultancy if specific company solutions are offered. Auditors are obligated to absolute confidentiality with regard to the information obtained during their activities.

The CB shall not offer assessment or surveillance audits for any organization to which it has provided management advice, inhouse training or technical support related to the scope of RSPO certification, or for whom it has provided internal audit services in RSPO or with whom it has any relationship which creates a threat to impartiality.

The certification contract is provided to the organisation (general terms and conditions) and also the assignment of the auditors. If the client signs the order it simultaneously accepts the general terms and conditions. The client has the right to reject the auditors assigned by GUTcert. In this case a new audit team will be assigned by GUTcert. For better preparation for the certification

procedure the organisation will be provided with the GUTcert checklist. The auditor prepares a detailed audit schedule for the organisation.

2.2. Certification Procedure / Assessment

Preliminary Audit

A preliminary audit is always carried out by a member of the later audit team. Above all it serves to rectify uncertainties with regard to the documentation and the implementation of relevant procedures, and to identify weaknesses. This enables the organisation to correct any possible critical points before the certification audit. It also serves to set priorities for the planning of the certification procedure. A report is compiled on the results of the preliminary audit.

Audit Preparation

The audit preparation always includes a review of the product and management system documentation. The customer is provided with a detailed list of the minimum documentation to be submitted.

Until the audit preparation the most relevant documents on the product, the management system manual and the agreement to the auditors proposed by GUTcert should be available

GUTcert shall take account of the supply chain model selected, the organisational systems, management systems, operational systems other certifications held to assess compliance with the intent of the RSPO Supply Chain Certification Standard.

The product and management system documentation usually includes the Management Manual, in which the product to be verified is included as well. Further documents such as work instructions or forms required for understanding the entire system and the product, respectively should also be submitted. The audit preparation serves to assess the customer status and its understanding with regard to the requirements of the RSPO standard. Missing documents or other information required by the auditor will be requested. This stage does not require on-site verification. The readiness of the organisation for the audit on-site and the resources required for this purpose are determined. An audit report with conclusions is not necessary. A written report will only be submitted upon customer request. This is followed by coordination with the customer on the focal points to be set for the on-site audit. Usually the on-site audit can be carried out at the agreed time (period between audit preparation and on-site audit must not exceed 6 months). If the audit preparation reveals major gaps or non-conformities, these will be communicated to the customer. This may make it advisable or necessary to postpone the date of the on-site audit in order to allow the organisation to rectify non-conformities and close gaps.

On-site Audit

Following the agreement on the audit date, the audit team carries out the on-site audit on the basis of audit criteria and documentation for system audits at the customer's location/s. The procedure is based upon the specifications of ISO 19011 and starts with an opening discussion, followed by interviews in the departments, inspections, monitoring of activities and conditions, interviews with employees, interviews with external stakeholders document reviews and field checks in order to collect evidences of compliance with all the requirements of the standard. The certification audit shall review pertinent RSPO Supply Chain records relating to the receipt, processing and supply of certified palm oil products.

In cases where an operation seeking certification outsources activities to independent third parties, the auditor or CB will assess whether a visit to the subcontractor is required. If the outsourced contractor holds RSPO certification then it does not require an additional audit.

The credibility of a product and the management system is derived above all from the people by whom it is developed and applied. Therefore, in addition to discussions with the management, the interviews with employees during a tour within the company are particularly important for us. The

objective is to verify individual data and information on a random basis (e.g. on performance, measurement, reporting, control of processes, management objectives and results of the internal audit). This is also to give employees the opportunity to state their individual views on what has been achieved so far.

In the debriefing, the lead auditor/assessor gives the responsible person an interim verbal report in order to inform about the status of the certification of the management system. This gives the opportunity to clarify any remaining uncertainties, for example by the immediate implementation of corrective actions. An audit report against the RSPO Standard (SCCS) with conclusions is necessary. During the closing meeting the client is informed that until it receives written confirmation of its RSPO Supply Chain certification registration and its expiry date that they are not certified and cannot make any claims concerning certification. A detailed record is compiled of the closing meeting including a list of the attendees in the opening and closing meeting, a description of the information supplied to the operation seeking or holding certification, any information additionally supplied by the operation, and any other information exchanged, including a written record of the notice that the findings of the audit team are tentative pending review and decision making by the duly designated representatives of the certification body. The record of the closing meeting shall be signed by the lead auditor and the most senior relevant management representative.

If non-conformities are observed, the organisation is given the opportunity to specify measures to correct the non-conformity by a date specified in the non-conformity report.

All non-conformities observed during an audit shall be classified as major (all requirements for Supply Chain certification have to be met before granting certification).

All non-conformities shall be addressed satisfactorily by the organization before certification could be granted. If non-conformities are not addressed within 3 months / 90 days of the audit, a full re-audit shall be required. Any non-conformities raised after certification are major non-conformities. Accordingly, for non-conformities raised during a surveillance audit a maximum of 1 month / 30 days is to be given to certified client to satisfactorily address them. Otherwise a suspension, withdrawal of certificate and a full recertification may be necessary.

The successful implementation of these measures must be confirmed by the auditor/assessor either by verifying subsequently submitted documents or by a follow-up audit on-site before the certification procedure can be continued. Complaints will be verified during the next audit for effective corrections.

2.3. Issue of Certificate

Within 5 working days, the lead auditor/assessor writes an audit report which contains all results of the assessment.

The final decision on the issue of a certificate lies within the Certification Committee, which issues the certificate on successful verification of the complete procedure.

The certificate is valid for five years, after which re-certification is required. The certificate shall be issued to the site that has successfully completed the audit. The certificate is only valid upon yearly activation of the supply chain license in the RSPO IT platform. Starting from the date of the certification decision surveillance audits are carried out annually. The certificates of GUTcert are available in the formats DIN A3 and DIN A4, and in various languages. The status of the certification is made publicly available.

GUTcert shall forward the audit report to RSPO within 14 days of closure of any non-conformities or within 14 days of the closing meeting (if no non-conformities) . GUTcert sends a copy of the certificate and the Supply Chain Certification Report to the RSPO secretariat by uploading it to the RSPO IT platform upon granting certification to the company. The RSPO will upload the certificate on the RSPO website within 1 (one) working week.

2.4. Certification Mark

Organisations certified by GUTcert may use the GUTcert certification mark free of charge. They are entitled to use this certification mark on letterheads, brochures and information material, always in compliance with the certification mark rules of GUTcert specified in the "General Terms and

Conditions of Certification by GUTcert” which are part of the certification contract concluded with the organisation.

Organisations which are certified by RSPO are allowed to make public claims relating to compliance with the RSPO Criteria. These claims can be made in accordance with the RSPO rules (see RSPO Rules on Market Communications & Claims).

3. Maintenance of the Certification

3.1. Surveillance Audits

In accordance with the prescribed certification procedure, a requirement for the issue of a certificate is the annual review of the management system by the auditor/assessor on-site during the validity of the certificate. The first surveillance audit for RSPO following the initial certification must be conducted within 12 months of the certificate issue date, but not earlier than eight (8) months after the certificate issue date. If a surveillance audit is not conducted within 12 months, GUTcert will notify the organisation and RSPO that the certificate will be suspended. A request for time extension of up to a maximum of three (3) months may be approved by the RSPO Secretariat. The request shall be made prior to expiration of the licence. If a surveillance audit is not conducted within the licence period, unless due to the actions of the CB itself, the CB shall notify the organization and the RSPO Secretariat that the certificate is suspended, until the surveillance audit has been undertaken and the certification decision has been approved by RSPO Secretariat. Once approved, the certification will be continued for another year with no time gaps in between.

The surveillance does not cover the full extent of the initial audit, but includes an appropriate range of methods to collect objective evidence, including field checks and interviews with internal and external stakeholders:

- Internal audits and management review,
- Handling of complaints and incidents,
- Assessment of modifications,
- Continual operation control,
- Progress with respect to the continuous improvement (also the rectification of recommendations or non-conformities and complaints from the previous audits)

In cases where an operation holding certification outsources activities to independent third parties, the auditor or GUTcert will assess whether a visit to the subcontractor is required. Besides, the procedure follows that of a certification procedure. The conclusion of the certification contract covers a complete commission for both the certification audit and the surveillance audits. The invoicing for the corresponding audits takes place only after the provision of the services by GUTcert.

3.2. Takeover of an Existing Certification

A change of the certification body is also possible during the validity period of a certificate. The assessment of the certification and the issue of the certificate take place in accordance with the regulations of the relevant IAF guidelines.

The new CB shall officially communicate with the old CB in a timely manner and RSPO. The old CB shall provide all reports, including non-conformity forms, to the new CB. The Transfer of CB shall not be permitted until all major non-conformities are closed and all financial obligations have been met. The new CB shall conduct a new audit assessment using the previous report as guidance. After conclusion of the audit, a new certificate shall be issued to the company by new CB maintaining the previous expiry date. Upon issuance of the new certificate RSPO shall be informed.

3.3. Public availability of documentation

GUTcert must make the following documents publicly available upon request and on the RSPO and/or its own website.

- RSPO Supply Chain Certificate of compliance (RSPO)
- RSPO final assessment reports (public summary report)
- Procedures for complaints and grievances, including resolution mechanisms
- The register of certified organisations, which must include details of the scope of each certificate (which sites and/or processes are approved)

3.4. Control of claims

Certification assessment and surveillance procedures must include provision for ensuring compliance with RSPO requirements for the control of claims, as detailed in RSPO Rules on Communication & Claims.

If multiple Supply Chain models are used in parallel, all claims relating to the use of RSPO Certified Sustainable oil palm products need to be checked.

Identity Preserved, Segregation, Mass Balance: No claims relating to RSPO certified palm oil products derived thereof shall be made without valid certification against the intent and requirements of the RSPO Supply Chain Certification Systems by a certification body approved by the RSPO. In supply chains working with IP and SG models the aim must be to achieve 100% segregation. However, the RSPO recognizes that especially in the early days of RSPO the Certified Sustainable palm oil product flows will be low and the necessary cleaning and clearing of facilities would present the supply chain with unusually high costs. For that reason a 95% minimum standard will be deemed acceptable to RSPO to qualify under the IP and SG supply chain models. This minimum standard will be reviewed as volumes of Certified Sustainable palm oil products increase in the supply chain.

Book and claim: Book and Claim can only be conducted once the qualifying level of 500 RSPO Credits have been claimed for a specific calendar year by an organisation. Where the claim is transferred, the qualifying level of 500 RSPO Credits applies to the organisation to which the claim is transferred. The Book and Claim audits shall either be conducted as a remote audit or combined with RSPO Supply Chain audits or other on-site audits where possible and appropriate.

B&C audits shall review the volume of oil palm products used by the organisation, volumes claimed under the Book and Claim supply chain model and claims made by the organisation. The audit shall be undertaken within twelve months (12) of the claim made. The CB or auditor shall prepare an audit report on the outcomes of the audit.

If non-conformances are found, a maximum of one (1) month is to be given to the organisation to address the non-conformance. GUTcert 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 satisfactorily addressed within the one (1) month plus 14 days timeframe, the organisation shall not be able to participate in the Book and Claim supply chain model. If no non-conformances are observed at an audit or when the corrective action plan has satisfactorily addressed the raised non-conformance(s), the client shall be licensed to participate in the Book and Claim supply chain model.

GUTcert shall forward the audit checklist to RSPO Secretariat within 14 days of closure of any nonconformance or for audit without non-conformance within 14 days of the last day of audit to the RSPO Secretariat via email to certification@rspo.org. Users of the RSPO Book and Claim system shall ensure their claims comply with the intent and all requirements of the RSPO including the RSPO Rules on Communication & Claims.

4. Recertification

A recertification audit has to be conducted prior to the expiry of the certificate. The procedure of a recertification audit mainly follows that of an initial certification. It is mainly carried out a verification of the current documentation. With a recertification audit we assess on-site the continuing conformity and effectiveness of the product as a whole and confirm the continuing importance and applicability of the certification on the defined scope. Earlier audit reports on surveillance audits are considered during the recertification audit. In addition, the corresponding

areas of the management system and the product are controlled. The effort for a recertification is lower than for an initial certification. A new certificate will then be issued, which is again valid for 5 years. At the re-audit GUTcert shall verify the company's annual summary records to determine whether not more RSPO certified palm oil products has been claimed than purchased and claimed within a specific period. GUTcert shall confirm the amounts purchased and claimed as part of its audit report.

Non-conformities in recertification audits shall be handled as in surveillance audits. If a non-conformance is not addressed within an agreed timeframe or the certificate has expired, then recertification will not be recommended. Following the expiration of certification, GUTcert can restore certification within 6 months provided that a re-audit (recertification) is carried out and the previous NC is closed. The effective date on the certificate shall be on or after the recertification decision and the expiry shall be based on prior certification cycle.

5. Extension of the Scope of Application

An extension of the scope of application can take place in connection with a surveillance audit or in a separate audit. Following the receipt of the request for extension, the organisation first receives a detailed listing of the minimum documentation to be submitted. This is reviewed by the auditor/assessor, who then notifies the organisation of the required measures. An additional audit may be necessary. The organisation finally receives a new certificate.

6. Annulment, Suspension, Restriction and Withdrawal of Certificates

If the requirements for the validity of a certificate cease to exist, measures must be taken by the certification body in order to prevent the use of this certificate or to assure that the requirements for the certification are met.

Procedures for the annulment, suspension or withdrawal of certificates are documented. The status of every certificate is made publicly available.

6.1. Annulment

A certificate is annulled if the certified organisation, without direct culpability, no longer fulfils the conditions for the further validity of the certification. These include in particular bankruptcy, the change to another organisation or the discontinuation of the certified activity.

As soon as the certification body becomes aware of such circumstances, these are verified (usually by contacting the organisation in question). In the event of corresponding reasons, the certification contract must be cancelled, and the organisation requested in writing to return the certificate and refrain from using the certification mark in advertising or referring to the certification in any other way.

6.2. Suspension

If the specified time period for the conclusion of the surveillance procedure is exceeded, or the certified management system of the organisation fails to comply with the requirements even after expiry of a defined period for corrective actions, the validity of the certificate must be suspended. Suspension will be notified in writing, with the requirement to refrain from using the certification mark in advertising or referring to the certification in any other way until the suspension is lifted. A certificate may also be suspended at the request of the organisation. Such suspension can be applied for a maximum of 6 months. A surveillance audit is carried out in order to lift the suspension. On successful conclusion of the surveillance procedure, the suspension is lifted and the existing certificate becomes valid again. If the causes of a suspension are not resolved after the specified period, this may result in withdrawal or restriction of the scope of the certificate.

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 palm oil products have been or are about to be shipped which are falsely identified as RSPO certified product then immediate

action needs to be taken by GUTcert and the RSPO Supply Chain certification should be suspended until such time that it has been addressed. It's a requirement that GUTcert informs RSPO within 24 hours of the decision to suspend certification.

If certification is suspended or removed, for example on the basis of lack of effective corrective actions, the site shall inform their supply chain customers within 3 (three) business days.

6.3. Restriction of the Scope

If the requirements for a particular part of the scope of application of a certificate are not fulfilled persistently, the scope of the certificate can be restricted by the certification body.

6.4. Withdrawal

A certificate must be withdrawn by the certification body in the following cases:

- a) The suspension of a certificate cannot be lifted within the required time period or
- b) The certification contract with an organisation is cancelled due to its own culpability or
- c) The organisation fails to meet the requirements of the standard even after expiry of a defined period or
- d) The organisation ceases the activity permanently.

The organisation will be requested in writing to return the certificate and refrain from using the certificate or certification mark in advertising or referring to the existing certification in any other way.

In the case of a), this may require cancellation of the certification contract or performance of a recertification procedure.

The head of the certification body is responsible for the withdrawal of a certificate.