The RSPO has set up two certification systems:

1. One to ensure that palm oil is produced sustainably called “producer/grower certification” or “Principles & Criteria certification”;
2. The other to ensure the integrity of the trade in sustainable palm oil, i.e. that palm oil sold as sustainable palm oil has indeed been produced by certified plantations.

Both systems involve third-party certification bodies. Such rigorous certification systems considerably reduce the risk for consumers to use palm oil that is not sustainable.
## Supply chain certification

The RSPO has set up four supply chain certification systems (SCCS) with different levels of traceability and cost. A claim a RSPO member can make about its commitment to sustainable palm oil depends on the type of SCCS.

<table>
<thead>
<tr>
<th>SYSTEM</th>
<th>EXPLANATION</th>
<th>LEVEL OF TRACEABILITY</th>
<th>COSTS</th>
<th>LEVEL OF CLAIM</th>
<th>TRADEMARK</th>
<th>CLAIM ALLOWED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identity Preserved (IP)</td>
<td>Sustainable palm oil from a single identifiable certified source is kept separately from ordinary palm oil throughout supply chain</td>
<td>00000</td>
<td>$$$$</td>
<td>✓ ✓ ✓ ✓</td>
<td>CERTIFIED</td>
<td>This product contains certified sustainable palm oil</td>
</tr>
<tr>
<td>Segregated (SG)</td>
<td>Sustainable palm oil from different certified sources is kept separate from ordinary palm oil throughout supply chain</td>
<td>0000</td>
<td>$$$$</td>
<td>✓ ✓ ✓</td>
<td>CERTIFIED</td>
<td>This product contains certified sustainable palm oil</td>
</tr>
<tr>
<td>Mass Balance (MB)</td>
<td>Sustainable palm oil from certified sources is mixed with ordinary palm oil throughout supply chain</td>
<td>00</td>
<td>$$</td>
<td>✓ ✓</td>
<td>MIXED</td>
<td>Contributes to the production of certified sustainable palm oil</td>
</tr>
<tr>
<td>Book &amp; Claim (B&amp;C)</td>
<td>The chain is not monitored for the presence of sustainable palm oil. Manufacturers and retailers can buy a GreenPalm certificate from a RSPO-certified grower</td>
<td>0</td>
<td>$</td>
<td>✓</td>
<td>GreenPalm</td>
<td></td>
</tr>
</tbody>
</table>
Identity Preserved

What is it?

The Identity Preserved (IP) supply chain system assures that the RSPO-certified sustainable palm oil and its derivatives delivered to the end user are uniquely identifiable to a specific mill and its supply base and are kept physically separated from all other oil palm sources throughout the supply chain.

How does it work?

The IP supply chain system requires that the grower, refiner and all supply chain actors maintain full separation and full traceability to the point of delivery to the end user. The end user is therefore assured that 100% of oil received has come from a uniquely identifiable RSPO-certified plantation and meets all criteria of the RSPO certification program.

What are the requirements for RSPO members?

A proof of separation and full traceability of the RSPO-certified sustainable palm oil and its derivatives throughout the supply chain is required. A facility must ensure that the RSPO-certified sustainable palm oil is kept physically isolated from the palm oil coming from other sources and is uniquely identifiable to the mill and its supply base.
<table>
<thead>
<tr>
<th>Benefits</th>
<th>Limitations</th>
</tr>
</thead>
<tbody>
<tr>
<td>+ Delivered palm oil is 100% RSPO-certified sustainable palm oil</td>
<td>✗ IP is the most expensive supply chain certification scheme that the RSPO offers and it is therefore not feasible for all industry players to adopt this system</td>
</tr>
<tr>
<td>+ Fully traceable to a uniquely identifiable RSPO-certified point of origin</td>
<td>✗ IP is a logistical challenge which means that introducing and maintaining this scheme is a resource-intensive task.</td>
</tr>
</tbody>
</table>

Logo used for products containing IP palm oil:

![IP logo](image1) or ![IP logo](image2)

### Segregation

**What is it?**

The Segregation supply chain system (SG) assures that RSPO certified sustainable palm oil and its derivatives delivered to the end user come only from RSPO certified sources. However, it allows mixing RSPO-certified sustainable palm oil coming from different certified plantations so the identification of a single original source is not possible.

**How does it work?**

The SG supply chain system assures that 100% of the actual product has originated from RSPO certified plantations. However, the physical oil will not be uniquely identified to a specific plantation as in the case with Identity Preserved.
What are the requirements for RSPO members?

The SG system requires that all RSPO-certified sustainable palm oil is stored separately from the palm oil coming from non RSPO-certified plantations throughout the supply chain. This model does allow for the mixing of RSPO-certified sustainable palm oil and its derivatives from various sources.

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Limitations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Segregation guarantees that the end product contains 100% certified sustainable palm oil</td>
<td>Segregation is a costly supply chain certification system from a logistical perspective as palm oil needs to be kept separately from conventional palm oil at all times throughout supply chain</td>
</tr>
<tr>
<td></td>
<td>Segregated sustainable palm oil is not fully traceable to the exact plantation where it was grown but only to the mill.</td>
</tr>
</tbody>
</table>

Logo used for products containing SG palm oil:
Mass Balance

What is it?

The Mass Balance supply chain system administratively monitors trade in RSPO-certified sustainable palm oil and its derivatives throughout the supply chain, and is an interim solution until the trade in sustainable palm oil becomes mainstream.

How does it work?

The Mass Balance supply chain model allows everyone within the supply chain to demonstrate their commitment to sustainable palm oil production and to actively promote trading in RSPO-certified sustainable palm oil. This model is expected to encourage industry to gradually set up segregated supply chains and thus increase the level of sustainable palm oil trade.

The Mass Balance system allows RSPO-certified sustainable palm oil to be mixed with conventional palm oil at any stage of the supply chain process provided that overall company quantities are controlled.

What are the requirements for RSPO members?

The basic requirement for Mass Balance is to keep consistency between the quantities of the RSPO-certified sustainable palm oil bought and the RSPO-certified sustainable palm oil sold. It implies control of all sales of RSPO-certified sustainable palm oil and its derivatives, which is to be independently verified. There are no requirements to store RSPO-certified sustainable palm oil separately from other oil.
Actively involves all supply chain actors in the sustainable palm oil trade in a first step towards a fully traceable supply chain.

Mass Balance is a cost-effective supply chain solution.

The Mass Balance system does not guarantee that the end product actually contains sustainable palm oil as conventional and sustainable oil are mixed throughout the supply chain.

**Logo used for products containing SG palm oil:**

![Certified Sustainable Palm Oil](image)

**Book and Claim**

**What is it?**

The Book and Claim supply chain system allows all actors of the palm oil supply chain to trade in certificates for RSPO-certified sustainable palm oil. Buying certificates allows retailers and manufacturers to claim that their business supports the production of sustainable palm oil. The money raised from selling certificates is then used by a palm oil grower to reduce environmental and social impact of palm oil production.

**How does it work?**

The Book and Claim system allows RSPO-certified growers to convert their certified oil into certificates. Offers for these certificates are then placed on the GreenPalm Market.

Product manufacturers who use palm oil or any palm-based derivative and fraction in their products buy these certificates, offsetting their physical oil with the equivalent amount of certificates. The value of each certificate is sent back to the RSPO producer who reinvests this premium to help tackle the environmental and social issues created by the production of palm oil. The Book and Claim certification scheme is operated by GreenPalm.
What are the requirements for RSPO members?

Volume credits can only be introduced into the system by RSPO certified mills and their supply base. Volume credits are traded electronically directly to end users so there are only traceability requirements for the end product-manufacturer. These requirements are designed to ensure that all palm oil and/or its derivatives that are claimed to be sustainable under this supply chain model are covered by sustainable certificates. Users of this scheme are not required to trace and monitor the presence of actual RSPO-certified sustainable palm oil in their products.

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Limitations</th>
</tr>
</thead>
<tbody>
<tr>
<td>+ Directly connect RSPO-certified sustainable producers to end users of palm oil without the involvement of the supply chain</td>
<td>- Supply chain is not monitored for the presence of actual sustainable palm oil.</td>
</tr>
<tr>
<td>+ Costs are limited because no changes need to be made to the supply chain. As the system does not make supply chain more expensive, almost the entire price premium goes to palm oil growers</td>
<td></td>
</tr>
<tr>
<td>+ The B&amp;C plays an important role in opening up new markets such as China and India as commodity trading is heavily based on price in these markets</td>
<td></td>
</tr>
</tbody>
</table>

Logo used for products containing B&C palm oil:

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