



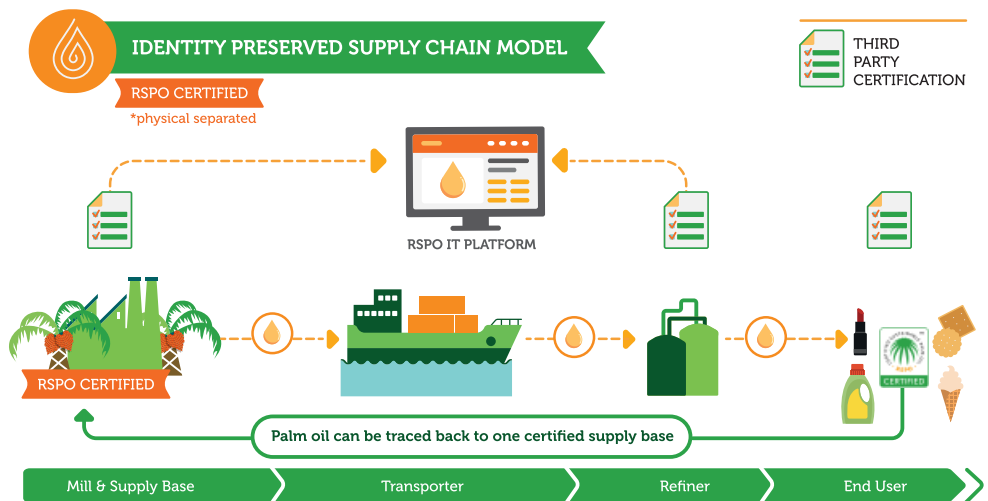
Segregated and Identity Preserved Supply Chain Models

Added value of traceability for transforming supply chains

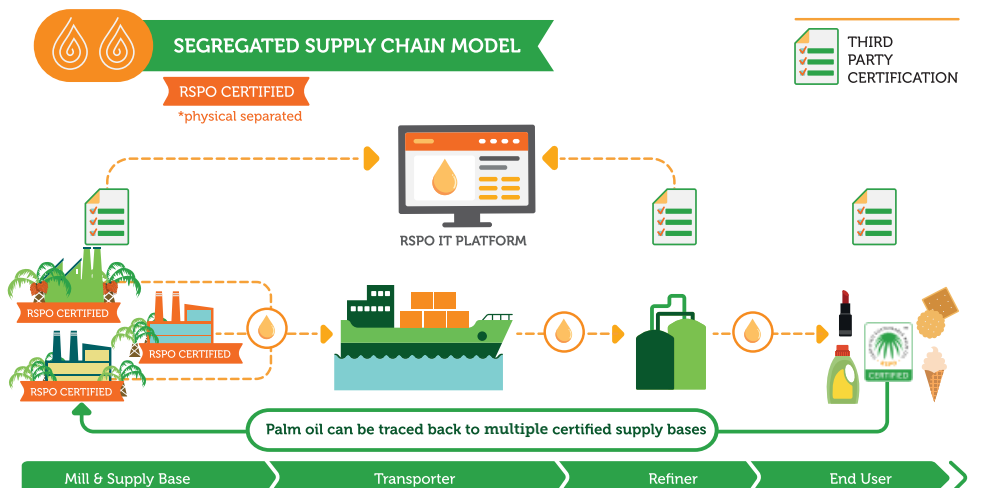
What is it?

Segregated (SG) and Identity Preserved (IP) are supply chain models wherein Certified Sustainable Palm Oil (CSPO) is **only** sourced from **RSPO Certified** palm oil mills where the certified Fresh Fruit Bunches (FFB) are **segregated throughout the process**. The resulting CSPO and Certified Sustainable Palm Kernel (CSPK) are kept separated throughout the supply chain during the shipping, storage, and further processing.

The Identity Preserved (IP) Supply Chain model ensures the certified oil palm products are identifiable from a single certified palm oil mill and its supply bases, which are kept separate throughout the supply chain.



The SG Supply Chain model is a combination of oil palm products originating from IP certified producers that are mixed throughout the process, but the material is kept fully separated from conventional or uncertified palm oil.



What are the benefits?



SG/IP supply chain models offer companies enhanced traceability because the oil palm products come from 100% certified sources, while increasing the potential of linking downstream and upstream actors. Strengthening the connection between users and growers can help market players establish trustworthy relationships that can be further communicated to consumers.



The enhanced traceability embedded in the SG and IP models can also improve compliance with a number of deforestation and labour-related import regulations that require point of origin documentation. Beyond government regulations, there are also companies that have their own No Deforestation, No Peat, and No Exploitation (NDPE) as well as Deforestation and Conversion Free (DCF) policies. As these are pillars of the RSPO Principles and Criteria, the SG/IP models help increase the ability to comply with various sourcing policies. In addition, it could benefit actors who are willing to comply with other standards, such as organic certifications, where segregation is also required.

However, SG and IP have several challenges that hinder wider adoption in many markets, for example, higher costs for segregation of material due to transportation and storage requirements.



Segregated Supply Chain Models

- Provides flexibility around sourcing as it combines 100% RSPO Certified products from different mills and supply bases.
- Since SG material is the result of mixing IP material from several mills/supply bases, this also reduces the cost.



Identity Preserved Supply Chain Models

- Sourced from one single mill/supply base, SG material is the result of IP material from one mill being mixed with IP material from another mill.

What is the impact?

Companies that only source through the SG or IP models offer greater assurance to their consumers that the palm-based ingredients come from certified sustainable sources. This ensures that there is a market for sustainable palm-based ingredients and conventional or uncertified material will not be purchased. In reality, many companies rely on a combination of supply chain models before they can achieve fully certified sustainable sourcing. This transition depends on geography wherein certain markets already receive larger quantities of segregated material. It is also sector-specific – CSPO is usually more common in the food sector with its advanced sustainable sourcing policies and strategies compared to the home and personal care sector which rely more on CSPKO.



What is needed to implement it?

Please read the **RSPO Supply Chain Certification Standard** for more details

Oil Palm Products

Products produced from the oil palm, including its fruit and kernels. Depending on the context, the phrase 'oil palm products' in this document can also refer to products such as (crude) palm oil, shells, palm kernels, palm kernel expeller, palm kernel oil (PKO), or products derived thereof, palm fatty acids (PFAD), palm kernel fatty acids (PKFAD), olein, stearin, or other products that are derived from the fractionation of palm oil and palm kernel oil.

Adopting SG/IP models requires not only investments and a change of operational processes but also a more selective list of suppliers. SG/IP palm oil products require the necessary infrastructure to keep them separate from RSPO Mass Balance (MB) material and conventional palm oil products all the way from the mill to the final product. For example, during manufacturing, SG/IP material needs to be stored and processed in a way that does not risk contamination by MB or non-certified material. If it is not possible to have separate infrastructure (storage tanks, manufacturing lines, etc.) for SG/IP material, and MB or conventional material is being processed or stored using the same infrastructure, additional measures are required to ensure separation of materials. Those utilising SG/IP supply chains should ensure they receive documentation from their direct supplier showing all necessary verification to maintain the chain of custody, which should include amongst others a valid RSPO Supply Chain Certification number and SG/IP statements from the previous certified actor to be passed along to the next customer in the supply chain.

You can find additional information in the **RSPO Supply Chain Certification Standard**, or **contact your local RSPO representative** for more information



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