RSPO
Supply Chain
Certification Standard

For organizations seeking or holding certification

Adopted by the RSPO Board of Governors on 21 November 2014

Contents

1. Introduction

1.1   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 models for verification of responsible oil palm production. The RSPO Standard for Sustainable Oil Palm Production, approved in April 2013, 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 (SCCS). This document describes requirements related to the control of RSPO certified oil palm products in the supply chain, including flows of material and associated claims.

This RSPO Supply Chain Certification Standard is presented as a series of auditable requirements, designed for use by organizations 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 accredited certification body (see RSPO Supply Chain Certification Systems document).

2. Scope

The oil palm products may go through many production and logistical stages between the grower and the product. The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. Any oil palm product can be traded through one of four supply chain models that are approved by RSPO:

- Identity Preserved
- Segregated
- Mass Balance
- Book and Claim (see Annex 1)

For the first three of these, supply chain controls from the mills 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 models.

Users of the RSPO book and claim system, who are not producers, need to show:

- Compliance with the rules for use of the RSPO book and claim system;
- That claims made are in accordance with the published RSPO rules on market communications and claims.

3. How to use this document

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

- *General Chain of Custody Requirements for the Supply Chain,* which apply to all organizations in the supply chain, with the exception of Crude Palm Oil (CPO) mills. The CPO mills need to comply with Module D and/or E.
- *Supply chain models – Modular requirements* for each supply chain model, for all oil palm products. These set out the differing requirements which apply for each of the different supply chain models applicable to organizations in the supply chain.

Independent mills need only an SCC certificate and must comply with the relevant parts of this Standard including Modules A or C. For CPO mills, during the P&C audit, Module D and/or E must be implemented. For all other organizations, including palm kernel crushing plants, Module A, B and/or C must be implemented. One or more of these may be implemented in conjunction.

The supply chain certification audit only covers the module(s) that the organization has implemented. The module(s) which have been covered by the audit will be indicated on the supply chain certificate. The module(s) must be applied in addition to the *General Chain of Custody Requirements for the Supply Chain*. The specific modules are:

Module A – Identity Preserved

Module B – Segregation

Module C – Mass Balance

Module D – CPO Mills: Identity Preserved

Module E – CPO Mills: Mass Balance

Module F – Multi-site Certification

Module G – Group Certification

For RSPO-RED certification guidance documents refer to the RSPO website www.rspo.org

4. Definitions

Accreditation Body (AB)	Organization responsible for auditing RSPO certification bodies against the requirements of *ISO/IEC Guide 17065:2012*. The organization must be a signatory to the appropriate International Accreditation Forum (IAF) or Multilateral Recognition Arrangement (MLA), or a full member of the International Social and Environmental Accreditation and Labelling Alliance (ISEAL).
Applicant (or Client)	The operation seeking or holding certification.
Audit	Independent evaluation of compliance with the requirements of the RSPO supply chain certification standard by an RSPO accredited certification body as part of the certification process.
Book and Claim (BC)	The book and claim system allows for the transfer of RSPO certified oil palm actors in the supply chain. See Annex 1: Book and Claim (BC) for oils and fats.
Bulking Station	Interim storage facility for oil palm products.
Buyer	The next commercial entity in the supply chain; the supplier (or seller) is the previous commercial entity in the supply chain.
Certification Body (CB)	An independent body that is accredited by RSPO to conduct certification audits against the requirements of the RSPO Supply Chain Certification Standard.
Claim	Any communication to any stakeholder group in any format of the presence of certified sustainable oil palm product in a specific product or product groups.
Code of Conduct	The RSPO Code of Conduct is a set of requirements that RSPO members are expected to abide by. The Code can be found on the RSPO website (www.rspo.org)
Complaints Procedure	The RSPO complaints system addresses complaints against RSPO and its members in a manner reflecting the nature, mission and goals of RSPO. See the RSPO website (www.rspo.org)

Crude Palm Oil (CPO)	First stage palm oil product produced from fresh fruit bunches (FFB) at a mill.
Despatch	A transfer of ownership from one organization to another.
End Product	Product that will have no further repackaging or processing prior to sale to the final consumer.
End Product Manufacturer	The manufacturer/processor that uses oil palm products for manufacturing products designed and intended for consumption or end use in any way without further repackaging or processing. For example retailers when producing own label products in house, consumer goods manufacturers, biofuel producers, feed product manufacturers. Retailers and distributors of end products, where no further modification occurs, do not need Supply Chain Certification.
Fresh Fruit Bunches (FFB)	Bunches of palm fruits as harvested from oil palm plantations/farms.
Group Certification	An option for RSPO Supply Chain Certification whereby the direct costs of certification are shared between the eligible members of a group.
Identity Preserved Palm Oil (IP)	The Identity Preserved (IP) supply chain model assures that the RSPO certified oil palm product delivered to the end user is uniquely identifiable to a single RSPO certified mill and its certified supply base.
Independent Mill	A mill operating independently of and with no legal relationship to any specific plantation. This includes through parent or sister companies.
Internal Control System (ICS)	A documented set of procedures and processes that defines how a supply chain certification system works, ensures that records are maintained, records internal audits and explains responsibilities. It defines which standards are applicable and ensures that non-compliances are dealt with according to a set of procedures and sanctions.
Legal Owner	Entity that has an enforceable claim or title to a property, and is recognized as such by law.

Mass Balance (MB)	Supply chain model that allows certified claims to be transferred from one oil palm product to another either through physical blending or administratively under strictly controlled circumstances.
Multi-site Certification	A certification option for a group of sites that have a contractual link, a defined Central Office and a minimum of two participating sites. Such sites may be groups of plantations, farms, mills or refineries etc, brought together under a Central Office and administered using an Internal Control System (ICS). Central Offices that also process are counted as both Central Office and a participating site.
Non-certified Plantations	Mills and their respective supply bases that have not been certified by an RSPO accredited certification body.
Oil Palm Products	Products produced by the oil palm, including its fruits and kernels. Depending on the context, the phrase 'oil palm products' in this document can also refer to products such as shells, palm kernels, palm kernel expeller, palm kernel oil (PKO) or products derived thereof, palm (kernel) fatty acids (P(K)FAD), olein, stearin or products that are derived from fractionation of CPO.
On-site Audit	Physical visit to a permanent located site by a (team of) representative(s) from an RSPO accredited certification body.
Owner	Person or entity that holds physical ownership of goods/plant/building etc.
Physical Handling	Receipt, storage and despatch or a combination of these where there is a risk of mixing certified and non-certified product.

Processing Aids	a) Substances that are added to a food during the processing of such food but are removed in some manner from the food before it is packaged in its finished form. b) Substances that are added to a food during processing, are converted into constituents normally present in the food, and do not significantly increase the amount of the constituents naturally found in food. c) Substances that are added to a food for their technical or functional effect in the processing but are present in the finished food at insignificant levels and do not have any technical or functional effect in that food.
Receiving	Receipt of RSPO certified product at a site under the control of the organization (includes outsourced contractors).
Refinery	A production site that processes fats and oils into higher value fats and oils.
The Roundtable on Sustainable Palm Oil (or RSPO)	The not-for-profit Swiss-registered foundation working to improve the sustainability of global palm oil production and use.
RSPO Certified Sustainable Palm Oil (or RSPO CSPO)	Palm oil produced by a mill and its supply base that has been successfully audited to the RSPO Principles and Criteria by an RSPO accredited certification body, as being compliant with the criteria set out in the RSPO Certification Systems document.
RSPO Rules on Communication and Claims	Rules for use of communication and claims related to the use or support of RSPO certified oil palm products.
RSPO IT Platform	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.
Scope	The activities covered by the organization's supply chain certification.

Segregation (SG)	The Segregation (SG) supply chain model assures that RSPO certified oil palm products delivered to the end user come only from RSPO certified sources.
Short Selling	Entering into a forward contract to supply product that has not yet been received.
Site	A single functional unit of an organization or a combination of units situated at one locality, which is geographically distinct from other units.
Supplier (or seller)	The previous commercial entity in the supply chain; the buyer (or customer) is the next commercial entity in the supply chain.
Supply Chain	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).
Supply Chain Certification Systems	Downstream processors or users of RSPO certified oil palm products can claim the use of (or support of) RSPO certified oil palm products when they adhere to the RSPO Supply Chain Certification Systems and where this is independently verified by an accredited certification body.
Trader	Participant in the supply chain of RSPO certified oil palm products which purchases and sells oil palm products, derivatives and/or futures without physically handling the oil palm products.

5. General chain of custody requirements for the supply chain

5.1 Applicability of the general chain of custody requirements for the supply chain

5.1.1   The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer there is no further requirement for certification.

5.1.2   Traders and distributors require a licence obtained from RSPO to sell RSPO certified product but do not themselves require certification. When selling RSPO certified product a licensed trader and/or distributor must pass on the certification number of the product manufacturer and the applicable supply chain model.

5.1.3   Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform.

5.1.4   Processing aids do not need to be included within an organization's scope of certification.

5.2 Supply chain model

5.2.1   The site 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.

5.3 Documented procedures

5.3.1   The site shall have written procedures and/or work instructions to ensure the implementation of all elements of the applicable supply chain model specified. This shall include at minimum the following:

- Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements.

- Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records).

- Identification of the role 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 organization's procedures for the implementation of this standard.

5.4 Purchasing and goods in

5.4.1   The receiving site shall ensure that purchases of RSPO certified palm oil and oil palm products are in compliance with the following:

- The site 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 site receiving RSPO certified oil palm products shall ensure that the products are verified as being RSPO certified. For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements and Shipping Confirmations on the RSPO IT platform on the level of each shipment. Refer to section 5.7.1 of this document for further guidance.

- A check of the validity of the Supply Chain Certification of suppliers is required for all sites that are SC certified. This shall be checked via the list of RSPO Supply Chain Certified sites on the RSPO website (www.rspo.org) at least annually.

5.4.2   The site shall have a mechanism in place for handling non-conforming material and/or documents.

5.5 Outsourcing activities

5.5.1   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 requirements of the RSPO Supply Chain Certification Standard.

This requirement should not apply to outsourced storage facilities where the management of the oil palm product(s) and instructions for tank movements are controlled by the organization (not the tank farm manager).

5.5.2　Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:

    a) The site has legal ownership of all input material to be included in outsourced processes;

    b) The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary.

    c) The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.

    d) The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance.

5.5.3　The site shall record the names and contact details of all contractors used for the processing or production of RSPO certified materials.

5.5.4　The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or production of RSPO certified materials.

5.6 Sales and goods out

5.6.1　The organization shall ensure that the following minimum information for RSPO certified products is made available in document form. Information must be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation):

- 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 or the approved abbreviations);
- The quantity of the products delivered;
- Any related transport documentation;
- Supply chain certificate number;
- A unique identification number.

5.7 Registration of transactions

5.7.1   Supply chain actors who:

- are supply chain actors between the mill and final refinery;
- take legal ownership and physically handle RSPO Certified Sustainable oil palm products; and
- are part of the supply chain of RSPO Certified Sustainable oil palm products

must register their transaction in the RSPO IT platform at the time of physical shipment as required by the rules set by RSPO.

5.8 Training

5.8.1   The organization shall have a defined training plan, which is subject to on-going review and is supported by records of the training provided to staff.

5.8.2   Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification system. Training shall be specific and relevant to the task(s) performed.

5.9 Record keeping

5.9.1   The site shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification requirements.

5.9.2   Retention times for all records and reports shall be a minimum of two (2) years and must comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock.

5.9.3   The organization must keep an up to date record of the volume of RSPO certified oil palm products purchased and claimed over a specified period.

5.10 Conversion factors

5.10.1   Where applicable a conversion rate must be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which must be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website (www.rspo.org). This is in particular relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries. The guidance document for oleochemicals is available on the RSPO website (www.rspo.org).

5.10.2   Conversion rates shall be periodically tested to ensure accuracy against actual performance or industry average if appropriate.

5.11 Claims

5.11.1   The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO rules on communications and claims.

5.12 Complaints

5.12.1   The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.

5.13 Management review

5.13.1   The organization is required to hold management reviews at planned intervals appropriate to the scale and nature of the activities undertaken.

5.13.2   The input to management review shall include information on:

- Results of audits
- Customer feedback
- Process performance and product conformity
- Status of preventive and corrective actions
- Follow-up actions from management reviews
- Changes that could affect the management system
- Recommendations for improvement.

5.13.3   The output from the management review shall include any decisions and actions related to:

- Improvement of the effectiveness of the management system and its processes
- Resource needs.

6. Supply chain models – modular requirements

The following section of the standard sets out the RSPO Supply Chain models, presented separately as Modules A to G. An organization must implement at least one of the modules in addition to the General Chain of Custody Requirements for the Supply Chain set out at section 5 above.

Several modules can be implemented simultaneously. All organizations must implement at least one of A, B or C. Module F or G cannot be implemented on their own.

The following modules currently available are:

Module A – Identity Preserved

Module B – Segregation

Module C – Mass Balance

Module D – CPO Mills: Identity Preserved
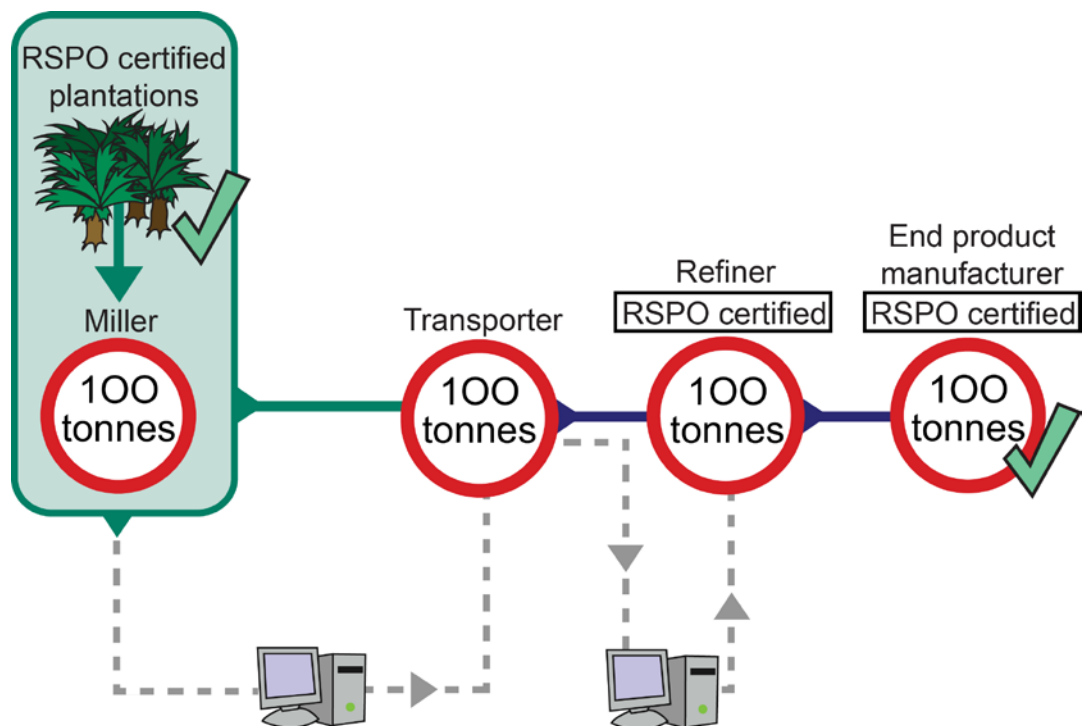
Module E – CPO Mills: Mass Balance

Module F – Multi-site Certification

Module G – Group Certification

Module A – Identity Preserved (IP)

A.1 Definition

A.1.1   The Identity Preserved (IP) supply chain model assures that the RSPO certified oil palm product delivered to the end user is uniquely identifiable to a single RSPO certified mill and its certified supply base. All supply chain participants must ensure that the RSPO certified oil palm product is kept physically isolated from all other oil palm sources throughout the supply chain (including other RSPO CSPO sources).

A.2 Supply chain requirements

A.2.1   The site must ensure that the RSPO IP oil palm product is kept physically isolated from all other palm oil sources and is uniquely identifiable to a single RSPO certified mill and its certified supply base.
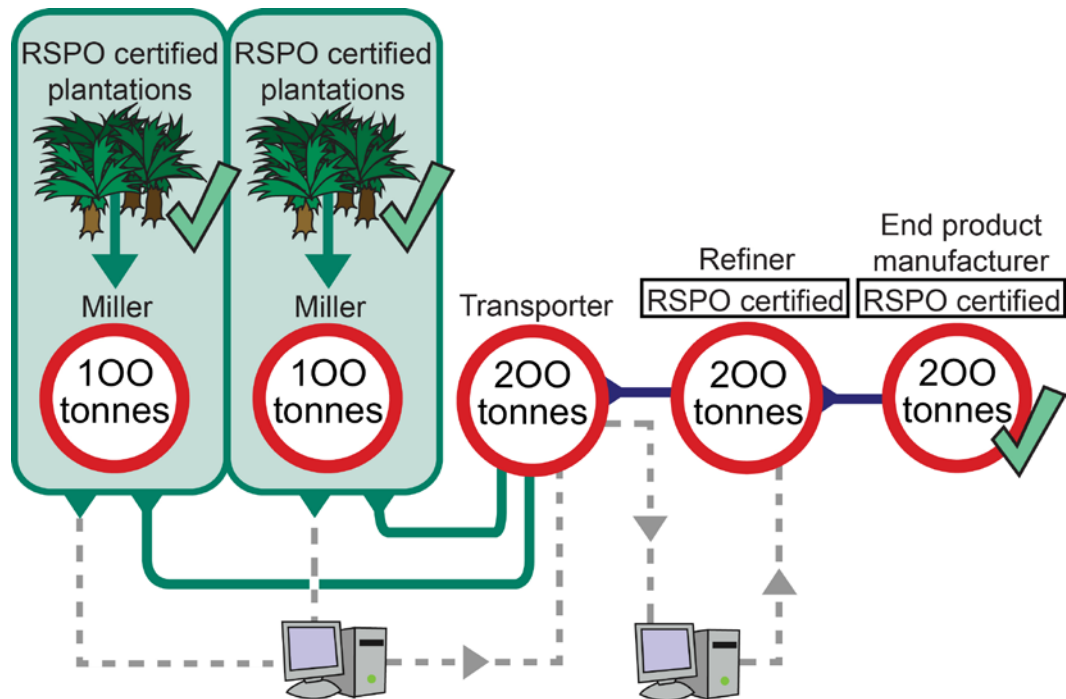
A.3 Processing

A.3.1   The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept separate from non-certified material and material from other certified mills, including during transport and storage.

A.3.2   The objective is for 100% identity preserved (IP) material to be reached.

Module B – Segregation (SG)

B.1 Definition

B.1.1   The Segregation (SG) supply chain model assures that RSPO certified oil palm products delivered to the end user come only from RSPO certified sources. It permits the mixing of RSPO certified palm oil from a variety of sources.

B.2 Supply chain requirements

B.2.1   The Segregation approach requires that the RSPO certified oil palm products from certified 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.

B.3 Processing

B.3.1   The site 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.

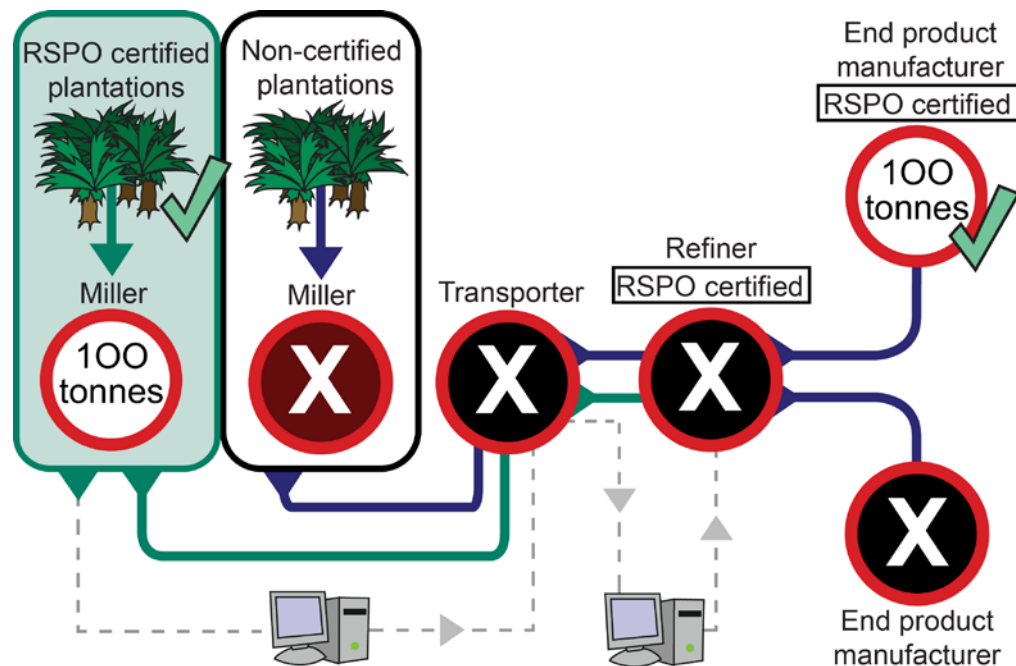B.3.2   The objective is for 100% segregated material to be reached.

Module C – Mass Balance (MB)

C.1 Definition

C.1.1   The Mass Balance (MB) 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. MB can only be operated at site level (mass balance credits cannot be transferred from site to site).

The Mass Balance supply chain model allows each participant within the supply chain to demonstrate their commitment to sustainable palm oil production and to actively promote the trading of RSPO certified palm oil.

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 site quantities are controlled.

C.2 Supply chain requirements

The basis of the supply chain requirements for Mass Balance will consist of reconciliation between the 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 are no requirements for separate storing or controls in the production process.

C.3 Processing

C.3.1   The site shall ensure that the quantity of physical RSPO mass balance material inputs and outputs (volume or weight) at the physical site are monitored.

C.3.2   The site shall ensure that the output of RSPO mass balance material supplied to customers from the physical site does not exceed the input of RSPO certified material received at the physical site, using either a continuous accounting system or a fixed inventory period.
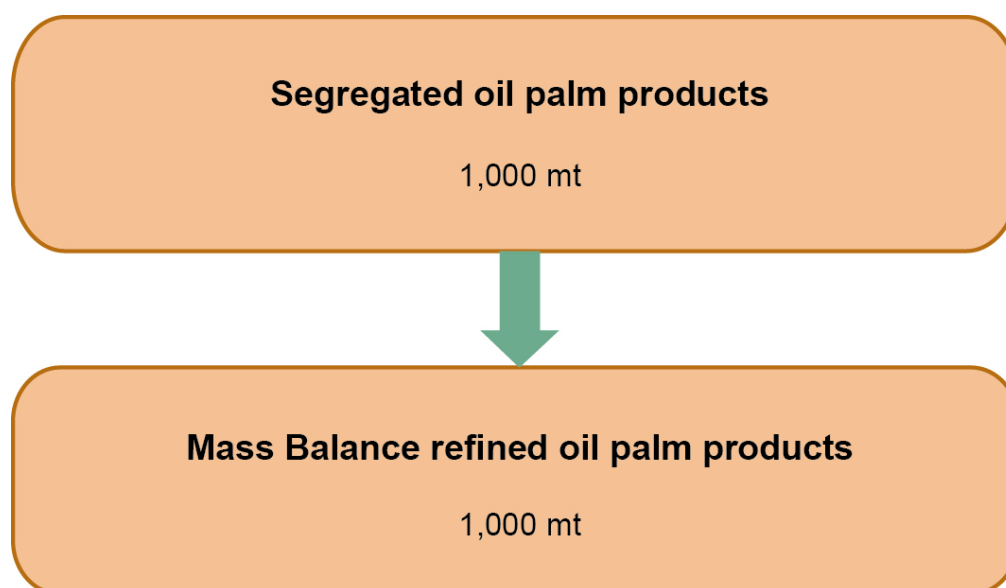
C.4 Continuous accounting system

C.4.1   Where a continuous accounting system is in operation, the organization shall ensure that the quantity of physical RSPO mass balance material inputs and outputs at the physical site are monitored on a real-time basis.

C.4.2   Where a continuous accounting system is in operation, the organization shall ensure that the material accounting system is never overdrawn. Only RSPO data which has been recorded in the material accounting system shall be allocated to outputs supplied by the organization.

C.5 Fixed inventory periods

C.5.1   Where a fixed inventory period is in operation, the organization shall ensure that the quantity of RSPO mass balance material inputs and outputs (volume or weight) are balanced within a fixed inventory period which does not exceed 3 (three) months.

C.5.2   Where a fixed inventory period is in operation, the organization may overdraw data when there is evidence that RSPO mass balance purchases for delivery within the inventory period cover the RSPO output quantity supplied.

C.5.3   Where a fixed inventory period is in operation, unused credits can be carried over and recorded in the material accounting system for the following inventory period.

C.5.4   Where a fixed inventory period is in operation, the organization shall ensure that the material accounting system is not overdrawn at the time of the inventory. Only RSPO data which has been recorded in the material accounting system within the inventory period (including data carried over from the previous period as per C.5.3) shall be allocated to outputs supplied within the inventory period.

C.6 Conversion ratios

C.6.1   All volumes of palm oil fractions and derivatives that are delivered are deducted from the material accounting system according to conversion ratios as set out by RSPO (see section 5.10), with the exception of the option detailed in C.6.3.

C.6.2   Refining losses are neglected for the sake of simplicity in the Mass Balance system.

C.6.3   Sites can purchase a certain volume or weight of identity preserved or 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.

C.6.4   Segregated to Mass Balance Supply Chain Model Yield Scheme

Segregated oil palm products

1,000 mt

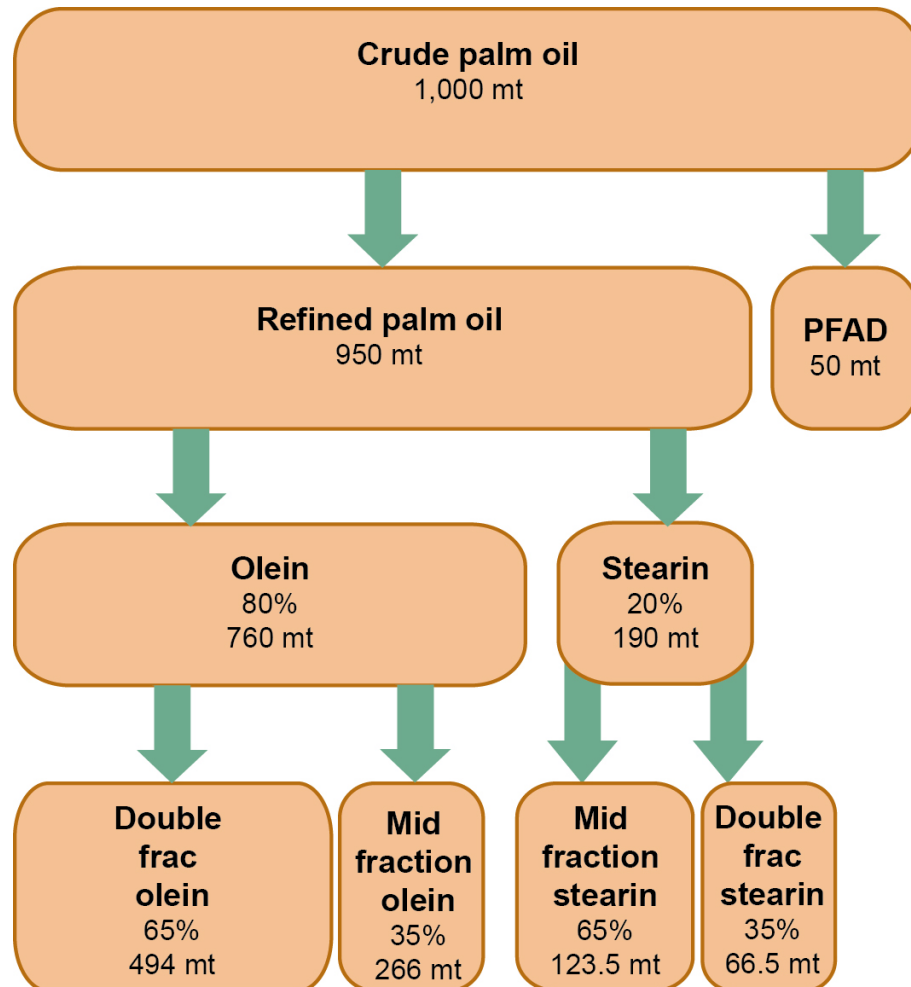**Mass Balance refined oil palm products**

1,000 mt

Note: Segregated palm oil products cannot be used to offset MB claims on palm kernel products or vice versa.

Note: This allocation practice is not permitted within the context of the European Renewable Energy Directive (RED). Refer to the RSPO-RED Standard for EU biofuels.
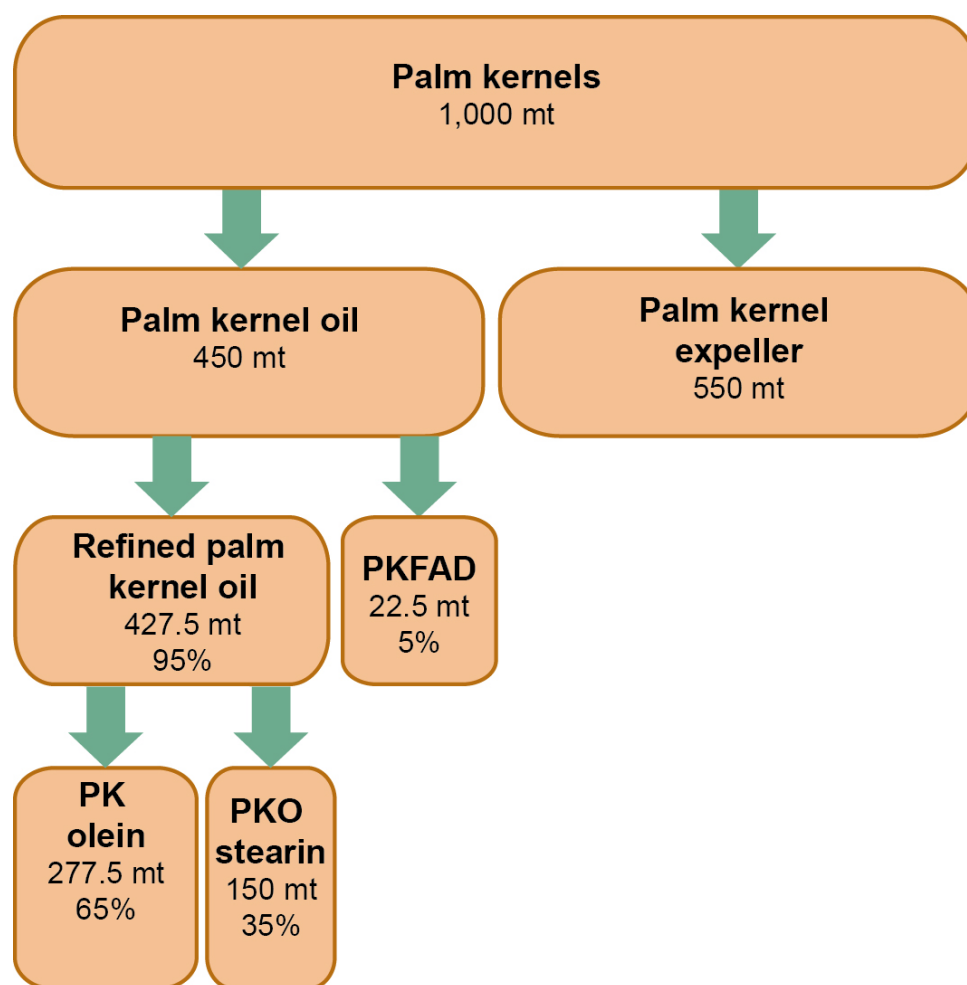
C.7 Yield Schemes

C.7.1 Mass Balance Supply Chain Model Yield Scheme

The values shown in the Mass Balance Supply Chain Model below are fixed and cannot be modified. Organizations may use their own actual yields provided these can be justified during the audit. Alternatively the rates shown below shall be used as shown.

C.7.2 Palm Kernel Mass Balance Yield Scheme

To calculate how much Mass Balance sustainable products they can sell or claim, companies that purchase Mass Balance sustainable palm kernel products may use their own actual yields provided these can be justified during the audit. Alternatively the rates shown below shall be used as shown.

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).

Module D – CPO Mills: Identity Preserved

D.1 Definition

D.1.1   A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. 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 physically separating the material then only Module E is applicable.

D.2 Explanation

D.2.1   The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&C 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.

D.2.2   The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).

D.3 Documented procedures

D.3.1   The site 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 role 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 site's procedures for the implementation of this standard.

D.3.2   The site shall have documented procedures for receiving and processing certified and non-certified FFBs.

D.4 Purchasing and goods in

D.4.1   The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.

D.4.2   The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.

D.5 Record keeping

D.5.1   The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.

D.6 Processing

D.6.1   The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from non-certified material including during transport and storage.

D.6.2   The objective is for 100 % segregated material to be reached.

Module E – CPO Mills: Mass Balance

E.1 Definition

E.1.1   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.

E.2 Explanation

E.2.1   The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C 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.

E.2.2   The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).

E.3 Documented procedures

E.3.1   The site 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 site procedures for the implementation of this standard.

E.3.2   The site shall have documented procedures for receiving and processing certified and non-certified FFBs.

E.4 Purchasing and goods in

E.4.1   The site shall verify and document the volumes of certified and non-certified FFBs received.

E.4.2   The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.

E.5 Record keeping

E.5.1   a) The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK 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 site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short (ie product can be sold before it is in stock.)

For further details refer to Module C.

E.5.2   In cases where a mill outsources activities to an independent (not owned by the same organization) 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.

Module F – Multi-site certification

F.1 Definition

F.1.1   A multi-site is a certification option for a group of sites that have a contractual link, a defined Central Office and a minimum of two participating sites. Such sites may be groups of plantations, farms, mills or refineries etc, brought together under a Central Office and administered using an Internal Control System (ICS).

Central Offices that also process are counted as both Central Office and processing site.

F.2 Explanation

F.2.1   The organization shall define the geographic area, the number and identity of sites, the supply chain model and the types of operations covered by the scope of their multi-site chain of custody system. (Note: Mass balance accounting can only be implemented at site level.)

F.3 Responsibilities

F.3.1   The operational units shall demonstrate that there is a contractual link between them.

F.3.2   The Central Office shall justify the grouping of operational units into sets according to activities undertaken.

F.3.3   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.3.4   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.3.5   The Central Office will have a procedure for raising non-conformities when it is found that an operation unit is not in compliance with the RSPO supply chain certification requirements.

F.3.6   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 non-conformities issued by the certification body or by the company itself, are not addressed by the participating site(s).

F.4 Training

F.4.1   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.5 Record keeping

F.5.1   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.5.2   The ICS shall determine and prepare which common management documents are applicable to all operational units.

F.5.3   The ICS shall determine which site specific documents are required at each operational unit.

F.5.4   The ICS shall keep all documents and records for a minimum period of 2 (two) years and must comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock.

F.6 Internal audits

F.6.1   The Central Office shall conduct at least annual internal audits of each participating site to ensure compliance with the requirements for supply chain certification.

F.6.2   Non-conformities found as part of the internal audit shall be issued corrective action requests.

F.6.3   The results of the internal audits and all actions taken to correct non-conformities will be available to the certification body (CB) upon request.

F.6.4   The outcomes of the internal audit programme shall be subject to review by top management at least annually.

F.6.5   The organization shall conduct at least annual internal audits to determine whether the supply chain certification system:

  i)   Conforms to the planned arrangements, to the requirements of the RSPO SCC Standard and to the RSPO rules on communications and claims and any other requirements established by the organization;

  ii)   Is effectively implemented and maintained.

F.6.6   An audit programme shall be planned, taking into consideration the status and importance of the processes and areas to be audited, as well as the results of previous audits. The audit criteria, scope frequency and methods shall be defined. The selection of auditors and conduct of audits shall ensure objectivity and impartiality of the audit process. Auditors shall not audit their own work.

F.6.7   A documented procedure shall be established to define the responsibilities and requirements for planning and conducting audits, establishing records and reporting results.

F.6.8   Records of the audits and their results shall be maintained.

F.6.9   The management responsible for the area being audited shall ensure that any necessary corrections and corrective actions are taken without undue delay to eliminate detected non-conformities and their causes.

F.7 Claims

F.7.1   The ICS shall be responsible for ensuring that all uses of the RSPO trademark and logo and all RSPO claims regarding the end product are in accordance with RSPO requirements through its central control point.

Module G – Supply Chain Group Certification Scheme

G.1 Definition

G.1.1   Supply chain Group certification offers an option for RSPO Supply Chain Certification whereby the direct costs of certification are shared between the eligible members of a group.

G.2 Explanation

G.2.1   Group certification schemes are groups of independent organizations acting as separate legal entities in the palm supply chain who have agreed to adhere to the rules of a Group structure under the guidance of a Group management entity and under the direction of a Group manager, in accordance with an Internal Control System (ICS).

G.3 Group membership requirements

G.3.1   Group membership is restricted to those companies which:

- Are separate legal entities

- Use up to 500 MT of oil palm products per year (see G.3.4 below for mill requirements)

- Employ a maximum of 100 full-time equivalent (FTE) employees.

G.3.2   Group certification is not restricted to a single country and can be performed across borders.

G.3.3   The group shall consist of group members who have formally agreed to join the group and who have demonstrated compliance with the requirements of this Group certification scheme and the rules of the group. Group membership is voluntary.

G.3.4   Palm oil mills cannot join a group, with the exception of independent PO mills without their own supply base and producing up to 5000 MT palm oil products per year. (Modules D and E are therefore not applicable.)

G.3.5   Group members will sign a declaration of intent which:

- Acknowledges and agrees to the requirements and responsibilities of Group membership.

- Acknowledges their compliance with the RSPO supply chain certification requirements.

- Authorises the Group manager to apply for certification on the member's behalf.

Group members will sign a declaration of intent which:

- Acknowledges and agrees to the requirements and responsibilities of group membership.

- Acknowledges their compliance with the RSPOsupply chain certification requirements.

- Authorises the group manager to apply for certification on the member's behalf.

- Agrees to allow representatives of the Group manager, the certification body (CB) and representatives of RSPO access to their premises and records pertaining to RSPO products at any time.

- Agrees to supply the Group manager and their personnel with up to date contact details.

G.3.6   Group members shall demonstrate that they can implement the chosen supply chain model(s) prior to acceptance as a member and continue to do so after acceptance as a member.

G.3.7   Each Group member must utilise the Group certificate number and their sub-code in all documents as required by the RSPO SCC Standard when buying and selling RSPO products, including reference to the supply chain model (eg: IP/SG/MB).

G.3.8   Should the use of oil palm products be expected to exceed 500 MT per year after acceptance as a member of the group, the Group member will inform the Group manager about leaving the group before the next anniversary of Group membership. That member should make arrangements for individual certification by an RSPO SCC accredited certification body before the next anniversary of Group membership.

G.3.9   RSPO Supply Chain Associate Membership will be borne by the Group entity at the rate published by the RSPO. The Group entity can volunteer to join RSPO Ordinary Membership should they wish to enjoy additional benefits such as voting rights at General Assembly (GA).

G.4 Group entity responsibilities

G.4.1   The group entity shall be:

- A legally registered entity under the laws of country of origin.
- A member of the RSPO.

The group entity shall:

- Have a contract with the accredited certification body (CB).
- Appoint an individual as the Group manager who is responsible for the preparation and implementation of the Internal Control System (ICS).

G.4.2   The Group members shall demonstrate that they are part of the Group scheme. All Group members shall have a legal and/or contractual relationship with the Group entity.

G.4.3   The group shall have a centrally administered and documented Internal Control System (ICS) for the management and implementation of the RSPO chain of custody requirements.

G.4.4   A group must have a Group manager, who is the appointed management representative for the Group members and the Group certification.

G.4.5   The RSPO Supply Chain Certification Standard requirements must be implemented by each Group member. The Group scheme manager has overall responsibility for ensuring that all Group members comply with the RSPO chain of custody requirements.

G.4.6   The Group scheme will have a procedure for raising corrective actions when it is found that a Group member is not in compliance with the RSPO SCCS.

G.4.7   The Group manager shall have the authority to remove Group members from the Group scheme if the requirements of participation are not met, or if any non-conformities issued by the CB or by the Group manager itself are not complied with by the participating Group member.

G.5 Group manager responsibilities

G.5.1   The Group manager shall be:

- Responsible for ensuring the Group entity's compliance with the applicable standards and manages the Group Procedures and Documentation which collectively is known as the Internal Control System (ICS).

- Given full authority to manage the group.

- Responsible for defining the geographic area covered by the Group scheme, the number and identity of sites, the supply chain model and the types of operations covered by the scope of the Group scheme.

- Responsible for collating and paying membership fees due to the RSPO.

- Responsible for ensuring that any conditions on which certification is dependent, including any corrective actions raised by the CB, are fully implemented.

G.5.2   The Group manager shall:

- Have a documented system which sets out its mission and objectives, policies and procedures for operational management and decision making in order to demonstrate its ability to manage the group in a systematic and effective manner.

- Prepare and maintain the rules of the group.

- Prepare and maintain a Group management structure showing the responsibilities of all individuals employed by the Group manager for the running of the group.

- Have the authority to remove members from the scope of the Group certificate if the requirements of the Group membership or any corrective actions requested by the CB or by the Group manager are not complied with.

- Demonstrate sufficient resources – i.e. human, physical and other relevant resources – to enable effective and impartial technical and administrative management of the group.

G.5.3   The Group manager and their personnel shall:

- Be able to demonstrate appropriate knowledge of the requirements of oil palm production, the RSPO Supply Chain Certification Systems and Standard and internal Group procedures and policies.

- Not have any conflict of interest likely to affect their work.

G.5.4   The Group manager and/or their personnel shall be able to communicate in the local and/or English Language.

G.6 Group Scheme operation

G.6.1   The Group manager applies for certification from an RSPO SCC accredited CB on behalf of all the members and the CB conducts an audit of the Internal Control System in accordance with the requirements of the RSPO supply chain certification. The maximum group size is determined by the CB in accordance with the RSPO Supply Chain Certification Systems document. A single certificate and certificate number is shared by all Group members with each member having a unique identification code following the Group certificate number.

G.6.2   RSPO Supply Chain Certification is applied at Group level and all members of the group who intend to trade or further process and sell semi-finished and finished products that contain RSPO certified products must demonstrate full compliance to the relevant RSPO Supply Chain Standard modules as applicable to their operations.

G.6.3   For RSPO IT platform, only the Group entity will need to register and have a Member ID. All RSPO IT platform registrations and transactions will be performed by the Group manager.

G.6.4   Group members can only use Identity Preserved (IP), Segregated (SG) or Mass Balance (MB) at site level (and not at group level).

G.7 Group management procedures

G.7.1   The Group manager's responsibilities with respect to managing the group shall be clearly defined and documented, including procedures for new members to join the certified group after a certificate has been awarded.

G.7.2   There is a documented procedure in place for the following:

- Providing information and/or training for potential and existing Group members.

- Carrying out an initial audit of potential Group members to ensure that they comply with the certification requirements for the applicable supply chain model(s) and Group rules prior to membership.

- Conducting audits of Group members.

- Informing the CB of any changes in Group membership within one month of the event.

- Carrying out at least annual auditing of all Group members to ensure continuing compliance with the certification requirements for the applicable supply chain model(s) prior to membership.

- For Group members to inform the Group manager if expected use of oil palm products will exceed 500 MT over a 12-month period from any anniversary of joining the group.

- The removal of Group members from the scope of the certificate if the requirements of Group membership or any corrective action requested by the Group manager or by the CB is not complied with.

- Ensuring that any use of the RSPO logo or trademark is in accordance with the applicable rules.

- Keeping a central database of a summary of the movements of inputs and outputs in gross quantities of RSPO products for each Group member.

G.7.3   Group members will be supplied with the following documents and explanations:

- A copy of the RSPO Supply Chain Certification Standard to which the group is committed.

- A copy of the RSPO rules for Communications and Claims.

- An explanation of the certification process.

- An explanation of the Group manager's needs and the rights of the CB to access the Group members' documentation and installations for the purposes of evaluation and monitoring.

- An explanation of the CB and RSPO requirements with respect to public information.

- An explanation of any obligations with respect to Group membership, such as:

  – Maintenance of information for monitoring purposes;
  – Use of systems for tracking and tracing RSPO products, such as RSPO IT platform if applicable;
  – Requirement to conform to conditions or corrective actions issued by the CB;
  – Any special requirements related to marketing or sales of products covered by the certificate;
  – Use of the RSPO trademark and product claims;
  – Proper use of RSPO SCC certificate number and sub code;
  – Other obligations of Group membership; and
  – Explanation of any costs associated with Group membership.

G.8 Training

G.8.1   As part of the Internal Control System (ICS), the Group manager shall establish and implement training for scheme members to cover all applicable requirements of the RSPO chain of custody.

G.9 Record keeping

G.9.1   The Group manager 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.

G.9.2   The Group management documentation shall include:

- The documenting and monitoring of all the individual Group members for membership status, production processes, and other relevant aspects to ensure compliance with the relevant RSPO Standard for Sustainable Oil Palm Production and the RSPO Group Certification Requirements.

- The maximum number of members that can be supported by the current management system and the human resource and technical capacities of the Group manager.

- Provision of clear policies and procedures for communication between the Group manager and Group members.

G.9.3   The following central records and reports shall be maintained and kept up to date
at all times for each Group member:

- List of names and addresses

- Full contact details

- Date of membership

- Sub-code assigned to follow the Group certificate number

- The date that the member signed the declaration of intent as stated in
the Group membership requirements

- Date of leaving the group if applicable and the reasons why

- A summary of all RSPO oil palm products purchased and sold

- The supply chain models applicable

- The projected use of oil palm products in metric tonnes per annum

- Gross quantity of RSPO certified products processed or manufactured
annually

- Uses of the RSPO logo and/or trademark

- Audits conducted prior to acceptance as a Group member

- Annual monitoring records

- Any non-conformities raised and actions taken to meet the requirements
for compliance

- The member's dedicated RSPO procedure manual.

G.9.4   The Group manager shall determine and prepare which common management
documents are applicable to Group members.

G.9.5   The Group manager shall determine which site specific documents are required
for each Group member.

G.9.6   The Group manager shall keep all documents and records for a minimum period
of 2 (two) years, must comply with legal and regulatory requirements and be able
to confirm the certified status of raw materials or products held in stock.

G.9.7   Group members will keep an up to date RSPO procedure manual detailing all
aspects of their operations in relation to the RSPO SCC Standard requirements.

G.9.8   Group members will keep up to date and accurate records of all inputs and outputs of RSPO products and shall be able to reconcile the quantities at any time as requested by the Group manager. Reconciliation will take into account any unavoidable contamination or wastage, the production and manufacturing processes and any recipes used.

G.9.9   As applicable, the Group manager will keep a full and accessible record as to movement of RSPO products registered through the RSPO IT platform.

G.9.10   Group members will keep photographic and written records of any use of the RSPO logo and/or RSPO trademark.

G.10 Internal audits

G.10.1   The Group manager shall conduct at least annual internal audits of each participating site to ensure compliance with the Group scheme chain of custody requirements.

G.10.2   Non-conformities found as part of the internal audit shall be issued corrective action requests.

G.10.3   The results of the internal audits and all actions taken to correct non-conformities will be available to the CB upon request.

G.11 Claims

G.11.1   The Group manager 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 ICS.
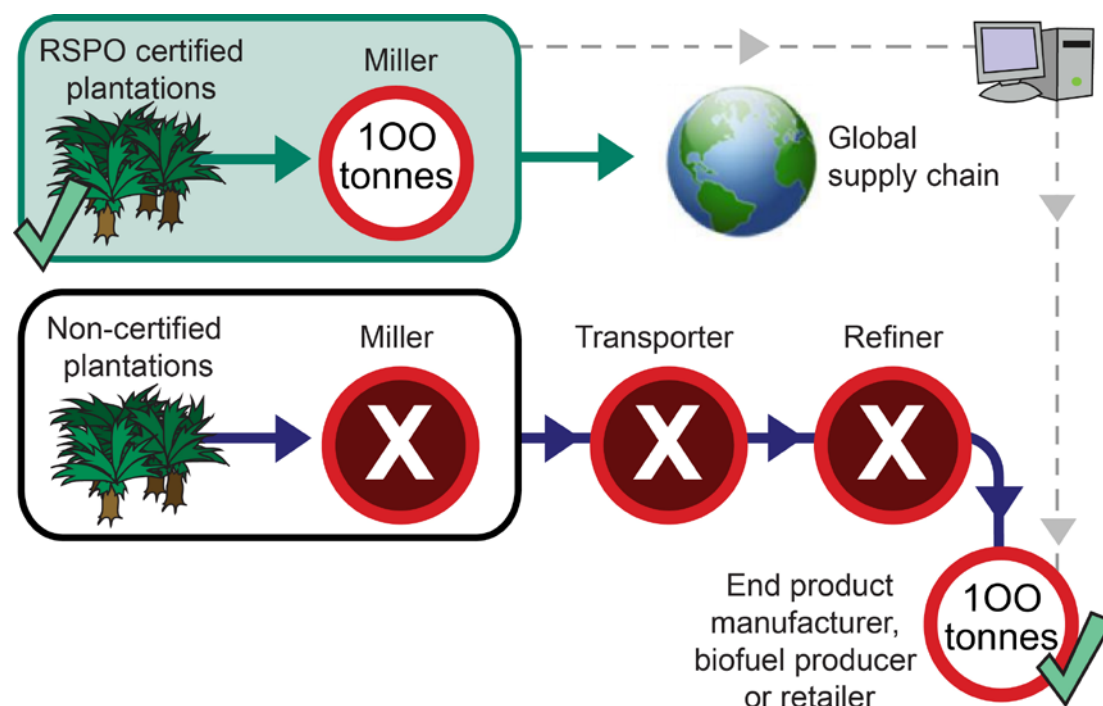
Annex 1 – Book and Claim (BC) for oils and fats

7.1 Definition

The book and claim supply chain model provides tradable certificates for RSPO certified oil palm to actors in the palm oil supply chain. 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 oil palm products.

7.2 Explanation

The book and claim system allows for the transfer of RSPO certified oil palm products 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 or Crude Palm Kernel Oil, to the volume credits received, into their existing supply chain as non-certified CPO or CPKO.

7.3 Supply chain requirements

Volume credits can only be introduced into the system by RSPO certified mills and up to the annual forecast 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 covered under the book and claim model and are indeed covered by book and claim certificates.

7.4 Market claim

Market claims must comply with RSPO Rules on Communication and Claims.

For further information see book and claim provider's details on the RSPO website (www.rspo.org)