

## **MSPO CERTIFICATION : SCOPE OF WORK, APPROACH, ASSESSMENT & CERTIFICATION REGULATIONS.**

### **1. SCOPE OF WORK**

To provide Malaysian Sustainable Palm Oil (MSPO) Management System Certification Services as below:

#### **A. Reference Standards(s)**

- MS2530-2:2013
- MS 2530-3:2013
- MS 2530-4:2013

#### **B. Scope of certification**

- Palm Oil Plantations
- Palm Oil Mills

#### **C. Certificates**

A BQAS Certificate will be issued for MS 2530-3:2013 and MS 2530-4: 2013 respectively with validity of five (5) years.

### **2. APPROACH**

#### **A. GENERAL**

A BQAS certificate will be issued to (client) for the assessed standard(s) upon successful completion of the initial certification/ re- certification /take over assessment process, closure of non – conformity (if any), compliance to accreditation and the terms and conditions

#### **B. PROJECT MANAGEMENT**

In order to ensure effective customer service and efficient project management services, BQAS assigns a team of dedicated staff to handle all matters related to the certification services activities, i.e. scheduling, coordination for upcoming assessment, review records of previous assessment etc. under the supervision of BQAS Managing Director. This allows both parties to review the consistency of the certification process and for the identification and implementation of possible improvements and valued added aspects

#### **C. ASSESSMENT PERSONNEL**

Assessor(s) assigned to execute the assessment are from the qualified & competent pool of BQAS team.

#### **D. AUDIT METHODOLOGY**

##### **Stage 1 Assessment**

The intent of the Stage 1 Assessment is to review the adequacy of the documented system and the readiness of the organization to proceed with the Stage 2 Assessment. This on-site session allows our assessor to obtain first-hand information about client organization.

##### **Stage 2 Assessment**

Stage 2 assessments will be conducted as soon as approval is given after the Stage 1 Audit, and the time span between Stage 1 and Stage 2 assessments shall not exceed 90 days from the last day of Stage 1. As required by the certification process, there is a need to conduct at least (1) full internal audit and one (1) full management review prior to the visit by the assessor(s)

### **Surveillance Assessment**

Upon successful Certification, the organization is subjected to Annual Surveillance Assessment, which shall be conducted at 12-monthly interval (or shorter) from the Certification decision date. The purpose of Surveillance Audit is to monitor the health of the management system. Should there be a lapse of more than 12 months, it will constitute a violation of Accreditation requirements. This will result in suspension and/ or withdrawal of certification.

### **Re-Certification**

Re-Certification is to be conducted between fifty-seven (57) months to sixty (60) months from the last day of the Initial Certification date. Should there be lapse, it will constitute as a violation of Accreditation requirements and this will lead to re-start of the certification process as a new application.

### **Auditor Man-Day Requirements**

The following information will be used for guidance purpose when planning assessment for each site. Interpretation of this section will be responsibilities of BQAS Management, in conjunction with the client Management Representative so as to satisfy Accreditation requirements. Man-days to be allocated will be based on the latest Accreditation requirements and this may change from time to time. The latest man-days are to be used for the planning and execution of each stage of assessment. Man-days are allocated based on factors such as:

- Type of Business
- Number of Employees
- Scale of the business and number of sites
- Interaction and complexity of the processes
- State and maturity of client's management system and what is known of its own internal audit procedures
- Integration with other systems.

## **E. COMMUNICATION**

BQAS shall assign respective personnel responsible to liaise with the Management Representative of (client) for all the certification process matters. Should there be any dispute, the Managing Director of BQAS will be informed and he shall be responsible conflict resolutions. Any changes to BQAS appointed personnel in the future will be notified to (client) accordingly.

## **3. BQAS ASSESSEMENT AND CERTIFICATION REGULATIONS**

### **A. CERTIFICATION & ASSESSMENT SERVICES**

#### **Scope and assessment services**

The BQAS Certification and Assessment Regulations apply to all certification and assessment services offered and rendered to clients of BQAS. These regulations apply throughout all stages of certification or assessment process, including but not limited to services offers and quotations, contracts, purchase and/or work orders, schedules and addendums agreed to between BQAS and clients, unless it is otherwise explicitly agreed in writing or so prescribed by statutory instruments. The Certification and Audit Regulations become effective as of 1<sup>st</sup> of August 2015 and remain valid until a new version is issued and published.

#### **Definition of Terms**

"Client" stands for customer and any organization that inquire about or receives any BQAS certification or assessment service, including their representatives, who act on their behalf. "BQAS" stands for who offer and/or deliver certification and assessment service to clients. "Assessor" stands for Assessors, Auditor and Experts, who are assigned to a certification and assessment process on behalf of BQAS.

### **Reference to individual and commercial terms**

BQAS Certification and Assessment Regulations are an integral part of any and all certification and assessments agreements between Clients and BQAS. Such agreements will always specify the individual type and nature of services offered and rendered, including pricing and timing. Commercial terms may include clauses on legal respective reference document and addendum to the agreement.

### **B. THE AUDIT & CERTIFICATION PROCESS**

BQAS assesses the Client's management system, or parts thereof, with the goal of determining its conformity with agreed and acknowledged requirements, standards or international, national or sector-specific standards or specifications. The respective assessment process may involve one or more steps, usually ending with an assessment report, which documents the assessment results. In the case of certification services, BQAS will issue a customer-specific certificate, confirming conformity to the respective requirements, when the fulfilment of all applicable requirements has been evidenced. Client and BQAS agree that the evaluation and/or certification of the Client's management system(s) shall be performed in accordance with the applicable standards the industry related requirements (if applicable) and the Assessment and Certification Agreement, including this document attached thereto or referred to therein. BQAS is independent, neutral and objective in its assessments and certifications. Assessment are performed at Client' place of operations. The type, extent and time schedule of the procedure are subject to separate agreement by the parties. BQAS strives to minimize any disturbances of the business process while conducting the assessment on Client's premises.

The certification process will generally include the following steps:

1. The process starts with the client's needs and expectations. BQAS wants to learn about the Client's Organization, its management system, size and types of operation. Together both parties will define objectives for the assessment and/or certification, including applicable standards and specifications.
2. BQAS will provide a detailed offer for assessment and certification services, tailored to individual client needs, based on the information provided initially. A written contract will specify all relevant deliverables as well as applicable assessment and certification criteria.
3. A pre-assessment can serve as initial performance or gap analysis, identifying strengths and areas for improvement. For larger assessment and certification projects a project planning meeting provides a valuable opportunity for the client to meet the lead assessor and develop a customized assessment plan for all functions and locations involved. Both services are optional.
4. **Stage 1 Assessment.**  
The assessment procedure itself begins with review and evaluation of system documentation, goals, result of management review and internal audits. During the process, it will be determined whether the client's management system is sufficiently developed and ready for certification. The Assessor will explain findings and coordinate any required activities to prepare for the on-site Stage 2 Assessment.
5. **Stage 2 Assessment**  
The assigned assessment team will assess the client's management system at the place of production or service delivery. Applying defined management system standards and specifications, the assessments team will evaluate the effectiveness of all functional areas well as all management system process, based upon observations, inspections, interviews, review of pertinent records, and other assessment technique. The assessment result, including all finding

will be presented to the client during the closing meeting. Required action plans will be agreed upon.

6. **System Evaluation:**

The Independent certification function of BQAS (Technical/Peer Reviewer) will evaluate the assessment process and its results, and recommend independently about issuance of the Certificate. BQAS receives an assessment report documenting the assessment result. When all applicable recommendations are reviewed, BQAS will issue the Certificate to the Client.

7. **Surveillance Assessment:**

At least once per year, there will be an on-site assessment of the critical components of the management system. Improvement and sustained effectiveness.

8. **Re-Certification:**

A management system certificate is valid for a limited period of time, frequently for a maximum of five years. At the end of this cycle, a re-certification audit will be carried out to ensure the ongoing fulfilment of all applicable requirements. Subject to this fulfilment of all applicable requirements. Subject to this fulfilment, a new certificate will be issued.

**C. RIGHTS & OBLIGATION OF CLIENTS**

**Maintaining the management system**

In order to obtain and maintain a certificate, the Client shall implement and maintain a management system which fulfils the requirements of the selected standard or specification. The client shall provide evidence of conformity and effectiveness of the assessed management system, readily available for assessment by the assigned assessment team. The client shall undertake all necessary action to ensure that the management system is maintained in a conforming and effective manner at all times.

**Notification of Changes**

The Client is obliged to inform BQAS without delay of any changes, which may influence the certified management system. This applies in particular to the purchase/ sale of all or a portion of the company, any changes in operation, fundamental alterations in process or the filing for bankruptcy or composition proceedings. In any of these cases, BQAS will consult with client and determine how the certificate may be maintained.

**Independence of the assessment**

Client is obliged to avoid anything that might compromise the independence of the employees and Assessors of BQAS. This applies in particular to offer of consultancy, separate agreements about fees or other monetary rewards.

**Right to reject Assessor**

Prior to confirmation of the assessment date, the Client is entitled to review and reject the Assessor(s) assigned by BQAS with proper justification. In that case, BQAS will assign a replacement for the rejected Assessor(s).

**Confidentiality and information security**

The documents provided to the Client by BQAS certification symbol, are protected by copyright. Client specifically acknowledges that all documents which are provided or made available by BQAS for examination remain the property of BQAS, and that they may be used only for the internal needs of Client and not made available to third parties or be used for purpose other than those agreed upon herein or in writing. Client is obliged to maintain strict confidentiality about any information

revealed within the terms of the Agreements between client and BQAS, its employees and assessors. This obligation also applies after termination of the contract. Client similarly accepts this obligation on behalf of any vicarious agents and auxiliary persons. Client is permitted to forward the Assessment report in its entirety.

#### **Right to use Certificate and Certification marks**

With a valid BQAS certification, the client is entitled to use the certificate and respective certification marks for promotion purposes. Authorized use of copyrighted BQAS certified management system mark, and other certification marks (herein referred to as the "marks") shall enhance confidence of customers in the client's certified management system and the respective performance. These marks are frequently used on company stationery, in brochures, the internet, at exhibitions, on vehicles or in advertisements. The marks are directly associated with the certified organization and its management system. Certificates and Marks may be used for promotion in accordance with the provisions of these Certification and Assessment Regulations. Such use is restricted to the scope and the period of validity of the certification. Marks may not be attached directly to a product or use in such a way as to give rise to the impression of being related to the conformity of a product with the standard of specification on which they are based. Section 5, Certificates and marks, provide respective rules in detail. BQAS is obliged to ensure correct use of certificate symbols.

#### **Appeals and complaints**

Every client of BQAS has the right to have services performed within agreed scope in such way that all reasonable expectations and requirements are fulfilled. In case of non- fulfilment, the client is entitled to file a complaint with BQAS. BQAS will request information necessary for analysis and improvement. In case of a difference of opinion with BQAS Assessors or a specific certification decision, the client has the right to submit an appeal to the responsible manager of BQAS. If a solution cannot be worked out directly with the individual concerned, Client may make a written appeal for resolution to the Managing Director of BQAS or in a last instance, the Board of Arbitration whose decision shall be final.

### **D. RIGHTS & OBLIGATION OF BQAS**

#### **Assessment of Management system**

BQAS verifies the conformity and effectiveness of Client's certified management system by performing regular assessments (usually on a semi-annual basis). For these assessment purpose BQAS has the right to access client's facilities within the framework of planned assessment visits, observe operations, inspect processes, products and services, interview employees and representatives, review documents and pertinent records, and to collect information with other assessment techniques. Should BQAS receive information from third parties which dispute the conformity or effectiveness of a management system BQAS has certified, it is entitled to perform additional, non-routine assessments after consulting with the Client. In legally regulated areas, BQAS is entitled to perform additional, unannounced assessments, whenever justified.

#### **Accreditation and Authorization**

BQAS is a Certified Body registered with the governing authority and authorized to issue assessment report and certificates according to MSPO standards and specifications. This includes the obligation to allow employees or auxiliary person of these bodies to participate in assessments.

According to the applicable accreditation and authorization rules, BQAS allow these individuals access to both its own documents and Client-related data, subject to the confidentiality requirements set forth herein. In addition, whenever individual standards or specifications explicitly

require, Client- related data and assessment results are passed on to these bodies. By accepting these Certification and Assessment regulations the client consents to the applicable accreditation and authorization requirements, including all the foregoing.

#### **Issuance of Certificate**

BQAS shall issue an **(client) Certificate** and deliver it to client upon client's fulfilment of all certification requirements and contractual obligations. The certification decision is the sole responsibility of BQAS, based on the Assessors' recommendation for issue and all assessment results, as recorded in the assessment report. BQAS certificate are valid for a limited period of time, usually a maximum of five years, commencing from the date of issuance.

#### **Confidentiality and Data protection**

BQAS commits itself to protect the confidentiality of all confidential information of Client that is not publicly available and that is made available to BQAS in the context of its activities on client's premises, whether this information relates to internal matters of clients or to its business relations. This also applies to the verbal and written results of the assessment. BQAS will disclose confidential information to third parties only with the written authorization of Client's, unless explicitly provided otherwise in these Certification and Assessment Regulations. BQAS retains records associated with assessments for a minimum of two certification cycles (usually 10 years). These commitments also apply after termination of the contract.

#### **Publicity**

BQAS is entitled to maintain and publish a register of all Clients holding a current BQAS certification. This publication contains the name and address of the certified organization as well as the scope and reference standard/ specification and certification status. Client hereby consents to the publication of such information hereunder.

#### **Electronic Communication**

Notwithstanding the foregoing, Client hereby authorizes BQAS to transmit unencrypted confidential information and other information through the internet or a public network to e-mail address or other location provided by client. Client acknowledges that BQAS cannot guarantee the privacy and confidentiality of such transmissions. Client agrees that BQAS's transmission of confidential information via the internet or other public network shall not be liable for any damages resulting from such transmission, provided that such confidential information via the internet or other public network shall not be a breach of any confidentiality obligation information under these Certification and Assessment Regulations and that BQAS shall not be liable for any damages resulting from such transmissions, provided that such confidential information is handled with the same degree of care as BQAS handles its confidential information.

If Client hyperlinks to BQAS website, Client agrees:

- The information contain on BQAS website belongs to BQAS;
- The linking website will transfer the user directly to BQAS directly to BQAS website as posted By BQAS without imposing any frames, browser windows. Or third-party content; and
- the linking website may not state or imply that Client or its products or services are endorsed by BQAS.

## **E. CERTIFICATION & MARKS**

### **Issuance and use of Certificates and Marks**

BQAS issues certificates confirming the conformity of the Client's management system to selected national and international standards as well as to recognized industry- or customer-specific requirements, when the Client has demonstrated in an assessment that all applicable requirements have been fulfilled. The Client is entitled to use the certificate and the related certification marks to promote confidence with business partners. Upon issuance of a certificate, an ongoing surveillance service will be established to ensure that conformity of the management system is maintained continuously. The established and maintenance of certification is contingent upon the execution of the assessment and the continued adherence to its terms and conditions by the client. Clients agrees to cooperate with BQAS in ascertaining the facts if it is reported that Client's management system, processes, goods and services are not in conformance with regulatory, statutory, certification or other applicable requirements, including sharing such information as Client acquires regarding the reported non-conformance, and to take and report to BQAS on any correction action necessary. Client agrees that the surveillance services, such as surveillance audits, and any special assessments conducted by BQAS are designed to serve only as a check on the means the client exercises to determine conformance of its management system with certification requirements, and that Client is in no way relieved of its responsibility for its management system. Processes, goods and services within the scope of certification. BQAS certificates and Marks may not be transferred to successors in the title or other organizations. After a certification has expired or has been suspended, withdrawn or annulled, client must desist from any promotion or other use of the Certificate or Mark. Client agrees to return the Certificate following expiration, withdrawal or annulment. The right of retention is specifically excluded.

### **Non-issuance of Certificates**

BQAS may only issue Certificates if all requirements of the selected standard(s), specifications and contracts have been fulfilled following the assessment (initial/re-certification). In case of non-fulfilment, the assessor documents the shortcomings in a nonconformity report and/or otherwise identifies the restraints which must be complied with in order for a Certificate to be issued. All non-conformances or restraints shall be eliminated prior to the issuance of a BQAS Certificate. If necessary, BQAS will repeat the assessment partially or in full. If the non-conformances have not been eliminated, or if the pre-requisites for the granting of a Certificate have not been achieved even after follow up assessments, the certification procedure will be concluded by the issuance of a report without a certificate.

### **Suspension, withdrawal and annulment of certificate**

#### **Suspension**

BQAS is entitled to suspend temporarily a Certificate if Client violates certification, contractual or financial obligations towards BQAS, including but not limited to:

- Corrective actions to the management system have not been demonstrably and effectively implemented within the agreed-upon time frame;
- The schedule of audits suggested by BQAS for assessment(s) necessary for the maintenance of the certification have not been complied with and the prescribed frequency since the previous assessment has thereby been exceeded;
- BQAS has not been informed in a timely manner about planned changes to the management system and other changes which affect the system's conformity with the standard or specification which forms the basis for the assessment;

- A BQAS Certificate, or a certification Mark has been used in a misleading or unauthorized manner;
- Due payments for assessment and certification services have not been made timely as agreed between Client and BQAS.

BQAS will notify Client of a proposed suspension in writing. If the reasons for the proposed suspension are not eliminated within two weeks, BQAS will inform Client in writing of the suspension of the Certificate stating the reasons as well as the corrective actions necessary for the certification to be reinstated. Certificates are suspended for a restricted period (usually a maximum of 90 days). If the required measures have been implemented demonstrably and effectively by the established deadline, the suspension is cancelled and certification will be reinstated. If the required measures have not been implemented within the established deadline, BQAS may withdraw the Certificate as set forth below.

#### **Withdrawal**

BQAS is entitled to withdraw Certificates or to declare them invalid upon written notice to client if:

- The suspension period of the certification has been exceeded
- The conformity of the management system with the standard of specification on which it is based is not ensured or Client is not willing to or able to eliminate nonconformities
- Client continues to use the certification for promotion following the suspension of the certificate.
- Client uses the certification in such a way as to determine the reputation of BQAS

The preconditions which lead to issuing the Certificate no longer apply.

- Client files any voluntary or involuntary petition in bankruptcy.
- Client effectively terminates its contractual relationship with BQAS.

#### **Annulment**

BQAS is entitled to annul Certificates, or retroactively declare them invalid, if:

- It subsequently turns out that the preconditions required for issuance of the Certificate had not in fact been fulfilled.
- Client has compromised the certification procedure so that the objectivity, neutrality or independence of the assessment result are, in the judgement of BQAS, in question.