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DOCUMENT AUTHORIZATION & REVISION HISTORY

Revision No.	Description of Change	Date of Release	Prepared By	Approved By
00	Initial Document	01/03/2024		
01	To include audit duration as per Clause 4.6	01/11/2024		
02	Change the company name to UGG Certification Sdn Bhd	01/04/2025		

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1 PURPOSE

- 1.1 To establish a system for handling client enquiries, application, review of client application, preparation of quotation and certification agreement.

2 SCOPE

- 2.1 This procedure is applicable to all client enquiries and communication on operational matters related to ISO/IEC 17021 and ISO/IEC 17065 Accreditation requirement.

3 RESPONSIBILITY

- 3.1 General Manager (GM)
- 3.2 Operation Manager (OM)
- 3.3 Operation Executive (OE)

4 REFERENCE

- 4.1 ISO 17021-1:2015- Conformity assessment- Requirements for bodies providing audit and certification of management systems
- 4.2 ISO17065:2012 - Conformity assessment- Requirements for bodies certifying products, processes and services
- 4.3 MSPO Certification Scheme Document- Date: 5 January 2023

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PROCEDURE

4.1 Client Enquiry and Application

- 4.1.1 UGG shall be responsible to conduct the Certification Scheme according to requirements of ISO 17021 and ISO/ IEC 17065 standard and associated documents.
- 4.1.2 When there is an inquiry for potential new projects, the Marketing Manager and/or delegated representative shall arrange a preliminary discussion with customers on the requirements.
- 4.1.3 The ***Client Application Form (UGG-FM(MSPO)-06)*** shall be requested to an authorized Representative from the applicant organization (potential client) to fill up the relevant information and email back to the sales PIC for review and further processing.
- 4.1.4 The Client (applicant organization) shall provide the necessary information to determine the following:
- The desired scope of the certification.
 - Relevant details of the applicant organization as required by the specific certification scheme.
 - Name and the address(es) of its site(s).
 - Client processes/operations, resources, and any relevant legal information.
 - Identification of outsourced processes used by the organization that will affect conformity to requirements.
 - The standards or other requirements for which the applicant organization is seeking certification.
 - Whether consultancy relating to the management system to be certified has been provided and, if so, by whom.
- 4.3.5 Applicants for certification and certificate holders
- For MSPO certification, the applicants shall be the managers of the management unit OR the group manager OR the central office.
 - The managers OR group manager OR central office of the management units shall comply with the certification requirements and are also responsible for ensuring that the activities and operations of the contractors employed in the management units meet the certification criteria.
 - The scheme owner shall only recognize certificates issued by the UGG.
 - MSPO certification audits shall always be conducted on-site. However, in the case where on-site audit is not feasible, the applicant for certification and certificate holders should prepare adequate Information and Communication Technology (ICT) infrastructure to accommodate remote audits.
 - Each management unit OR Group OR Multisite is only allowed to have one (1) valid MSPO Certificate at a time. Requirements for transfer of certificate shall be adhered to for any change of ACB as stated in section 4.13 of MSPO scheme document.
 - All certificate holders shall always ensure to have a valid MSPO Certificate. Any lapse (without valid reason) will be subjected to penalties by MPOB.
 - Each organization shall update whenever there is a change in ownership.
 - Any land clearing for oil palm planting after the 31st Dec 2019, shall be in conformance to MSPO standard MS 2530, requirements for new planting OR new establishment

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4.2 Client Application Review and Risk Management

- 4.2.1** If the initial discussion is favorable, an application review including risk review shall be conducted by the OM or delegated representative with other relevant personnel using the ***Application Review (UGG-FM(MSPO)-07)***.
- 4.2.2 The OM shall conduct a review of the application and supplementary information for certification to ensure that:
- The information about the applicant organization and the product is sufficient to proceed with the certification process.
 - Any known difference in understanding with the applicant organization is clarified and resolved.
 - UGG has the competence and ability to perform the certification activity.
 - The scope of certification sought, the site(s) of the applicant organization's operations, time required to complete audits and any other points influencing the certification activity are considered (language, safety conditions, threats to impartiality, etc.).
 - The means are available to perform all audit/certification evaluation activities.
- 4.2.3 Upon review of the application, the OM shall be responsible to either accept or decline the application for certification.
- 4.2.4 If the OM declines an application for certification after the review of the application, the reasons for declining an application shall be documented and informed to client.
- 4.2.5 The OM shall also determine the competences and capabilities to include in the audit team for auditing, technical review, and certification decision.
- 4.2.6 Records of Client Application Review shall be maintained by the Sales PIC and/or Admin Clerk.
- 4.2.7 Any further queries affecting certification shall be resolved with customer before a quotation is prepared.

4.3 Establishing Audit Mandays for MSPO 2.0 Scheme

- 4.3.1 The OM shall determine the audit mandays (audit time) needed to plan and accomplish an effective audit of client's management system.
- 4.3.2 To determine the audit time, the OM shall consider, among other things, the following aspects:
- The requirements of the relevant standard.
 - Complexity of the client and its products, processes, and services.
 - Technological and regulatory content as well as the results of any prior audits.
 - Size and number of sites, their geographical locations and multi-site considerations.
 - The risks associated with the products, processes, or activities of the organization.
 - Whether audits are combined, joint or integrated.
- 4.5.3 The client ***Application Review (UGG-FM(MSPO)-07)*** shall be utilized to calculate the audit mandays required for

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the specific client.

4.5.4 The duration of the audit and its justification shall be recorded. For the MSPO program the justification of the risk factor required to be determined by utilizing the ***MSPO Self Audit Questionnaire (UGG-FM(MSPO)-10)***

4.5.5 The time spent by any team member that is not assigned as an auditor (i.e., technical experts, translators, interpreters, observers, and auditors-in-training) shall not count in the above established duration of the audit.

4.5.6 Audit Sampling

4.5.6.1 The formula for calculating sample size of the audit is explained below. The formula given applies to initial certification, all the annual surveillance and recertification audits. Sites sampled in previous audit are not to be sampled again in the next cycle, a different sample must be chosen unless all samples have been audited. Verification to close non-conformity is not to be counted as auditable sample.

4.5.6.2 For Group and multisite certification, the UGG shall select group members OR sites to be audited before conducting Stage 2 audit based on representative sampling of [risk factor]. The sample size is determined by the following formula and shall always be rounded up to the next whole number.

Where:

s = sample size

r = risk factor (multiplier)

n = number of the group members OR sites

4.5.6.3 The sample size and identification of the group members OR sites (obtained from Stage 1) should be included in the Stage 2 audit plan sent to the group manager OR central office by the UGG.

4.5.6.4 For extension of scope for independent smallholders, the sample size shall be selected from both total number of existing members and total number of new members separately.

4.5.6.5 The following risk factors (multiplier) apply as stipulated in the risk assessment above, i.e:

Low risk: risk factor 1.0, Medium risk: risk factor 1.5, High risk: risk factor 2.0

4.5.6.6 The lowest possible sample size number is two (2).

4.5.6.7 The processing facilities are allowed to choose only one or both supply chain model to be applied in their scope of certification which will be verified by the ACB during the audit process.

4.5.6.8 For multisite certification, Central Office shall be audited annually and at least one (1) site (unit) from each group shall be included in an audit sample.

4.5.7 Rules for group certification

4.5.7.1 Homogenous grouping:

i. MSPO Standard Part 2.1: For SPOC – as per the arrangements by the relevant authority

4.5.7.2 For individual groups other than the above:

- Peninsular Region: the members shall be located within the same state OR 50 KM radius from the group management office

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- Sabah & Sarawak Region: the members shall be located within the same district OR 50 KM radius from the group management office
- Group management office that are not located within the 50 KM radius from the group members, shall set a satellite office within the group members location

4.5.7.3 MSPO Standard Part 2.2:

For federal and state land development schemes – as per the arrangements by the relevant authority

4.5.7.4 MSPO Standard Part 3.1:

- Peninsular Region: the members shall be located within the same state OR 50 KM radius from group management office
- Sabah & Sarawak Region: the members shall be located within the same district OR 50 KM radius from the group management office
- Group management office that are not located within the 50 KM radius from the group members, shall set a satellite office within the group members location

4.5.7.5 MSPO Standard Part 3.2:

Only the same owner OR same parent company management units are allowed to be audited under group certification and the members shall be located:

- Peninsular Region: within the same state OR 50 KM radius from the group management office
- Sabah & Sarawak Region: within the same district OR 50 KM radius from the group management office
- Group management office that are not located within the 50 KM radius from the group members, shall set a satellite office within the group members location

4.5.8 Group Management requirements

4.5.8.1 The group shall be represented and managed by a group manager.

4.5.8.2 The group manager shall have a documented procedure such as Internal Control System (ICS) to define the operating structure, decision making and responsibilities within the group.

4.5.8.3 The group manager is responsible to conduct the internal audit on all the group members annually.

4.5.8.4 The group manager and the group members shall have a written agreement to fulfil the ICS requirements.

4.5.8.5 The group shall:

- Share a harmonised management system
- Have similar processes and generation of materials
- Have a similar operating system and characteristics
- Have risk assessment showing a similar risk exposure

4.5.9 Rules for Multisite Certification

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4.5.9.1 General requirements

- i. There shall be a central office representing all facilities included in the multisite certification.
- ii. The central office shall document and implement clear rules regarding eligibility for the participation of sites in the certificate.
- iii. All participating sites shall have a legal and/or contractual relationship with the central office.

4.5.9.2 Management system requirements

- i. The central office shall develop and implement an Internal Control System (ICS) for the administration of the participating sites in relation to MSPO Certification standard.
- ii. A management representative shall be appointed by the Central Office with overall responsibility for ensuring that all participating sites comply with the MSPO Certification Standard.
- iii. The central office shall conduct internal audits on all participating sites annually. Sampling of sites is not allowed for internal audits.
- iv. Participating sites shall be grouped based on the nature of operations within the multisite certification. The participating sites shall be categorized and grouped as follows:
 - Refining and blending,
 - Kernel crushing plants,
 - Processing, production,
 - Manufacturing.

4.6 AUDIT DURATION

- 4.6.1 This section provides guidance on the requirements on the minimum amount of time required by the UGG for auditing management units of various sizes and scope under the Malaysian Sustainable Palm Oil (MSPO) Certification Scheme, by indicating the duration for on-site audit for Stage 1 and Stage 2, annual surveillance audit, recertification audit and special audit. The time allocated to the various locations of an audit must be documented by the UGG to justify the allocated audit duration.
- 4.6.2 The audit programme shall include Stage 1 and Stage 2 audit, surveillance audits in the first, second, third and fourth years, and a recertification audit in the fifth year prior to the expiration of certification.
- 4.6.3 UGG shall notify the client on their audit plan, duration and auditors involved at least thirty (30) working days before the actual date of ground audit or as mutually agreed between the UGG and the client.
- 4.6.4 The recommended minimum on-site audit duration for MSPO certification, which includes the opening meeting, site auditing, document verification, and closing meeting is shown in the tables below.
- 4.6.5 For group and multisite certification, two (2) man-days shall be allocated to audit the group manager OR the central office on management system and Table 2 on 'Recommended minimum on-site audit durations (man-days) for group certification to be referred to. For SPOCs and other group of Part 2.1 certification audits,

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the number of man-days reflected in Table 3 on 'Man-days for Range of Sample Size' shall be multiplied by the number of samples derived using the sample formula and risk factor as determined.

- 4.6.6 The details in Table 1 and 2 are developed to provide sufficient time under normal circumstances to adequately carry out auditing of a management unit against the MSPO certification standards and scheme. However, the time allocated to the various locations of complex audits must be documented to justify the allocated audit durations. The audit duration is calculated on the basis of 8 hours per day. Audit working days will be calculated to the nearest full or half day.
- 4.6.7 Additional man-days may be required for conducting post audit follow-up activities, such as verification on major non-conformities raised or addressing of any contentious stakeholder issues.
- 4.6.8 Where there is such a need for auditing of the management system located outside of the management unit, the audit duration should be increased accordingly.
- 4.6.9 Wherever possible, each site should be visited at least once within the entire cycle and for every surveillance audit, the site should not be sampled consecutively.
- 4.6.10 The number of man-days may be increased with justification, but the minimum man-days shall be adhered to except for group certification, reduction may be considered with justification such as shared facilities, resources, or geographical area less than 20km.

Table 1. Recommended minimum on-site audit durations (man-days) for Individual Certification

MS 2530 (Part)	Entity	Initial		Surveillance	Recertification
		Stage 1	Stage 2		
2.1	Independent smallholder	1	2	2	2
2.2	Organised smallholder (below 500ha)	2	2	2	2
	Organised smallholder (above 500ha)	2	4	3	4
3.1	Oil palm plantation (below 500ha)	2	2	2	2
3.2	Oil palm plantation (above 500ha)	2	4	3	4
4.1	Palm oil mill	N/A	3	3	3
4.2	Processing unit	N/A	3	3	3
4.3	Oil palm dealer	N/A	2	2	2

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Table 2. Recommended minimum on-site audit durations (man-days) for Group Certification

MS 2530 (Part)	Entity	Initial		Surveillance	Recertification
		Stage 1	Stage 2		
2.1	Independent smallholder	1	2	2	2
2.2	Organised smallholder (below 500ha)	2	2	2	2
	Organised smallholder (above 500ha)	2	4	3	4
3.1	Oil palm plantation (below 500ha)	2	2	2	2
3.2	Oil palm plantation (above 500ha)	2	4	3	4

NOTE:

1. The above shows the number of man-days required for the certification of individual entity. In the case of SPOC & other independent smallholder group, two (2) man-days shall be allocated to audit the Internal Control System (ICS) in addition to minimum man-days stipulated in the Table 3 of 'Man-days for Range of Sample Size'.
2. For other group certification, two (2) man-days shall be allocated to audit the Internal Control System (ICS) in addition to the minimum man-days stipulated in Table 2 above.
3. The details in Table 1 and 2 exclude the time required for planning, preparation, travel, closing out of non-conformities, certification review and report writing.

Table 3. Man-days for Range of Sample Size

No. of Sample Size determined via Clause 4.6.1 (a)	No. of Man-Days
1 – 5	1
6 – 10	2
11 – 15	3
16 – 20	4
21 – 25	5
26 – 30	6
31 – 35	7
36 – 40	8
41 – 45	9
46 – 50	10
51 – 55	11
56 – 60	12
61 – 65	13
66 – 70	14
71 – 75	15

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76 – 80	16
81 – 85	17
86 – 90	18
91 – 95	19
96 - 100	20

Table 4.
Extension of
scope for group
smallholder's

certification (example)

Existing sample of 100 smallholders whereby 10 have been sampled	Additional 200 new members
Total number of existing members: 100 Assuming Risk Factor = 1	Total number of new members: 200 Assuming Risk Factor = 1
Exclude the time required for post audit follow-up activities	Exclude the time required for post audit follow-up activities
Determination of sample size: $\sqrt{100 \times 1} = 10$ samples	Determination of sample size: $\sqrt{200 \times 1} = 14$ samples
- Total sample: 10 samples from existing + 14 samples from new members = 24 samples 5 man-days (for group members) + 2 man-days (for group manager)	
NOTE: - SH who have been sampled cannot be sampled again within the same certificate cycle (5 years) - All sub-district in the SPOC should be audited within 1 certificate cycle of audit Option 1: Sample of smallholders should be randomly selected from each sub-district Option 2: If the distance of the sub-district is more than 50km, ACB may select sample of smallholders in a nearby sub-district for each audit.	

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Table 5. Recommended minimum on-site audit durations (man-days) for Multisite Certification

MS 2530 (Part)	Entity	Initial		Surveillance	Recertification
		Stage 1	Stage 2		
4.1	Palm oil mill	N/A	N/A	N/A	N/A
4.2	Processing unit	N/A	3	3	3
4.3	Oil palm dealer	N/A	N/A	N/A	N/A

NOTE:

1. The above shows the number of man-days required for the certification of individual entity. Two (2) man-days shall be allocated to audit the Internal Control System (ICS) at the central office.
2. The number of man-days may be increased with justification, but the minimum man-days shall be adhered to. The audit team may use external technical experts if necessary. However, the audit days that involve the technical expert shall not be counted as audit days required.

4.7 Client Quotation and Certification Agreement

- 4.7.1 **Client Quotation and Certification Agreement (UGG-FM(MSPO)-08)** for MSPO client and shall be prepared by OM.
- 4.7.2 **Client Quotation and Certification Agreement (UGG-FM(MSPO)-08)** shall be submitted to the customer and a copy filed in the google drive.
- 4.7.3 Any requests for amendments by customer pertaining pricing, or auditing process shall be forwarded to the GM for review and approval.
- 4.7.4 The relevant personnel shall be notified accordingly by internal memorandums or other methods.
- 4.7.5 The relevant personnel shall update related QMS documents/records and ensure that latest contractual requirements are implemented.
- 4.7.6 UGG shall inform the client, in advance, of the information it intends to place in the public domain in the Confidentiality section of the **Client Quotation and Certification Agreement Form (UGG-FM-08)**.
- 4.7.7 UGG shall have legally enforceable arrangements to ensure that the certified client informs UGG, without delay, of matters that may affect the capability of the management system to continue to fulfil the requirements of the standard used for certification. This shall be stipulated in the **Client Quotation and Certification Agreement Form (UGG-FM(MSPO)-08)**.
- 4.7.8 These changes include, for example, changes relating to:
 - a) the legal, commercial, organizational status or ownership;
 - b) organization and management (e.g. key managerial, decision-making or technical staff);
 - c) contact address and sites;
 - d) scope of operations under the certified management system;

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e) major changes to the management system and processes.

- 4.7.9 The GM/OM shall review the client's notification of changes and take adequate action, where appropriate. The response actions shall be reviewed to see whether they affect the current certification status.
- 4.7.10 Examples of common changes could be expansion of scope, reduction of scope and change of ownership. The response actions, for example, could be implemented during the next forthcoming Surveillance/Recertification Audits. This could result in changes to the audit program, audit mandays, audit plans, among others.

4.8 Customer Satisfaction Monitoring

- 4.8.1 The GM or delegated personnel shall monitor customer satisfaction/feedback to ensure that customer requirements are sufficiently addressed.
- 4.8.2 The ***Client Survey Form (UGG-FM-05)*** shall be used to obtain feedback from customers once a year.
- 5.4.3 The management will forward the ***Client Survey Form (UGG-FM-05)*** via email randomly to the client
- 4.8.3 The results of these surveys shall be compiled, analyzed, and reviewed in the performance appraisal for non-audit and audit personnel as well as management reviews for continuous improvement.

4.9 Records

- 4.9.1 Records related to this procedure shall be maintained for a period as specified in the Master List of Records.

Reference Records:

- 1) Client Application Form (UGG-FM(MSPO)-06)
- 2) Application Review (UGG-FM(MSPO)-07).
- 3) MSPO Self Audit Questionnaire (UGG-FM(MSPO)-10)
- 4) Client Survey Form (UGG-FM-05)
- 5) Client Quotation and Certification Agreement (UGG-FM(MSPO)-08)