



# RSPO

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Roundtable on Sustainable Palm Oil

# **RSPO Supply Chain Certification Standard**

*Final Document*

*As approved by RSPO Executive Board*

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## 1. Introduction

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

The methods used by the RSPO to deliver its objective include:

- The development of a standard for certification of sustainable oil palm production and associated mechanisms for verification of responsible oil palm production. The RSPO Standard for Sustainable Oil Palm Production, approved in October 2007, is presented as a series of Principles, Criteria, Indicators and Guidance, and is designed to be used by oil palm producers to implement sustainable production practices, and by certification bodies for field verification.
- The development of an RSPO Supply Chain Certification Standard, this document, which describes requirements related to the control of RSPO certified oil palm products along the supply chain, including flows of material and associated claims.

This RSPO Supply Chain Standard is presented as a series of auditable requirements designed to be used by organisations in the palm value chain to demonstrate implemented systems for control of RSPO certified oil palm products. Downstream processors or users of RSPO certified sustainable oil palm products can claim the use of (or support of) RSPO certified oil palm products when they adhere to the requirements the RSPO Supply Chain Certification Standard and this is independently verified by an RSPO approved and accredited certification body (see RSPO Supply Chain Certification Systems document).

This document will be reviewed within one year from the date of implementation and thereafter at intervals not greater than five years.

## 2. Scope

The oil palm products may go through many production and logistical stages between the grower and the product. Any individual batch of palm and palm kernel oil can be traded through one of four supply chain mechanisms that are approved by RSPO:

- Identity Preserved (Annex 1)
- Segregated (Annex 2)
- Mass balance (Annex 3)
- Book and Claim (Annex 4)

For the first three of these, supply chain controls from the plantation through to the certified end product are

required. This document sets out the minimum requirements for an organization controlling RSPO certified oil palm products for the RSPO Identity Preserved, Segregation, and Mass Balance supply chain options.

Users of the RSPO Book and Claim system (GreenPalm), who are not producers, need to show:

- Compliance with the rules for use of the RSPO Book and Claim system (Currently the GreenPalm Program Membership Rules: [http://www.greenpalm.org/?/how\\_it\\_works/](http://www.greenpalm.org/?/how_it_works/))
- Claims made are in accordance with the RSPO Rules on Communication & Claims

### 3. How to use this document

This is a modular document. It includes the following components:

*General Chain of Custody System Requirements for the Supply Chain, which apply to all certification units along the supply chain, with the exception of CPO mills. The CPO mills need to comply with either Modules D or E.*

*Modular requirements for each supply chain option, consisting of the differing requirements which apply for each of the different supply chain options applicable to organizations in the supply chain. For CPO mills, module D or E must be implemented. For all other organisations, modules A, B or C must be implemented. One or more of these may be implemented in conjunction. The supply chain certification assessment only covers the modules which the organization has implemented. The modules which have been covered by the assessment will be indicated in the scope of the supply chain certificate. The module(s) must be applied in addition to the *General Chain of Custody System Requirements for the Supply Chain*. The specific modules are:*

Module A – Identity Preserved

Module B - Segregation

Module C – Mass Balance

Module D – CPO Mills: Segregation

Module E – CPO Mills: Mass Balance

Module F – Multi-site Certification

## 4. Definitions

<b>Accreditation Body</b>	Organization responsible for assessing and accrediting RSPO certification bodies against ISO/IEC Guide 17021:2006 and 65 and that is a member of the International Accreditation Forum (IAF) or a full member of the International Social and Environmental Accreditation and Labelling Alliance (ISEAL)'
<b>Applicant</b>	The operation seeking or holding certification
<b>Audit</b>	Independent assessment by an RSPO approved certification body as part of the certification process
<b>Bill of Lading</b>	Legal shipping document that gives legal title to goods that are being shipped.
<b>Book and Claim (BC)</b>	See Annex 5: Book and Claim Supply Chain Model (BC) of the Supply Chain Certification Standards
<b>Bulking Station</b>	Interim storage facility for palm oil.
<b>Buyer</b>	The next commercial entity in the supply chain - supplier (or seller) is the previous commercial entity in the supply chain.
<b>Certification body (CB)</b>	An independent body that is approved by RSPO to conduct certification assessments against the intent and requirements of the RSPO Supply Chain Certification Systems. See section 2 for more information the process of approval of certification bodies.
<b>Client</b>	see Applicant.
<b>Code of conduct</b>	The RSPO Code of Conduct is a set of requirements RSPO–members are expected to abide by. The Code can be found on the website of RSPO: <a href="http://www.rspo.org">www.rspo.org</a>
<b>Complaints Procedure</b>	See RSPO website ( <a href="http://www.rspo.org">www.rspo.org</a> )
<b>Conventional Plantations</b>	Mills and their respective supply bases that have not been certified by an RSPO approved certification body.
<b>Crude Palm Oil (or CPO)</b>	First stage palm oil product produced from fresh fruit bunches (FFB) at a mill.
<b>Delivery (of a contract)</b>	The physical execution of a contract to terms, time and price by a supplier to his customer.

<b>End Product Manufacturer</b>	The manufacturer/processor that uses palm oil based products for manufacturing products designed and intended for consumption or end-use in any way e.g. retailers when producing own label products- in house, consumer goods manufacturers, biofuel producers, feed product manufacturers. Retailer and distributors of finished products, where no further modification occurs, do not need Supply Chain Certification.
<b>Facility</b>	A single functional unit of an organisation or a combination of units situated at one locality, which is geographically distinct from other units.
<b>FOSFA (Federation of Oils, Seeds and Fats Associations)</b>	Global contract writing body for the international trade in fats and oils. See <a href="http://www.fosfa.org">www.fosfa.org</a>
<b>Fresh Fruit Bunches (FFB)</b>	Bunches of palm fruits as harvested from the trees in the oil palm plantations/farms.
<b>Identity Preserved Palm Oil (IP)</b>	See Annex 1: Identity Preserved Supply Chain Model (IP) of Supply Chain Certification Standards document
<b>Interim Approval Procedure</b>	Pragmatic, intermediate procedure to establish compliance with intent and requirements of the RSPO Supply Chain Certification Systems. See Chapter 5 for more details.
<b>Legal owner</b>	Entity that has an enforceable claim or title to a property, and is recognized as such by law.
<b>Mass Balance (MB)</b>	see Annex 3: Mass Balance Supply Chain Model (MB) of Supply Chain Certification Standards document
<b>Multi-site Certification</b>	A term used for groups of plantations, farms, mills or refineries etc. brought together under a Central Office and administered using an Internal Control System.
<b>Oil Palm Products</b>	Products produced from palm fruits and kernels. Depending on the context of the phrase 'oil palm products' in this document can also refer to products such as shells, palm kernels, palm kernel oil (PKO), palm kernel expeller or products derived thereof, olein, stearin palm fatty acids distillate (PFAD) that are derived from fractionation of CPO.
<b>On-Site Audit</b>	Physical visit to a permanent located facility by a (team of) representative(s) from an RSPO approved certification body.
<b>Origin</b>	Term used in the commodity trade to designate the geographic location/area in which a commodity (in this case CPO) was produced.

<b>Owner</b>	Person or entity that holds physical ownership of goods/plant/building etc.; examples include CPO, olein, stearin, processing facility etc.
<b>Refinery</b>	A refinery is a production facility that processes crude palm oil into products with more value like refined palm oil.
<b>The Roundtable on Sustainable Palm Oil (or RSPO)</b>	The not-for-profit Swiss registered foundation working to improve the sustainability of global palm oil production and use.
<b>RSPO Certified Sustainable Palm Oil (or RSPO- CSPO)</b>	Palm oil produced by a mill and its supply base that has been successfully audited to the RSPO Principles and Criteria by an RSPO approved certification body, as being compliant with the criteria set out in the RSPO Certification Systems document.
<b>RSPO Guidelines on Communication &amp; Claims</b>	Rules for use of communication and claims related to the use or support of RSPO certified palm oil
<b>RSPO IT System</b>	Web-based system for tracing RSPO certified palm oil throughout the supply chain from mill to refinery, under the supply chain models of Mass Balance, Segregation and/or Identity Preserved
<b>Segregation (SG)</b>	see Annex 2: Segregation Supply Chain Model (SG) of Supply Chain Certification Standards document
<b>Seller</b>	see Supplier.
<b>Site:</b>	A single functional unit of an organisation or a combination of units situated at one locality, which is geographically distinct from other units.
<b>String</b>	The situation where several parties are involved in trading the product and take legal ownership of the physical product but do not actually take receipt of the physical product. In this case, the relevant RSPO documents will go directly from the first party in the string [often the shipper] to the final buyer. Although the payment for product follows the full string. The final buyer shall receive documents from the first party just before the arrival of the ship in the port of destination. He then becomes physical owner of the goods and documents.
<b>Supplier (or seller):</b>	The previous commercial entity in the supply chain - the buyer, or customer is the next commercial entity in the supply chain.
<b>Supply Chain</b>	The series of processes/steps through which agricultural raw materials pass from the primary producer through to the end product manufacturer (i.e. palm oil growing, milling, storage, transport, refining, manufacture, end product etc.).

<b>Supply Chain Certification Systems</b>	Downstream processors or users of RSPO certified palm oil can claim the use of (or support of) RSPO certified palm oil when they adhere to the RSPO Supply Chain Certification Systems and this is independently verified by an approved certification body.
<b>Trader</b>	Participant in the supply chain of RSPO-CSPO who purchases and sells palm oil or its derivatives and/or futures.
<b>Unit of Certification</b>	All operators who take legal ownership and physically handle (including receipt into storage tanks) RSPO Certified Sustainable oil palm products need to be RSPO supply chain certified. This requirement applies up to and including the end product manufacturer.

## 5. General Chain of Custody System Requirements for the Supply Chain

### 5.1. Applicability of the General Chain of Custody System Requirements for the supply chain

- 5.1.1. The General Chain of Custody System requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that take legal ownership and physically handle (including receipt into storage tanks) RSPO Certified Sustainable oil palm products. This requirement applies up to and including the end product manufacturer.
- 5.1.2. Either the operator at facility level or its parent company seeking certification shall be a member of the RSPO.<sup>1</sup>

### 5.2. Documented procedures

5.2.1. The facility shall have written procedures and/or work instructions to ensure the implementation of all the elements specified. This shall include at minimum the following:

- Complete and up to date procedures covering the implementation of all the elements in these requirements
- Complete and up to date records and reports that demonstrate compliance with these requirements.
- The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the facility's procedures for the implementation of this standard.

### 5.3. Purchasing and goods in

5.3.1. The facility shall ensure that purchases of RSPO certified palm oil and palm oil products are in compliance with the following:

- The facility shall have documentation that demonstrates that purchases are made to the material category agreed with their supplier (IP, SG, MB) (e.g. specified in purchase orders, contracts, material specifications) The facility receiving RSPO certified oil palm products shall ensure that the products are verified as being RSPO certified. For facilities that are required to announce and confirm trades in the RSPO IT System (all facilities up the final refinery) this shall include making Shipping Announcements and Shipping Confirmations in the RSPO IT System on the level of each shipment.
- A check of the validity of the Supply Chain Certification of suppliers is required for all facilities that are SCCS certified. This shall be checked via the list of RSPO Supply Chain Certified facilities on the RSPO website [www.rspo.org](http://www.rspo.org) or the RSPO IT System within a reasonable timeframe.

5.3.2. The facility shall have a mechanism in place for handling non-conforming material/documents. This mechanism should also be used to take appropriate steps when the Supply Chain certification of a supplier

is found to be invalid.

## **5.4. Outsourcing activities**

- 5.4.1. In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the intent and requirements of the RSPO Supply Chain Standard<sup>2</sup>.
- 5.4.2. Facilities which wish to include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:
- a) The facility has legal ownership of all input material to be included in outsourced processes;
  - b) The facility does not relinquish legal ownership of the materials during outsourced processing;
  - c) The facility has an agreement or contract covering the outsourced process with each contractor through either a signed and enforceable agreement with the subcontractor. The onus is on the facility to ensure that certification bodies have access to the outsourcing contractor or operation if an audit is deemed necessary.
  - d) The facility has a documented control system with explicit procedures for the outsourced process which are shared with the relevant contractor.
  - e) The facility seeking or holding certification shall furthermore ensure (e.g. through contractual
  - f) arrangements) that independent third parties engaged, provide unrestricted access to their respective operations, systems, and any and all information to certification bodies that are duly approved by the RSPO when this is announced in advance.
- 5.4.3. The facility shall record the names and contact details of all contractors used for the processing or production of RSPO certified materials.
- 5.4.4. The facility shall inform its certification body about the names and contact details of any new contractor used for the processing or production of RSPO certified materials.

## **5.5. Sales and goods out**

5.5.1. The facility shall ensure that all sales invoices or relevant documents, e.g. delivery notes, shipping documents and specification documentation, issued for RSPO certified oil palm products delivered include sufficient information, this may include the following:

- The name and address of the buyer;
- The name and address of the seller;
- The loading or delivery date;
- The date on which the documents were issued;
- A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance)

- The quantity of the products delivered;
- Any related transport documentation
- Supply chain certification reference number

## **5.6. Registration**

5.6.1 Supply chain actors who take legal ownership and physically handle RSPO Certified Sustainable oil palm products and who are part of the supply chain of RSPO Certified Sustainable oil palm products before and up to the (final) refinery need to register their transaction in the RSPO IT System upon the moment of physical shipment<sup>3</sup>.

Actors who must register include:

- Palm oil mills producing RSPO certified palm oil and palm kernel oil
- Refineries (The final refinery – the refinery that does not further deliver to other refineries directly or indirectly via traders - only needs to confirm the receipt of shipments; it does not need to do sales announcements)

Actors that do NOT need to register include:

- Traders that are part of a string and therefore legal owners, but do not physically handle the material (the Traceability number will accompany shipping documents)
- All operators after the final refinery, e.g. end product manufacturers and retailers

For definitions of legal owner, refinery, end product manufacturer and string, please see definitions in section 4. For more details on the registration please see the Guidelines on the RSPO IT System.

## **5.7. Training**

5.7.1. The facility shall have a defined training plan, which is subject to on-going review and supported by training records.

5.7.2. The facility shall provide the training for all staff as required to implement the requirements of the Supply Chain Certification Systems.

5.7.3. The facility shall keep records of the training provided to staff in relation to implementation of these requirements.

## **5.8. Claims**

5.8.1. The facility shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules for Communications and Claims.

## 6. Modular requirements

The following section of the standard includes the RSPO Supply Chain system modules. An organization must implement at least one of the modules in addition to the General Chain of Custody Requirements for the Supply Chain above. Several modules can be implemented simultaneously.

The following modules are currently available:

Module A – Identity Preserved

Module B – Segregation

Module C – Mass Balance

Module D – CPO Mills: Segregation

Module E – CPO Mills: Mass Balance

Module F – Multi-site Certification

## **Module A – Identify Preserved**

### **A.1 Processing**

- A.1.1 The facility can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance -> Non RSPO certified oil palm products.
- A.1.2 The facility shall assure that the RSPO certified palm product is uniquely identifiable to a single mill and its supply base and is kept physically isolated from all other oil palm sources in its facility. The systems shall guarantee the minimum standard of 95 % segregated physical material.
- A.1.3 The facility shall assure and verify through clear procedures and record keeping that the RSPO certified oil palm product is kept segregated from non-certified material including during transport and storage and be able to demonstrate that it has taken all reasonable measures to ensure that contamination is avoided. The objective is for 100 % segregated material to be reached. The systems should guarantee the minimum standard of 95 % segregated physical material<sup>4</sup>; up to 5 % contamination is allowed

### **A.2 Record keeping**

- A.2.1 The facility shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these requirements.
- A.2.2 Retention times for all records and reports shall be at least five (5) years.
- A.2.4 The following trade names shall be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. \*product name\*/IP or Identity Preserved. The supply chain model used should be clearly indicated.
- A.2.5 The facility shall provide documented proof that the RSPO certified oil palm product can be traced back entirely to the palm oil mill.

## **Module B – Segregation**

### **B.1 Processing**

- B.1.1 The facility can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance -> Non RSPO Certified Palm Product
- B.1.2 The facility shall assure and verify through clear procedures and record keeping that the RSPO certified palm product is kept segregated from non-certified material including during transport and storage and be able to demonstrate that it has taken all reasonable measures to ensure that contamination is avoided. The objective is for 100 % segregated material to be reached. The systems shall guarantee the minimum standard of 95 % segregated physical material<sup>5</sup>; up to 5 % contamination is allowed.

### **B.2 Record keeping**

- B.2.1 The facility shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these requirements.
- B.2.2 Retention times for all records and reports shall be at least five (5) years
- B.2.4 The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. \*product name\*/SG or Segregated. The supply chain model used should be clearly indicated.
- B.2.5 The facility shall provide documented proof that the RSPO certified oil palm product can be traced back to only certified segregated material.

## **Module C – Mass Balance**

### **C.1 Processing**

C.1.1 The facility can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance -> Non RSPO Certified Oil Palm Products.<sup>6</sup>

### **C.2 Record keeping**

C.2.1 The facility shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these requirements.

C.2.2 Retention times for all records and reports shall be at least five (5) years.

C.2.4 The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. \*product name\*/MB or Mass Balance. The supply chain model used should be clearly indicated.

### **C.3 Mass balancing system**

C.3.1 The facility shall ensure that the quantity of physical RSPO mass balance material inputs and outputs (volume or weight) at the physical site are monitored on a real-time basis.

C.3.2 The facility shall ensure that the internal material accounting system complies with the following;

- a facility can only deliver Mass Balance sales from a positive stock.
- a facility is allowed to sell short

C.3.3 RSPO data is valid from the date it was first recorded in the material accounting system. The RSPO data shall always be valid until the data has been allocated to outputs supplied by the organization. Facilities allocate mass balance claims to products going out, ensuring that the input matches the output, as specified in Annex 3.

- C.3.4 All volumes of palm oil fractions and derivatives that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO, with the exception of the option detailed in C.3.5, below. PFAD and other refining losses are neglected for the sake of simplicity in the Mass Balance system<sup>8</sup>.
- C.3.5 Facilities can purchase a certain volume of segregated sustainable palm and palm kernel products and use it to match the sales of equal volumes of palm product derivatives that then carry a Mass Balance claim without requiring a physical or chemical link between the acquired segregated product and the derivative that is sold under mass balance. Note: Segregated palm oil products cannot be used to offset mass balance claims on palm kernel products or vice versa.

## **Module D – CPO Mills: Segregation**

Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill, the implementation of any processing controls (for example, if segregation is used), and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without segregating the material then only Module E is applicable.

The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body in the public summary of the certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.

The mill must also meet all registration and reporting requirements for the appropriate supply chain under the approved RSPO supply chain managing organisation (RSPO IT System or Greenpalm).

### **D.1 Documented procedures**

D.1.1 The facility shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:

- a) Complete and up to date procedures covering the implementation of all the elements in these requirements
- b) The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the facilities procedures for the implementation of this standard.

D.1.2 The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.

### **D.2 Purchasing and goods in**

D.2.1 The facility shall verify and document the volumes of certified and non-certified FFBs received.

D.2.2 The facility shall inform the CB immediately if there is a projected overproduction.

### **D.3 Record keeping**

D.3.1 The facility shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these requirements.

- D.3.2 Retention times for all records and reports shall be at least five (5) years.
- D.3.3 The facility shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO, PKO and palm kernel meal on a three-monthly basis.
- D.3.4 The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. \*product name\*/SG or Segregated. The supply chain model used should be clearly indicated.

## D.4 Sales and good out

- D.4.1 The facility shall ensure that all sales invoices issued for RSPO certified products delivered include the following information:
- a) The name and address of the buyer;
  - b) The date on which the invoice was issued;
  - c) A description of the product, including the applicable supply chain model (Segregated)
  - d) The quantity of the products delivered;
  - e) Reference to related transport documentation.

## D.5 Processing

- D.5.1 The facility shall assure and verify through clear procedures and record keeping that the RSPO certified palm oil is kept segregated from non-certified material including during transport and storage and be able to demonstrate that it has taken all reasonable measures to ensure that contamination is avoided. The objective is for 100 % segregated material to be reached. The systems should guarantee the minimum standard of 95 % segregated physical material<sup>9</sup>; up to 5 % contamination is allowed.
- D.5.2 The facility shall provide documented proof that the RSPO certified palm oil can be traced back to only certified segregated material.
- D.5.3 In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that:
- The crush operator conforms to these requirements for segregation
  - The crush is covered through a signed and enforceable agreement

## **D.6 Training**

D.6.1 The facility shall provide the training for all staff as required to implement the requirements of the Supply Chain Certification Systems.

## **D.7 Claims**

D.7.1 The facility shall only make claims regarding the use of or support of RSPO certified palm oil that are in compliance with the RSPO Rules for Communication and Claims.

## **Module E – CPO Mills: Mass Balance**

Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB. The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body in the public summary of the certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.

The mill must also meet all registration and reporting requirements for the appropriate supply chain under the approved RSPO supply chain managing organisation (RSPO IT System or GreenPalm).

### **E.1 Documented procedures**

E.1.1 The facility shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:

- a) Complete and up to date procedures covering the implementation of all the elements in these requirements
- b) The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the facilities procedures for the implementation of this standard.

E.1.2 The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.

### **E.2 Purchasing and goods in**

E.2.1 The facility shall verify and document the volumes of certified and non-certified FFBs received.

E.2.2 The facility shall inform the CB immediately if there is a projected overproduction.

### **E.3 Record keeping**

E.3.1 The facility shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these requirements.

E.3.2 Retention times for all records and reports shall be at least five (5) years.

- E.3.3
- a) The facility shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO, PKO and palm kernel meal on a three-monthly basis.
  - b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.
  - c) The facility can only deliver Mass Balance sales from a positive stock. However, a facility is allowed to sell short.
- E.3.4 The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. \*product name\*/MB or Mass Balance. The supply chain model used should be clearly indicated.
- E.3.3 In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.

## **E.4 Sales and good out**

- E.4.1 The facility shall ensure that all sales invoices issued for RSPO certified products delivered include the following information:
- a) The name and address of the buyer;
  - b) The date on which the invoice was issued;
  - c) A description of the product, including the applicable supply chain model (Segregated or Mass Balance)
  - d) The quantity of the products delivered;
  - e) Reference to related transport documentation.

## **E.5 Training**

- E.5.1 The facility shall provide the training for all staff as required to implement the requirements of the Supply Chain Certification Systems.

## **E.6 Claims**

- E.6.1 The facility shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules for Communications and Claims.

## **Module F – Multi-site Certification**

### **F.1 Scope**

F.1.1 The company shall define the geographic area, the number and identity of facilities, the supply chain model and the types of operations covered by the scope of their multi-site chain of custody system. Mass balance accounting can only be done at facility level.

### **F.2 Responsibilities**

F.2.1 The operational units shall demonstrate that they are part of the same Central Office.

F.2.2 The Central Office shall justify the grouping of operational units into sets.

F.2.3 The Central Office shall have a centrally administered and documented Internal Control System (ICS) for the management and implementation of the RSPO chain of custody requirements.

F.2.4 The Central Office shall appoint a management representative with overall responsibility for ensuring that all operational units comply with the RSPO chain of custody requirements.

F.2.5 The Central Office will have a procedure for raising corrective actions when it is found that an operation unit is not in compliance with the RSPO SCCS.

F.2.6 The Central Office shall have the authority to remove participating sites from the scope of the multi-site system if the requirements of participation, or any corrective actions issued by the certification body or by the company itself, are not complied with by the participating site(s).

### **F.3 Training**

F.3.1 As part of the ICS, the Central Office shall establish and implement training for participating sites to cover all applicable requirements of the RSPO multi-site chain of custody.

### **F.4 Record keeping**

F.4.1 The Central Office shall maintain centralized accurate, complete, up-to-date and accessible records for all participating sites and shall be responsible for maintaining reports covering all aspects of the RSPO multi-site requirements.

F.4.2 The ICS shall determine and prepare which common management documents are applicable to all operational units.

F.4.3 The ICS shall determine which site specific documents are required at each operational unit.

F.4.4 The ICS shall keep all documents and records for a minimum period of 5 years.

## **F.5 Internal audits**

- F.5.1 The Central Office shall conduct at least annual internal audits of each participating site to ensure compliance with the multi-site chain of custody requirements.
- F.5.2 Non-conformances found as part of the internal audit shall be issued corrective action requests.
- F.5.3 The results of the internal audits and all actions taken to correct non compliances will be available to the certification body upon request.
- F.5.4 The outcomes of the internal audit programme shall be subject to review by top management at least annually.

## **F.6 Claims**

- F.6.1 The ICS shall be responsible for ensuring that all uses of the RSPO logo and all RSPO claims regarding the end product are in accordance with RSPO requirements through its central control point.

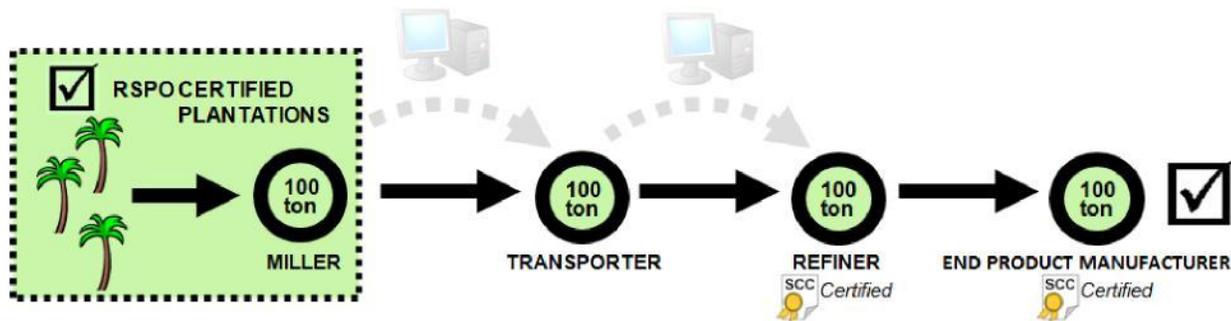
## Annex 1 Identity Preserved (IP)

### Definition

The Identity Preserved (IP) supply chain model assures that the RSPO certified oil palm products delivered to the end user is uniquely identifiable to a single mill and its supply base and is kept physically isolated from all other oil palm sources throughout the supply chain (including other segregated RSPOCSPO sources).

### Explanation

The IP supply chain model requires that the grower, refiner, and supply chain maintains full separation and full traceability through to the delivery point at the end user. The end user will be assured that all of the physical palm oil received has come from a single uniquely identifiable RSPO certified mill and its supply base and meets all of the required elements of the certification program.



### Supply Chain Requirements

The basis of the supply chain requirements for IP requires proof of separation and full traceability of the RSPO CSPO and its derivatives throughout the supply chain originating at the and ending with the final user of the oil. The facility must ensure that the RSPO CSPO is kept physically isolated from all other palm oil sources and is unique identifiable to the mill and its supply base.

### Market Claim:

See latest RSPO Rules on Communication and Claims

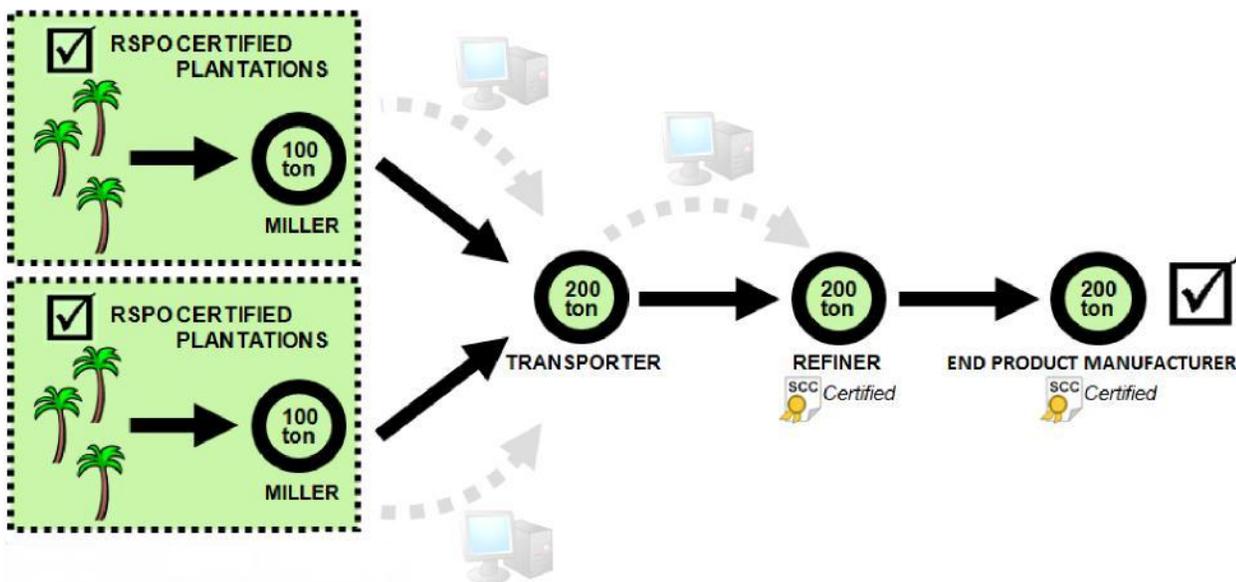
## Annex 2 Segregation (SG)

### Definition:

The Segregation supply chain model assures that RSPO certified oil palm products delivered to the end user comes only from RSPO certified sources. It permits the mixing of RSPO certified palm oil from a variety of sources.

### Explanation:

The Segregation supply chain model assures that all of the physical product has originated from RSPO certified estates/plantations. However, the physical oil will not be uniquely identified to a specific estates/plantation as in the case of Identity Preserved.



### Supply Chain Requirements:

The Segregation approach requires that the RSPO certified palm oil from estates/plantations is kept separate from material from non-RSPO certified estates/plantations at every stage of production, processing, refining and manufacturing throughout the supply chain. This model does allow for the mixing of RSPO certified palm oil and its derivatives from various sources. Therefore the physical oil delivered to the end user will not be fully traceable to the specific mill and its supply base

### Market Claim:

See latest RSPO Rules on Communication and Claims

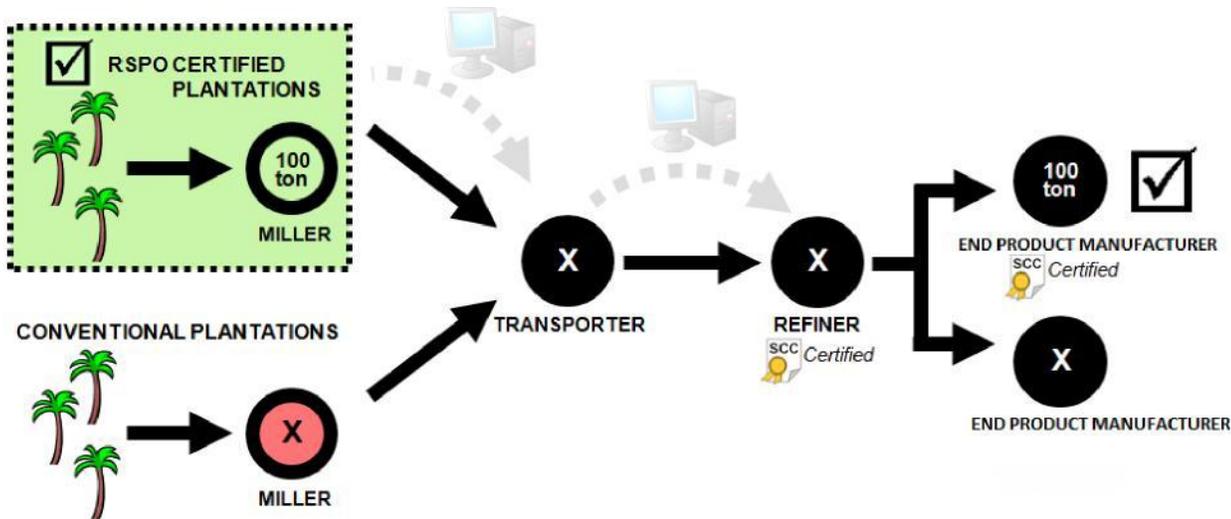
## Annex 3 Mass Balance (MB)

### Definition:

The mass balance supply chain model administratively monitors the trade of RSPO certified oil palm products throughout the entire supply chain, as a driver for mainstream trade in sustainable palm oil.

### Explanation:

The mass balance supply chain model allows everyone within the supply chain to demonstrate their commitment to sustainable palm oil production and to actively promote the trading of RSPO certified palm oil. This stimulates trading of certified product and will encourage industry to set up segregated supply chains and reach a mainstream level of sustainable palm oil trade. The mass balance system allows for mixing of RSPO and non-RSPO certified palm oil at any stage in the supply chain provided that overall facility quantities are controlled.



Facilities can now purchase a certain volume of segregated sustainable palm and palm kernel products and use it to match the sales of equal volumes of palm product derivatives that then carry a Mass Balance claim without requiring a physical or chemical link between the acquired segregated product and the derivative that is sold under mass balance. Note: Segregated palm oil products cannot be used to offset mass balance claims on palm kernel products or vice versa. Note: This is not acceptable practice for EU biofuels.

### Supply Chain Requirements:

The basis of the supply chain requirements for mass balance will consist of reconciliation between quantity of RSPO material bought and the quantity of RSPO material sold. This includes control of purchases and sales of RSPO certified palm oil and its derivatives which will be independently verified. There will be no requirements for separate storing or controls in the production process.

## **Market Claim:**

See latest RSPO Rules on Communication and Claims

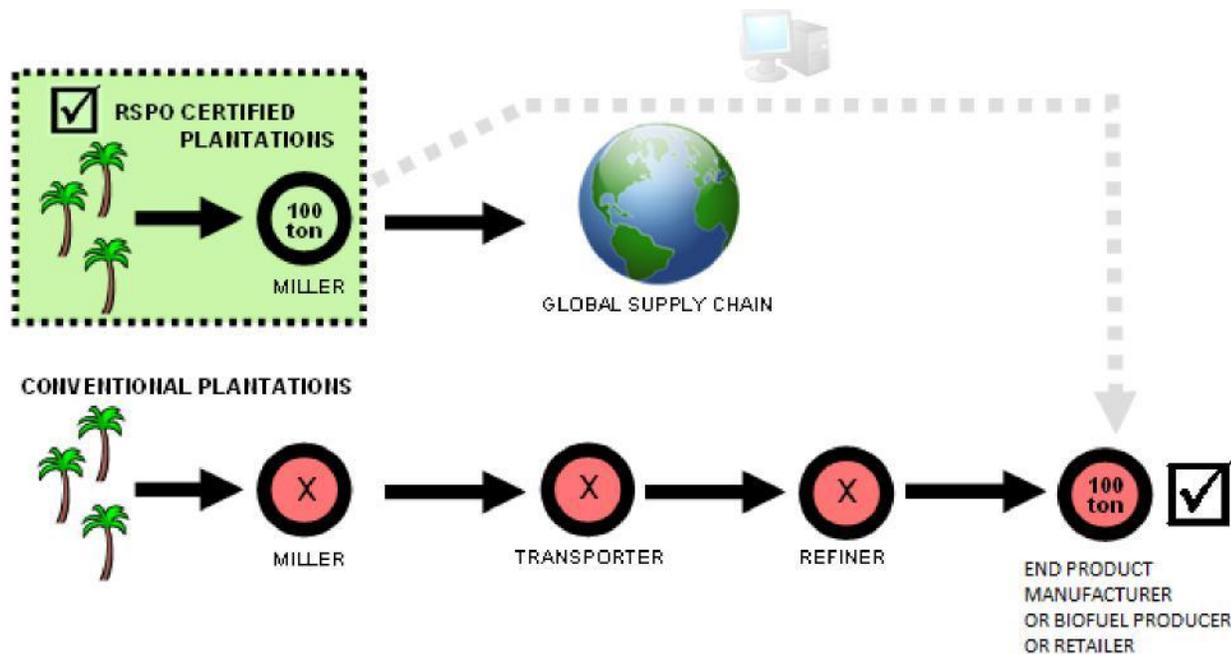
## Annex 4 Book and Claim (BC)

### Definition

The Book and Claim supply chain model provides tradable certificates for RSPO certified palm oil to the palm oil supply base. The supply base may then offer these certificates on a web based transaction system to end users who choose to support specific volumes of RSPO certified palm oil and or their derivatives.

### Explanation:

The book and claim system allows for the transfer of RSPO certified palm oil volume credits from the mill and its supply base to the end user independently of the physical supply chain. The end user buys an equivalent amount of volume credits to the oil they buy in from their existing physical supply chain. The RSPO certified mill sells an equivalent volume of Crude Palm Oil, to the volume credits received, into their existing supply chain as conventional CPO.



### Supply Chain Requirements:

Volume credits can only be introduced into the system by RSPO certified mills and their supply base up to the annual output of the certification unit. Volume credits are traded electronically directly to end users so there are only traceability requirements for the end product-manufacturer. These requirements are designed to ensure that all palm oil and/or its derivatives that are claimed to be sustainable under this supply chain model are indeed covered by sustainable certificates.

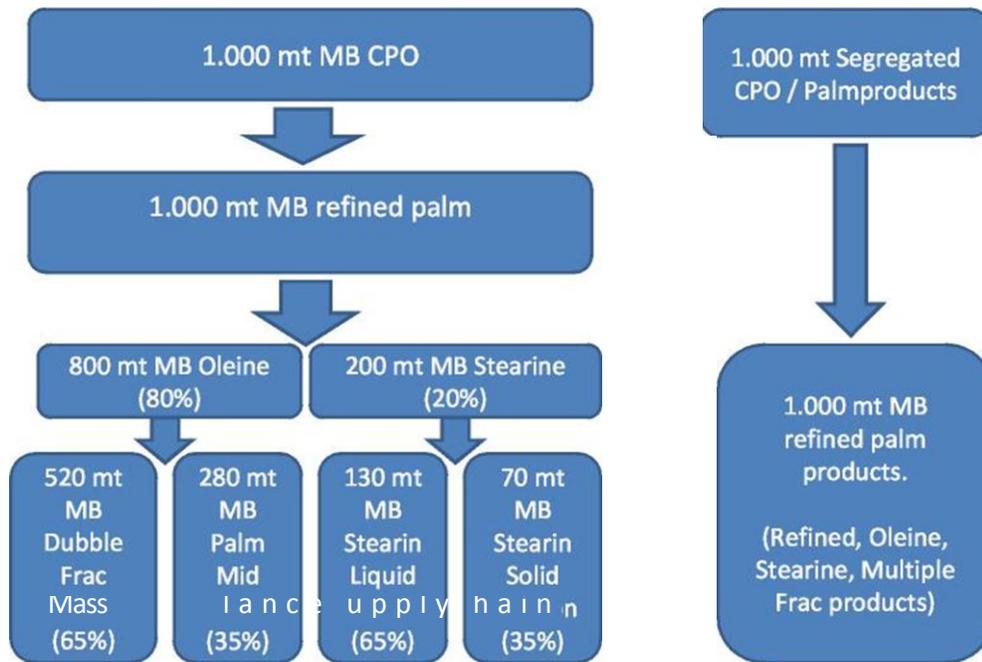
## **Market Claim:**

See latest RSPO Rules on Communication and Claims

## Annex 5 Yield Schemes

### Mass Balance Supply Chain Model Yield Scheme

The values shown in the Mass Balance Supply Chain Model below are fixed and cannot be modified.



## Segregated Supply Chain Model Yield Scheme

The percentages in the Segregated Supply Chain Model below are indicative and operators may adjust the values within a bandwidth of + and - 2%.



(agreed upon values by RSPO's Trade & Traceability Working Group)

## Palm Kernel Mass Balance Yield Scheme

Companies that purchase Mass Balance sustainable palm kernel products shall use the following harmonized yield scheme to calculate how much Mass Balance sustainable products they can sell or claim:

100 mt palm kernels > 45 mt palm kernel oil > 15.8 mt PKO stearin + 29.2 mt PKO olein.

Companies that purchase segregated sustainable palm kernel products can choose either of two options to calculate how much sustainable palm kernel products they can sell or claim:

1. Apply the Segregated claim to all subsequent derivatives;
2. Use the purchase of segregated palm kernel products to offset sales of equal volumes of specific Mass Balance palm kernel derivatives (not necessarily derived from the segregated product acquired).