

RSPO

Roundtable on
Sustainable Palm Oil

CATEGORY YEAR



RSPO Management System Requirements for Group Certification of FFB Production 2021

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LIST OF ACRONYMS

RSPO	Roundtable on Sustainable Palm Oil
P&C	Principles and Criteria
CSPO	Certified Sustainable Palm Oil
FFB	Fresh Fruit Bunch
SCC	Supply Chain Certification
CFFB	Certified Fresh Fruit Bunch
ICS	Internal Control System
RISS	RSPO Independent Smallholder Standard

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Introduction

The RSPO Principles and Criteria (RSPO P&C) is applicable for sustainable palm oil production worldwide to all production level companies, i.e. all mills, who do not fall under the definition of independent mill as outlined in the RSPO SCC standard; and to all growers, who do not meet the definition of Independent Smallholder or the applicability requirements as outlined in the Standard and therefore cannot apply the RSPO Independent Smallholder Standard.

Access to certification for growers of all sizes is an important element of RSPO certification. RSPO Independent Smallholder Standard responds to the needs and challenges of independent smallholders with simple and straightforward requirements and cost-effective tools that consider diversity, capacity and incentives. In order to further facilitate access for growers, who do not meet the definition of Independent Smallholder, independent mill and/or mill-with-supply-base; for whom individual certification would be unaffordable and administratively too complex to manage, a group certification model has been developed.

Group certification is a system in which groups of farmers implement an Internal Control System (ICS) and are certified by a third party certification body, which assesses the performance of the ICS and performs a representative number of spot-check inspections of group members.

RSPO Group Certification allows growers to certify their Fresh Fruit Bunches (FFB) through group certification against the RSPO P&C together under a single certificate. The system allows growers to be grouped together to be certified under a single certificate, which is managed through a central organization or by an individual, known as the Group Manager.

The Group Manager is responsible for establishing an Internal Control System which controls the group, and for carrying out a programme of internal assessments of group members' performance in order to be certain that they are complying with the RSPO production requirements.

All groups are required to meet management system requirements for group certification (this document) related to internal control systems in addition to RSPO P&C.

Under the Group Certification system, the Group Manager and a sample of the group members are assessed by an accredited certification body against both the requirements of the management system for Group (in accordance with this document) and RSPO P&C (refer to Figure 1). Accredited certification bodies shall follow the requirements defined outlined in the RSPO Certifications Systems for Principles & Criteria and RSPO Independent Smallholder Standard 2020 (hereinafter referred to as "Certification System Document").

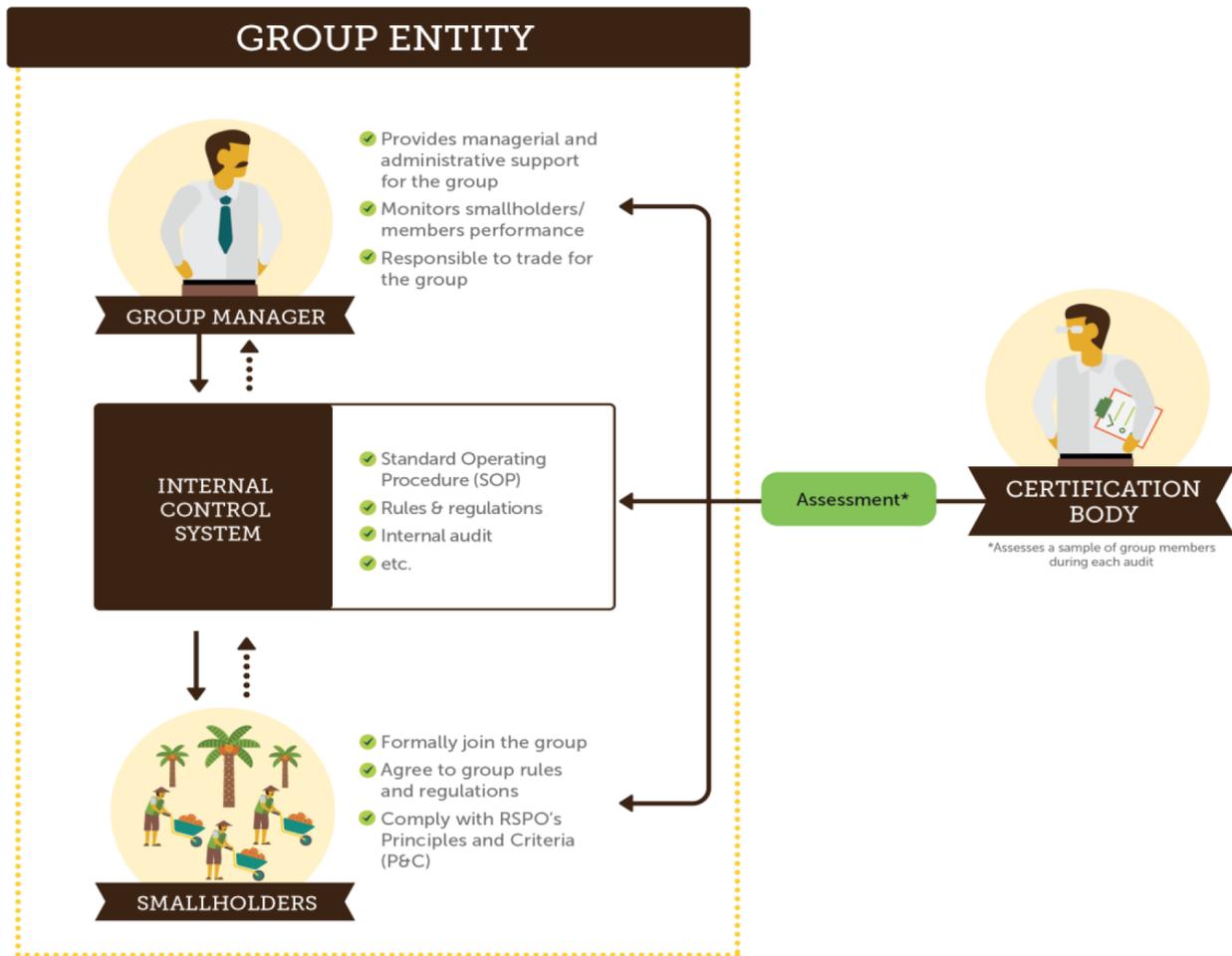


Figure 1. Group Certification Structure (Simplified Illustration)

Section 1. Scope and Applicability

1.1 SCOPE

This RSPO Management System Requirements for Group Certification of FFB Production 2021 (hereinafter referred to as “Group Certification”) presents the RSPO requirements, covering ONLY the system requirements for group management of the Group Manager. This document is to be used in association with P&C - certification standard to be met by all group members and against which certification assessments are made; and Certification System Document - which set out how certification bodies should assess an operation and reach a decision on whether or not a set of requirements has been met.

This document is arranged as following:

Section 1 defines to whom this system applies, who can use this system, what standard applied, how it applies, claims, and relevant applicable associated documents.

Section 2 outlines requirements on the management and management system of group certification

This document replaces the RSPO Management System Requirements and Guidance for Group Certification of FFB Production (Revised Version as endorsed by the Board of Governors on 8th March 2018) and it is effective **3 (three) months from [date].**

This Group Certification 2021 may be amended when required, based on revised RSPO Standards, requirements, strategies or decisions produced by RSPO.

1.2 APPLICABILITY

This document is applicable to smallholders (independent and/or scheme) and medium growers, who seek P&C certification of their FFB through legally forming a group. A central organization or by an individual, known as the Group Manager, shall be appointed to manage the group.

The group manager is responsible for establishing an internal control system which controls the group, and for carrying out a program of internal assessments of members’ performance, as outlined in Section 2 of this document.

All group members shall demonstrate their ability to meet RSPO P&C, excluding requirements for mills (refer RSPO P&C for details). RSPO P&C is applicable for all plots of group members that:

- Existing under oil palm production; AND
- Allocated for replanting or new planting of oil palm; AND
- May potentially, be allocated for new planting of oil palm

The group must be audited by an RSPO accredited auditor against both the requirements of the Management System for Group Certification and RSPO P&C (excluding requirements for mills).

A group may be formed:

- of any number of smallholders (schemed or independent) and/or medium growers, as long as the group manager can demonstrate sufficient capacity and resources to manage the group.

IMPORTANT

Considering the differences in compliance requirements and trading processes of different RSPO Standards and approaches (RISS and P&C), a single group CANNOT be formed pursuing different standards and approaches (i.e. A single group cannot have half the group members audited against P&C; while another half audited against RSPO Independent Smallholder Standard).

- contain smallholders (schemed or independent) and/or medium growers of different sizes (without mills) who agree to form a group entity.
- contain smallholders (schemed or independent) and/or medium growers located within the same jurisdiction (share the same applicable legal requirements and geographical proximity).
- the total number of hectares that form part of the group has no upper limit.
- all group members agreed to pursue for RSPO P&C Certification

This document is **NOT APPLICABLE** to independent smallholders applying RSPO Independent Smallholder Standard; mills with their own plantations (under one management control) and growers with land holding larger than 500ha to apply RSPO P&C independently and directly; and independent mills to apply RSPO SCC.

However, a representative from a mill with own plantations and/or independent mills and/or grower can be appointed as group manager of a group of smallholders (schemed or independent) and/or medium growers seeking certification through group certification.

UNIT OF CERTIFICATION

The Unit of Certification for the RSPO ISH Standard is the group manager and ALL individual group members, covering combined plots of each individual group member that are under oil palm production. The certificate holder is the group. The group entity must be legally formed, with a minimum of 1 smallholder per group, and must be within the same jurisdiction (share the same applicable legal requirements and geographical proximity).

Example Scenario:

ABC Corporation has 500 members registered as members of the cooperative. The cooperative has been registered as one (1) legal entity under the name of 'ABC Corporation'. One day, the manager of the cooperative announced to the 500 members that the management has decided for the cooperative to be certified under the RSPO scheme. Out of the 500 members, only 200 members expressed their interest to be certified under the RSPO scheme.

In such a scenario:

- ABC Corporation is the legal entity, registered as an RSPO member;
- The group can be certified under the RSPO Group Certification System;
- The standard applicable is the RSPO P&C 2018; and
- The unit of certification is the Group Manager and only the 200 members who have expressed interest to be certified under the RSPO scheme.

The remaining 300 members will still remain as members of the Cooperative but are not part of the Unit of Certification (UoC) within the RSPO Group Certification scheme. The 300 members of the Cooperative may join the RSPO certified group at the later stage, as and when they are ready, subject to item E2.1.3 of this document.

TIME-BOUND PLAN: SCHEME SMALLHOLDERS & SCHEME OUTGROWERS

The 'RSPO Certification Systems 2020 requires members (mill-with-supply base) to implement a time-bound plan to ensure that all scheme smallholders and scheme outgrowers supplying a mill that is P&C certified must be certified themselves within three years of the mill obtaining its own certificate.

Section 5.1.3 of RSPO Certification Systems

Section 5.1.3 of RSPO Certification Systems Document stating that 'The mill shall develop and implement a time-bound plan to ensure that 100% of scheme smallholders and scheme outgrowers are compliant with the standard within three (3) years of the mill's initial certification'. The mill should do this, if possible, by including these growers within their own P&C certificate or have the option to support these growers to get certified via the Group Certification system.

Source: RSPO Certifications Systems for Principles & Criteria and RSPO Independent Smallholder Standard, 12 November 2020.

RSPO members (mill-with-supply base) should, if possible, include scheme smallholders and scheme outgrowers within their own P&C certificate or have the option to support them to get certified via the Group Certification system (for further details see below).

Option 1: Single Principle & Criteria (P&C) Certificate

Where the mill made a management decision to include smallholders and outgrowers in the mill's RSPO P&C certification, a single P&C Certificate will be issued, covering (listing) all smallholders and outgrowers within the certificate as the supply base of the mill.

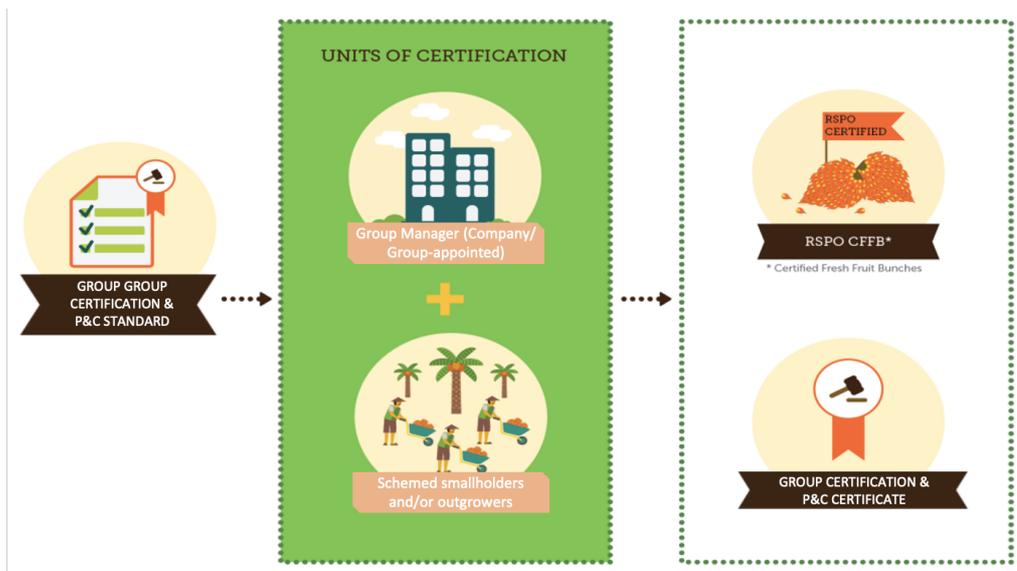
The mill will follow the requirements in the RSPO P&C for the mill, its own estates, all scheme smallholders, and/or scheme outgrowers with total landholdings above 50ha in individual plantation size.



Option 2: Group Certification & P&C Certificate

Where the RSPO member (mill-with-supply base) made a management decision to support smallholders and outgrowers to obtain their own P&C certificate using the group certification requirement, the smallholders and outgrowers will be issued a Group Certification and P&C Certificate, for all their FFB production without the mill.

The RSPO member can be the Group Manager of this group, however the RSPO member is to obtain its own P&C certificate for its own mill and supply bases.



1.3 CERTIFICATE OF COMPLIANCE AND CLAIMS

The RSPO certificate of compliance is awarded to the Group as a whole, and in an annex each individual group member (smallholders (schemed or independent), independent growers and/or medium growers) is listed with the size of their landholding.

Certified groups can sell their certified FFB to a certified mill through a physical supply chain model or as RSPO Credit equivalent. One tonne of certified FFB is transferred to tonnes of Certified Sustainable Palm Oil (CSPO) Credits using a default oil extraction rate (OER) of 20%, subject to an auditor's verification and confirmation. Default Kernel Extraction Rate (KER) also exists for kernel oil at 5%*0.45 or kernel expeller at 5%*0.55. Actual average values may be used when supported with evidence for deviating values, verified by the auditor.

Default Extraction Rate:
 CSPO : 20%
 CSPKO : 5%*0.45
 CSPKE : 5%*0.55

Note: Actual average values may be used when supported with evidence for deviating values.

1.4 ASSOCIATED DOCUMENTATION

The documents below (the latest versions applied) are relevant to all groups seeking to be certified under RSPO group certification:

- Management System Requirements for Group Certification of FFB Production
- Principles and Criteria for the Production of Sustainable Palm Oil
- RSPO Certification Systems for P&C and Independent Smallholder Standard
- RSPO New Plantings Procedure (NPP)

All other RSPO requirements are also applicable to the entire group or part of the group members, as listed below (not exhaustive):

- RSPO Code of Conduct for Members
- Annual Communications of Progress (ACOP)
- RSPO Remediation and Compensation Procedures
- RSPO Rules on Market Communications and Claims

The latest version of all documents will always prevail.

Section 2. System Requirements for Group Management

The following three elements outline the requirements for the Group Certification System:

- Element 1: Group Entity and Group Management requirements
- Element 2: The Internal Control System – Policies and management
- Element 3: The Internal Control System – Operations

2.1 ELEMENT 1 (E1): GROUP ENTITY AND GROUP MANAGEMENT REQUIREMENTS

E1.1 The Group Entity shall be legally formed

Rationale: In order to be able to have commercial relationships in the transactions of FFB certificates the group entity carries a liability, which requires it to be legally registered.

E1.1.1 There shall be documentary evidence of a clearly identified and legal entity. The Group Entity shall:

- Be a registered organisation as defined by law in the country of registration (e.g. as a company or an organisation).
- Be a member of the RSPO
- Establish the structure of the organisation
- Appoint a Group Manager (see E1.2)

E1.1.2 The Group Entity shall have documented membership requirements for the participation of individual members in the Group which will also cover new membership.

- There shall be documentary evidence that the Group members have formally joined the Group.
- Formal members of the Group shall sign an agreement with the Group Manager committing to achieving compliance with the applicable RSPO standards and requirements.
- The Group Manager shall keep copies of the agreements and shall demonstrate that each member has received a copy thereof.
- The Group Manager shall retain copies for a minimum of 5 years.

E1.1.3 The Group Manager shall keep evidence that the nature and structure of the group has been communicated to all members of the Group in an appropriate manner.

GUIDANCE FOR AUDITOR:

The auditor should check:

- *The official document for Group Entity registration as per law in country of registration*
- *The RSPO registration number*
- *A document outlining the organization structure and its function*
- *All relevant membership documents*

E1.2 The Group shall be managed by a Group Manager

E1.2.1 The appointed Group Manager shall be either an identified legal entity or an individual acting on behalf of the legal entity, i.e. the Group Entity (E1.1.1).

The Group Manager shall ensure the Group's compliance with the Group Certification System requirements and is responsible for the preparation and implementation of the Internal Control System (ICS).

If the Group Manager is not an individual but an entity:

- then the entity shall appoint an individual as management representative; and
- there shall be a description of the general structure detailing the positions and responsibilities of all personnel involved.

E1.2.2 The Group Manager shall be able to demonstrate sufficient resources and capacity for managing the group's performance towards compliance against RSPO P&C.

Guidance:

The Group Manager should have the capacity to control, monitor and evaluate all members as to their compliance to RSPO P&C including communicating with them and visiting them at the required frequencies.

Specifically, the Group Manager should be able to demonstrate the ability to:

- *manage the Group Procedures and Documentation known as the Internal Control System (ICS).*
- *define Group membership requirements.*
- *ensure compliance with the Group Certification System and RSPO P&C, including that any corrective actions raised by the certification body are adequately addressed within the agreed timeframe.*
- *ensure compliance with all other relevant RSPO requirements outlined in Section 1.4, bearing in mind that applicability may depend on individual grower's plantation size or nature.*
- *demonstrate sufficient resources – i.e. human, financial, physical and other relevant resources – to enable effective and impartial technical and administrative management of the Group.*

E1.2.3 The Group Manager and / or their personnel shall be able to demonstrate competence and knowledge of, the latest version:

- RSPO P&C and/or applicable National Interpretation
- Certification System for P&C and Independent Smallholder Standard
- Group Certification System for FFB production
- How to trade the group's certified products for both physical and credit sales through the RSPO IT Platform (the PalmTrace).
- Internal group procedures and policies

Guidance:

The Group Manager and/or its representative should participate in training on the RSPO IT Platform which are organised by the RSPO Secretariat.

Note: The Group Manager and/or its representatives are encouraged to also attend relevant training on management and operations which benefit the group.

E1.2.4 The Group Manager shall provide potential and existing Group members with the following:

- An explanation of the RSPO certification process.
- An explanation of the criteria for group membership.
- An explanation as to the Group Manager's needs and the rights of the certification body to access the group members' documentation and plantations for the purposes of evaluation and monitoring.
- An explanation of the certification bodies 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;
 - Requirement to conform to conditions or corrective actions issued by the certification body.
 - Explanation of any costs associated with group membership.
 - Other obligations of group membership.

2.2 ELEMENT 2 (E2): INTERNAL CONTROL SYSTEM – POLICIES AND MANAGEMENT

E.2.1 The Group Internal Control System shall contain documented policies and procedures for operational management

E2.1.1 The Group Internal Control System shall contain Procedures for decision-making and responsibilities within the group (including the authority of the Group Manager) shall be defined.

E2.1.2 The Group Manager shall manage the Group in a systematic and effective manner by:

- Identifying the geographical area to be covered by the Group.
- Preparing, maintaining and documenting the Group management structure
- Clearly identifying the responsibilities of all individuals employed by the Group Manager for the running of the Group.
- Prepare and maintain the rules of the Group including the criteria for membership and procedures for expulsion and/or sanctions for members that do not comply with the group certification requirements.
- Organise at least one group meeting annually
- Procedure for initial gap audit which can be a self-assessment.

E2.1.3 The Group Internal Control System shall include an initial gap audit procedure (i.e. baseline assessment and needs for compliance) as a prerequisite for applicants wishing to join the Group. The initial gap audits with any potential new member shall be carried out to assess the following (at least):

- Land title or right to use the land can be demonstrated.
- No existing land conflict.
- No plantings have replaced primary forest, or affected one or more High Conservation Values (HCVs) and High Carbon Stocks Area (HCSA) (RSPO P&C 2018, Criteria 7.12) (Note: In the case of scheme smallholders, the company (owning/managing the mill) holds the liability for compensation for any new plantings undertaken since November 2005).
- Existing plantings on peatlands and/or steep terrains
- If there is existing plantings on peatland, the management regime and status
- No new planting(s) on peat land and/or status of existing planting(s) on peatland
- Status and sources of workers

E2.1.4 The Group Internal Control System shall contain Procedures for maintaining records for all Group members. Records shall be kept up to date at all times for all Group members.

E2.1.5 The Group Manager shall implement a system to maintain the following central records and reports:

- List of names and full contact details of group members and applicable method of communication.
- Location maps. Area of oil palm in hectares.
- Land titles/right of use of the land.
- A copy of the signed declaration of the grower becoming a member of the group including the date.
- Unique member registration numbers are assigned to individual members.
- 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.
- Projected and actual FFB production in metric tonnes per annum.
- Monitoring and training records.
- Any corrective actions raised and actions taken to meet the requirements for compliance.

E2.1.6 Relevant group records shall be archived for a minimum of 5 years using an appropriate secure system, and should be kept up to date at all times for Group members

2.3 ELEMENT 3 (E3): THE INTERNAL CONTROL SYSTEM – OPERATIONS

E3.1 The Group Internal Control System shall develop and implement an internal audit programme of Group members.

E3.1.1 The Group Manager shall establish, implement and maintain (a) procedure(s) for internal audit. As a minimum the following information shall be included (but not limited to):

- The methodology, competence of internal auditors, audit criteria, frequency of internal audits, and addressing non-conformity.
- Schedule annual internal audits of all Group members in order to confirm

continued conformance with all the Group Certification requirements.

- Maintenance of all internal audit records.

Guidance:

Internal audits need to be a systematic and documented process. There are trainings available on this i.e. ISO Internal Audits.

The internal audit records need to be maintained for a minimum of 5 years. Additional internal audits should be scheduled when potential problems arise or when the Group Manager receives information from stakeholders about alleged non-conformities by Group members.

E3.1.2 The Group Manager shall conduct annual internal audits for all group members as planned.

E3.1.3 The Group Manager and the internal auditors shall jointly declare no conflict of interest for the internal audit process.

E3.1.4 The Group Manager shall carry out a risk assessment of Group members to identify an appropriate sampling intensity of Group members for the certification assessment.

The risk assessment shall take into account:

- the diversity of the Group members (i.e. range of size, management structure, scattered members with diverse plantation landscapes such as terrain, etc.)
- any perceived risk relating to the activities being undertaken (e.g. how much replanting or expansion is occurring, how many members are new and, for subsequent assessments, whether there is a history of non-conformities).

Guidance:

Low risk Groups are those where the Group is relatively homogeneous i.e. geographically as well as socioeconomically, and where there are no current replanting activities, no current expansion, no new members, the Group and its manager are well established and, for subsequent assessments, have no history of non-conformities.

Medium risk Groups are those where there is some homogeneity but it is not uniform across the Group. There is no replanting and or expansion but the Group management has a history of non-conformities.

High risk Groups are those where there is considerable heterogeneity in the Group (e.g. geographically or jurisdictionally separated, very different terrain, different levels of experience of oil palm cultivation, very diverse sizes of plantation, different socioeconomic situations amongst members, etc.), where there is recent expansion or replanting, and/or where the Group management has recently undergone changes.

The minimum sampling size should be 4. For groups with fewer than 4 members 100% of members shall be audited.

Risk assessment is to be conducted against the full RSPO P&C minus mill requirements.

The risk level of the size for the group is determined numerically by the formula below. For Guidance a 'risk level' shall be set at:

- Level 1 - low risk,
- Level 2 - medium risk,
- Level 3 - high risk.

The sample size should then be determined by the formula $(0.8\sqrt{y}) \times (z)$, where z is the multiplier defined by the risk assessment. Multipliers are set as follows:

- Low risk = multiplier of 1,
- Medium risk = multiplier of 1.2,
- High risk = multiplier of 1.4.

Number of group members = y	Minimum (baseline) = $0.8\sqrt{y}$	Level 1 - Low risk = $(0.8\sqrt{y}) \times (1)$	Level 2 - Medium risk = $(0.8\sqrt{y}) \times (1.2)$	Level 3 - High risk = $(0.8\sqrt{y}) \times (1.4)$
8	n.a. minimum is always 4 (result is 2 only)	n.a. minimum is always 4 (result is 2 only)	n.a. minimum is always 4 (result is 3 only)	4
14	n.a. minimum is always 4 (result is 3 only)	n.a. minimum is always 4 (result is 3 only)	4	5
25	4	4	4	6
39	5	5	6	7
56	6	6	7	8
75	7	7	8	10
100	8	8	10	11
500	18	18	21	25
1000	26	26	30	35
2500	40	40	48	56
3600	48	48	58	67

Note: Sample sizes are always rounded up (e.g. 2.4 is rounded up to 3). Rounding up is done as the final step in the calculation.

Scenario Examples:

Example 1

A group is formed of 100 group members:

The Group has been formed for 10 years under the same Group Manager and all of the smallholdings are of the same size and are all located in the same valley which has a flat terrain. All palms are between 6 and 15 years old and no Group members have loans or debts and the land is all under matriarchal ownership. This represents a low risk situation and all have a risk factor of 1. Therefore, the number of Group members to be audited is 8 out of 100 members (according to the Table above).

Example 2

A group is formed of 100 group members:

The Group has been together for 10 years under the same Group Manager and all of the smallholdings are of the same size and all are located in the same valley which has a flat terrain. 80 of the Group Members have palms that are between 6 and 15 years old but 20 members are replanting. No Group members have loans or debts and the land is all under matriarchal ownership. This represents a low risk situation for the 80 Group members who have palms that are between 6 and 15 years old (risk factor 1 and therefore a sampling rate of 7 out of 80 Group members) and a high risk situation for the

20 members who are replanting (risk factor 3 and therefore a sampling rate of 5 out of 20 Group members from this high risk replanting Sub-Group). In total $7 + 5 = 12$ members will be audited.

Example 3

A group is formed of 100 group members:

The Group has been together for 10 years under the same Group Manager and all of the smallholdings are of the same size and are all located in the same valley which has a flat terrain. 80 of the Group Members have palms that are between 6 and 15 years old but 20 new members have just joined. No Group members have loans or debts and the land is all under matriarchal ownership. Of the 80 Group members who have palms between 6 and 15 years of age, 40 had previous non-conformities. This represents a low risk situation for the 40 members who have no history of non-conformities (risk factor 1 and sampling rate of 5 out of 40). There is a medium risk for the other 40 members who had previous non-conformities and therefore a risk factor of 2 and therefore a sampling rate of 6 out of 40 Group members. There is a high risk situation with the 20 new members who have joined the Group and these have a risk factor of 3 and therefore a sampling rate of 5 out of 20 for this Sub-Group. In total $5 + 6 + 5 = 16$ members will be audited.

Example 4

A group is formed of 100 group members:

The Group consists of 20 growers with over 50ha each in plantation size and 80 growers with up to 50ha each in plantation size. The larger growers in the group all have long established plantations in a long-established purely agricultural landscape, whilst half of the smaller growers only started oil palm operations a few years ago and are located in close proximity of an important watershed. The rest of the smaller growers are neighbours of the larger growers in the same long-established purely agricultural landscape. There is a low risk for the larger growers and for half of the smaller growers. However, the other half of the smaller growers constitute a high risk. The sample is calculated as follows: risk factor 1 is applied to the larger growers, resulting in 4 of the 20 to be audited; risk factor 1 is applied to half of the smaller growers, resulting in 6 of the 40 to be audited; risk factor 3 is applied to the other half of the smaller growers, resulting in 9 of the 40 to be audited. In total $4+6+9= 19$ will be audited.

E3.2 The Group Internal Control System shall include a system in place to enable the trading of RSPO certified Fresh Fruit Bunches (FFB) produced from the Group.

E3.2.1 The Group Manager shall document and implement a system for the tracking and tracing of FFB produced by the group members, and intended to be sold as RSPO- certified FFB.

E3.2.2 The Group shall produce 100% CFFB and trade under the RSPO Supply Chain System. There shall be a collective Group procedure for the sale of all certified FFB and to ensure that non-certified FFB are not mixed with the certified FFB.

Procedural Notes:

The Group should not mix the certified FFB with the non-certified one. If CFFB is combined with

a non-certified FFB prior to the sale and delivery to a palm oil mill, then the whole FFB cannot be considered as certified.

Mill needs to know the volume of certified FFB that are dispatched to the mill. This is done through weighing of the FFB which is normally measured at the mill site. If the certified and non-certified FFB are mixed at the collection point, it will not be feasible for the mill to determine the volume of certified and non-certified FFB.

The group can sell CSPO Credits, where the physical FFB will be traded as conventional (non-certified).

E3.2.3 All sales of FFB originating from the plantations of Group members shall be documented and recorded.

This shall include:

- The relevant group members' group identification number
- Invoices and receipts (purchase and sale)
- Information on transport (i.e. registration number/number plate)
- Information of FFB price
- Classification of the FFB sold (i.e. RSPO certified or not), FFB volume and destination
- Information on geo-location of FFB origins
- Proof of the ownership status or the right/claim to the land by the grower/smallholder
- Where applicable, valid planting/operating/trading license, or is part of a cooperative which allows the buying and selling of FFB

E3.2.4 The Group Manager shall maintain copies of all documentation and records mentioned in E3.2.3 related to Group CFFB transactions for a period of a minimum of 5 years.

E3.2.5 Traders of FFB shall be either part of the Group management system following this guidance or be RSPO Supply Chain certified in order to sell certified FFB. If the FFB Trader is RSPO Supply Chain certified, a copy of the certificate shall be provided to the Group Manager.

E3.2.6 The Group Manager shall ensure that any trading done through a trader shall have clear procedures to ensure that calculations are accurate and that all FFB sold by the trader is traceable back to the Group members. There shall be a contract between the FFB trader and the Group Manager and FFB trader shall maintain complete purchase and sales records.

Guidance:

- *There shall be a contract between the FFB trader and the Group Manager.*
- *The FFB trader shall maintain complete purchase and sales records.*
- *If the FFB Trader is RSPO Supply Chain certified, a copy of the certificate shall be provided to the Group Manager.*



Term	Definition	Source
<p>The generic definitions for smallholders captured in this BOX can be used as a guide in the absence of a National Interpretation. As part of the NI processes (including Local Interpretation and Small Producing Country NIs) these generic definitions of the above terms can be defined. If necessary, smallholders can be subdivided into independent schemes.</p>		
Smallholders	Farmers growing oil palm, sometimes along with subsistence production of other crops, where the family provides the majority of labour and the farm provides the principal source of income and where the planted area of oil palm is usually below 50ha in size.	RSPO P&C (2018)
Scheme smallholders	Farmers, landowners or their delegates that do not have the: <ul style="list-style-type: none"> • Enforceable decision-making power on the operation of the land and production practices; and/or • Freedom to choose how they utilise their lands, type of crops to plant, and how they manage them (whether and how they organise, manage and finance the land). 	RSPO Independent Smallholder Standard (2019)
Independent smallholders	All smallholder farmers that are not considered to be Scheme Smallholders [see definition for Scheme Smallholders above] are considered Independent Smallholder farmers.	RSPO Independent Smallholder Standard (2019)
Group certification	Joint certification of a group of oil palm growers with the certification applying to the whole group.	Group Certification (2018)
Group manager	Person, group of people or organisation responsible for running the internal control system and managing the group. This can be a mill, an organisation or an individual.	RSPO Independent Smallholder Standard (2019)
Group members	The individual growers, who participate formally in a group seeking FFB certification under this standard.	Group Certification (2018)
Growers	Growers are land-owners or small businesses with 500 ha or more (accumulative), who cultivate and harvest oil palms.	Medium Grower Task Force 2021
Internal auditor	Person or organization appointed by the Group Manager to carry out an internal inspection of the group members with regard to their compliance with the relevant RSPO standards and policies, and with group membership requirements.	Group Certification (2018)

Internal control System – ICS	A documented set of procedures and processes that a group implements to achieve its specified requirements. The ICS can define the roles of the wider group, not directly involved in the certification, which can consist of FFB traders, Group Managers, transport providers etc.	Group Certification (2018)
Independent growers	The person or entity that owns and/or manages an oil palm development and who is not bound by any contract, credit agreement or planning to a particular mill.	Group Certification 2018
Medium growers	Medium growers are land-owners or small businesses with more than 50 ha and less than 500 ha (cumulative), who cultivate and harvest oil palms using hired labour rather than family labour. They may have diverse sources of income including multiple crops, may not reside near their oil palm plantings and may employ administrative staff. Note. National Interpretation is encouraged. The definition of medium growers is subject for review alongside P&C and RISS review	Medium Grower Task Force 2021
Mill-with-supply-base	For the purpose of this document the term ‘mill-with-supply-base’ is used to refer to mills with their own plantation(s). Mills-with-supply-base need to follow the RSPO P&C certification for their own operations, whereas independent mills need only RSPO SCC certification. Mills-with-supply-base in the context of Group Certification is a relevant concept for the certification of scheme smallholders, associated smallholders and outgrowers (see section 1.3 of this document) and therefore this clearer differentiation is used.	Group Certification (2018)
National Interpretation	Interpretation of the RSPO Generic Principles & Criteria for a specific country.	Group Certification (2018)
Outgrowers	Farmers, where the sale of FFB is exclusively contracted to the unit of certification. Outgrowers may be smallholders.	RSPO P&C (2013)
Rights	are legal, social, or ethical principles of freedom or entitlement	Group Certification (2018)
Stakeholders	An individual or group with a legitimate and/or demonstrable interest in, or who is directly affected by, the activities of an organisation and the consequences of those activities.	Group Certification (2018)

Annex II. List of documents to be developed, required to comply with RSPO P&C



P&C Indicator	Documentation	Classification
1.1.3	Records on information request and responses to Stakeholders and records of communication and actions taken in response to input from stakeholder	Records
1.1.4	Consultation and communication procedures with interested parties	Procedure
1.1.5	List of stakeholders	List
1.2.1	Policy Committing to a code of ethical conduct and integrity in all operations and transactions	Policy
2.1.1	A documented system about legal requirements	Documented system
2.2.1	List of contracted parties	Documented system
3.1.1	Business or management plan ²	Plan
3.1.2	Replanting Program projected for 5 years	Plan
3.2.1	Action plan for continual improvement	Plan
3.3.1	Standard Operating Procedures (SOPs)	Procedure
3.3.2	Records of monitoring and implementation of the SOPs	Records
3.4.1	Social and Environmental Impact Assessment (SEIA)	Assessments
3.4.2	Social and environmental management and monitoring plans	Plan
3.4.3	The social and environmental management and monitoring plan	Plan
3.7.1	Training Program, including regular assessments of training needs	Plan
3.7.2	Record of training	Records
4.1.1	Policy to respect human rights, including prohibiting retaliation against Human Rights Defenders (HRDs),	Policy
4.5.1	Maps of an appropriate scale showing the extent of recognised legal, customary or user rights - where applicable	Map
4.5.2	Procedure to ensure FPIC is obtained for all oil palm development through a comprehensive process	Procedure
4.6.1	Procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation	Procedure

4.6.1, 4.7.1	Procedure for identifying people entitled to compensation is in place	Procedure
4.6.2, 4.7.2	Procedure for calculating and distributing fair compensation	Procedure
4.8.4	Participatory mapping of extent of disputed area – where applicable	Map
6.1.1	A publicly available non-discrimination and equal opportunity policy	Policy
6.3.1	Published statement in local languages recognising freedom of association shall be available	Statement
6.4.1	Policy for the protection of children, including prohibition of child labour and remediation	Policy
6.5.1	Policy to prevent sexual and all other forms of harassment and violence	Policy
6.5.2	Policy to protect the reproductive rights of all, especially of women	Policy
6.6.2	Labour policy and procedures for temporary or migrant workers	Policy & Procedure
6.7.1	Records of issues raised in meetings related to health, safety and welfare between responsible person/s and workers	Records
6.7.2	Health and safety procedure	Procedure
6.7.2	Accident and emergency procedures	Procedure
6.7.2	Record of all accidents and injuries (Lost time Accident)	Records
7.1.1	Integrated Pest Management (IPM) Plan	Plan
7.2.1	Documented justification where pesticides are applied aerially.	Document
7.2.2	Records of Pesticides Use (a.i., LD50, area treated, amount of a.i./ha and number of applications)	Records
7.2.3	Plan on Pesticides (minimize and exceptional circumstances)	Plan
7.3.1	Waste management and disposal plan	Plan
7.3.2	Waste disposal procedure	Procedure
7.4.1	Procedures for soil and fertility management	Procedure
7.4.4	Records of fertiliser inputs	Records
7.5.1	Maps identifying marginal and fragile soils, including excessive gradients and peat soils	Maps
7.6.1	Soil suitability maps or soil surveys adequate to establish the long-term suitability of land for oil palm cultivation	Map
7.5.2, 7.5.3, 7.6.2	Plan to ensure no new planting on peat, steep terrain and no extensive replanting on steep terrain, as well as extensive planting on marginal and fragile soil	Plan

7.7.2	Map of peatland	map
7.7.3	(If applicable) Procedure for minimising, monitoring and documenting subsidence of peat.	Procedure
7.7.4	Water and ground cover management programme (for existing planting on peat)	Programme
7.8.1	Water management plan	Plan
7.8.2	Map and plan for water courses and wetlands protection	Map & plan
7.8.2	(If applicable) Plan for restoring appropriate riparian and other buffer zones	Plan
7.9.1	Plan for improving efficiency of the use of fossil fuels and to optimise renewable energy	Plan
7.10.3	Plan to reduce or minimise identified significant pollutants and GHG emissions	Plan
7.12.1	Land Use Change Analysis (LUCA) conducted	Assessment
7.12.2	Relevant HCV-HCS assessments conducted (Refer RSPO Interpretation of Indicator 7.12.2 and Annex 5)	Assessments
7.12.4	Integrated management plan to protect and/or enhance HCVs, HCS forests, peatland and other conservation areas	Plan
7.12.6	Records of regularly education of workforce on RTE species	Records
7.12.7	Records of HCV monitoring	Records
7.12.8	(If applicable) Remediation and Compensation Procedure (RaCP) applied	RaCP

The RSPO is an international non-profit organisation formed in 2004 with the objective to promote the growth and use of sustainable oil palm products through credible global standards and engagement of stakeholders.

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