



NDPE IRF DATA VERIFICATION PROTOCOL

Version November 2020

A guidance for Verification Bodies and data aggregators on the independent verification process of NDPE IRF data

CONTENTS

CHAPTER 1: INTRODUCTION	04 - 07
1.1 What is the NDPE IRF	05
1.2 How does the NDPE IRF work?	06
1.3 Who is required to complete the NDPE IRF	07
CHAPTER 2: VERIFICATION PROCESS	08 – 14
2.1 Planning and preparation of the verification	09
2.1.1 Information gathering	09
2.1.2 Verification assessment plan	10
2.2 Performing NDPE IRF Data Verifications	10
2.2.1 Reported mill volumes and geo-coordinates	11
2.2.2 Mill allocation criteria	12
2.2.3 Quality management system	12
2.3 Reporting and Verification decision	13
2.3.1 Verification reporting	13
2.3.2 Handling of non-conformities and missing evidence	14
2.3.3 Verification decision	14
CHAPTER 3: REQUIREMENTS FOR VERIFICATION BODIES	15 – 16
3.1 Verification bodies qualifications	16
○ Appendix I: Mill allocation criteria guidance	17 - 26
○ Appendix II: Sampling methodology for selection of mills and IRF profiles to be reviewed during verification	27 - 30

ABOUT PETERSON

From our roots in agricultural inspections, Peterson and Control Union have been operating for 100 years in the field of logistics, quality, certifications and risk management. Our in-depth knowledge and experience covers all aspects of the supply chain in many industries including agriculture, energy, forestry, sustainability and textiles in over 70 countries world-wide.

REFERENCE DOCUMENTS

The following normative documents have been considered for the development of this protocol:

NEN-EN-ISO 19011, Guidelines for auditing of management systems
 NEN-EN-ISO/IEC 17065, Requirements for certification bodies certifying products, processes and services
 ISAE3000 International Standard on Assurance Engagements
 RSPO Principles and Criteria 2018



LIST OF ABBREVIATIONS

- **FFB** Fresh Fruit Branches
 - **HCS** High Carbon Stock
 - **HCV** High Conservation Value
 - **HCVRN** High Conservation Value Resource Network
 - **IAF** International Accreditation Group
 - **IP** Identity Preserved
 - **IRF** Implementation Reporting Framework
 - **ISPO** Indonesia Sustainable Palm Oil
 - **MB** Mass Balance
 - **MSPO** Malaysian Sustainable Palm Oil
 - **NDPE** No Deforestation, No Peat, No Exploitation
 - **P&C** Principles and Criteria
 - **QMS** Quality Management System
 - **RSPO** Roundtable Sustainable Palm Oil
 - **SG** Segregated
-

PURPOSE OF THIS DOCUMENT

This document sets out the requirements for Verification Bodies on how to verify the accuracy and completeness of self-reported No Deforestation, No Peat, No Exploitation (NDPE) Implementation Reporting Framework (IRF) data.¹ The document is also intended to guide all actors completing the NDPE IRF on how the verification process should be performed, as well as the type of data to be requested from the palm oil mills in order to complete the mill profiles. Furthermore, this protocol informs all the other actors receiving verified aggregated data on the process followed at the start of the palm supply chain.

¹ This document version specifically addresses No-Deforestation and No-Peat Exploitation. The social component of NDPE commitments is currently being developed and will be incorporated into this protocol once fully developed





Chapter 1: Introduction

1.1 WHAT IS THE NDPE IRF?

The NDPE IRF is a reporting tool designed to help organizations in the palm oil supply chain to systematically understand and track progress in delivering commitments of No Deforestation, No Peat and No Exploitation across the whole production base covering the full volumes sourced². There are currently several initiatives underway within the palm oil supply chain to support the achievement of NDPE commitments. Examples of such activities are certification and supplier engagement programs, or landscape and smallholders’ support initiatives. The IRF tool enables to systematically capture all these activities. By including information on initial engagement actions such as workshops and policy developments, as well longer-term on-the-ground actions and initiatives, the tool can summarize any progress or gaps in the implementation of NDPE commitments. Having an industry accepted framework to report progress on these initiatives will enable all the players in the sector to collectively monitor progresses, identify gaps and drive improvement.

1.2 HOW DOES THE NDPE IRF WORK?

The IRF captures information on NDPE actions and implementations across the entire palm oil mills production base, thus including both Fresh Fruit Brunches (FFB) produced on directly managed plantations as well as FFB purchased from third party estates and small -holders. With the use of the IRF, early supply chain buyers of palm oil from the mills, such as refineries and traders, will be able to collect NDPE data across each own entire mill supply base and pass these data further down in the supply chain. For the purpose of this guidance, actors responsible to first collect NDPE IRF data will be referred to as Data Aggregators.

Each mill in the IRF has a set of questions capturing progress in the implementation of a specific initiative across the production base. Based on the information reported in the mill profile, the mill and the volumes originating from it will be allocated into one of six categories³.

Table 1 displays the mill categories showing progress in the implementation of NDPE initiatives across the entire mill supply base.

TABLE 1. Mill categories showing progress in the implementation of NDPE initiatives

Unknown	Known	Awareness	Commitment and Starting Action	Progressing	Delivering
Untraceable volume	Mill is traceable but has not taken any actions.	The mill has been made aware of NDPE sector requirements and what actions are expected of it.	The mill has made commitments to ensure all volumes comply with the relevant NDPE commitments and is planning or initiating action.	The mill has an action plan and has made progress on directly managed areas (if applicable) as well as third party supply.	The mill can demonstrate that all supply to the mill (directly managed and third party) is meeting NDPE requirements.

The IRF collects the data across each individual mill profile and reports these in an aggregated form in a specific section of the IRF. This section will show the proportion of mills in the data aggregator supply base and the corresponding volumes under each one of the six categories.

² For more information see website www.ndpe-irf.net

³ Allocation criteria related to labor and land rights are still under development and are not included in this document

1.3 WHO IS REQUIRED TO COMPLETE THE NDPE IRF?

Early supply chain buyers of palm oil from the mills, generally refineries or traders, are responsible for completing the NDPE IRF profile. The aggregated data from all the profiles as generated by the IRF will then be sent to the actors further down in the chain purchasing the palm oil. All sold volumes will be provided together with aggregated NDPE as well as mill traceability data (geo-coordinates and mill name). Individual mill allocation answers and corresponding volumes will not be shared further upstream but will remain with the Data Aggregator. The actors purchasing the palm oil and receiving aggregated IRF profiles will be able to create their own aggregated NDPE profiles by combining information on the volumes coming from all their suppliers (*see figure 1 below*).

1.4 INDEPENDENT NDPE IRF DATA VERIFICATION

The purpose a third-party independent verification is to provide assurance to the actors downstream receiving aggregated IRF profiles on the accuracy of IRF mill data, and to confirm that the system and processes adopted by the data aggregators enable the supply of accurate IRF data. Approved independent verification bodies will be able to confirm the accuracy of the system by reviewing the quality management system deployed by the data aggregator, and by verifying a sample of the mill profiles and corresponding volumes compiled by the data aggregators.

Depending on the size of operations and supply chain position of the data aggregator, there might be a time-lag between the various actors in the supply chain between compiling, processing and publishing of mill specific information (volumes and traceability, mill profile). However, there is generally a consensus towards yearly compilation of IRF data in the first quarter of a given year and referring to the previous fiscal year data. For example, IRF shared in March 2021 will refer to 2020 supply and mill information. Taking into account this industry approach to the IRF utilization and compilation, the independent verification will consider the following:

- The independent verification shall take into account data corresponding to the full supply of the previous fiscal year. For example, a verification occurring in March 2021, shall take into account the full supply of 2020.
- The validity of the evidence provided to complete the mill profiles will consider the latest available status at during the reporting period. For example, during a verification conducted in 2021, if a mill supplied to a refinery every month from January through October 2020, and in June achieved an RSPO IP certification, the entire volumes for the year can be considered as IP certified.

² Some data aggregator with less exposure in the chain might be able to compile IRF bi-annually, for example November 2020 for the first half of the year, and Q1 2021 for the second half of 2021. To reduce the burden during verification, it is possible for these data aggregator to request more than one verification of their data.



FIGURE 1

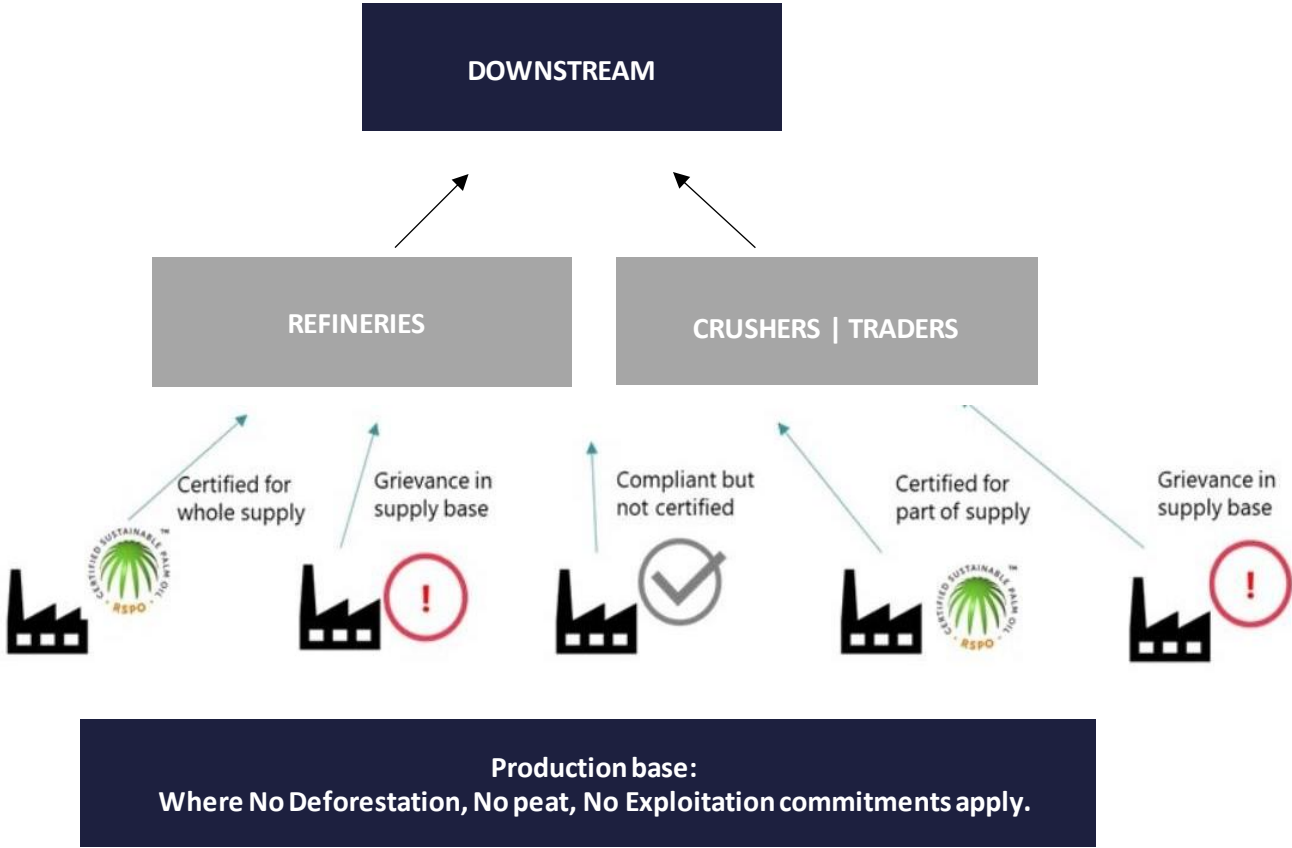


Diagram showing flow of communication of IRF NDPE data. Refineries and Crushers/Traders receive palm oil from directly from mills and are required to complete mill specific NDPE profiles, linking the purchased volumes to actions and implementation of NDPE across the entire mill production base. They will then share the aggregated mill data and corresponding profiles to their buyers further upstream in the supply chain

(Source: Proforest, 2020).





Chapter 2: Verification Process

This chapter describes the steps to be taken by approved Verification Bodies and their verifiers in order to review the data included in the NDPE IRF and confirm the self-reported mills and volumes categories. The actors being verified are early supply chain buyers of palm oil from the mills, such as refineries and traders, who have access to mill related information to be able to complete individual mill profiles.

2.1 PLANNING AND PREPARATION OF THE VERIFICATION:

Before the start of the verification, the verifier shall gather information to be able to effectively plan the audit. Initial verifications of aggregators should be conducted on-site. After the first year, the Verification Body may decide to perform the verification remotely provided that the management system and data gathering process at the company have not changed significantly from the previous year⁴. The decision for this type of assessment for first as well as subsequent verifications is left to the Verification Body.

The verification shall always include the administrative sites of the aggregator in the scope where the data are processed. If data from multiple locations are processed in a single site (centralized data management system), this single site can be audited by the verifier, provided all the information for all other sites are accessible and made available prior and during the verification audit.

The planning phase of the verification should include information gathering and a verification plan being sent to the organization being verified.

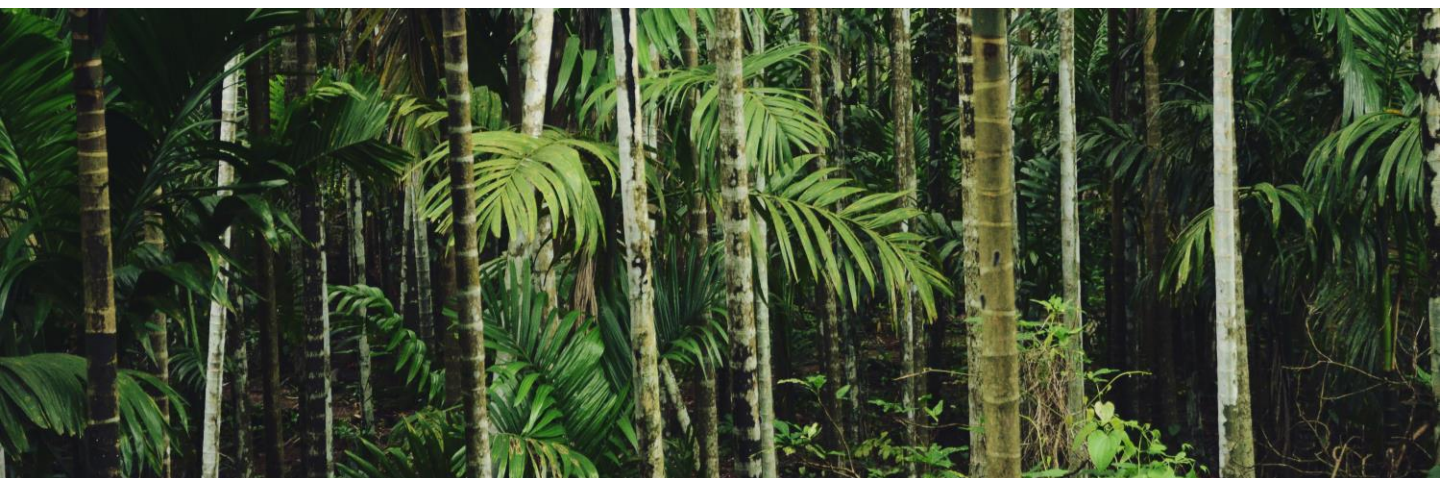
2.1.1 INFORMATION GATHERING

Before the start of the verification assessment, the verifier should request from the aggregator all the necessary information to plan the verification assessment.

The most updated NDPE IRF to be included in the scope of the verification should be requested and made available prior to the audit. Based on sampling methodology described in appendix II, the verifier should determine:

- The number of IRF profiles to be reviewed (if multiple IRF are being created)⁵
- The reporting period for the volumes to be verified and the number of mills and corresponding profile evidence to be reviewed during the audit

The verifier determines whether the provided information is satisfactory to perform the verification or if any additional information is needed.



⁴ Significant changes are for example changes in the quality management system (e.g. person responsible, systems for data collection) or changes in the scope (e.g. number of mills, or number of refineries in case of data from multiple sites managed in one location).

⁵ Depending on the aggregator system and customers requests, the aggregators might either be compiling a single IRF for all mills from which they purchase or create different IRFs. It is the responsibility of the verifier to understand the approach used by the data aggregator prior to the verification taking place.

2.1.2 VERIFICATION ASSESSMENT PLAN

The verifier should compile and share an assessment plan with the company being verified before the assessment. The assessment plan should include the following information:

- a) Date and time of the assessment
- b) Location (s) of the assessment
- c) Documents to be reviewed
- d) Number of IRF profiles to be reviewed (if applicable)
- e) Number of mills to be reviewed (based on sampling methodology) and chosen reporting 12 months for the volumes
- f) People to be interviewed during the verification (in case of interviews)
- g) Scope of the assessment (including all sites in case of a centralized data management system)

The plan should also include the necessary estimated duration for each part of the assessment, confidentiality and information security.

2.2 PERFORMING NDPE IRF DATA VERIFICATIONS

There are three sets of data which shall be part of each NDPE IRF verified:

- 1) Total reported mill volumes and geo-coordinates;
- 2) Answers selected building up the mill profile;
- 3) Aggregator quality management system for handling of NDPE profile data received;

The following sections will describe each one in more detail.



2.2.1 REPORTED MILL VOLUMES AND GEO-COORDINATES

The first set of data to be reviewed by the verifier are the reported volumes and coordinates of the mill. Reported volumes are an important element of the IRF, as the final categorization for the mill and deforestation commitments are based partly on the volumes reported per mill. In order to check total volumes, the verifier shall:

- a. Ensure that for the selected mills for review, the reported volumes in the IRF are the volumes purchased by the aggregator for the chosen period; ⁶
- b. Ensure that the total volumes reported for all the mills included in the IRF correspond to total purchased volumes by the data aggregator.

In case there is a discrepancy in the total purchased volumes and the volumes reported in the IRF, this might be caused by either missing mills from the IRF profile, or incorrectly reported volume per mill; Mill geo-coordinates shall also be verified as these - together with the aggregate mill profile - are passed on to the next buyer in the chain. Being the IRF linked to the Universal Mill List ⁷ (UML) verification of geo-coordinates applies only for the mills which are not linked to the UML. Geo-coordinates and mill location shall be verified by means of Google Map, Google Earth or other satellite systems to ensure that these are reported correctly and in accordance to the Universal Mill List Standardized Methodology ⁸.

In case of a verification at a Data Aggregator not directly purchasing from mills but only receiving aggregated IRF information from Data Aggregators further up-stream, the review of the volumes should focus on the volumes purchased from these Data aggregators and reported in the “Traders” tab.



⁶ See appendix I for examples of evidence which can be reviewed to confirm the volumes.

⁷ The Universal Mill List (UML) is a collection of palm oil mill locations across the world with associated group, company, and mill names, RSPO certification status and unique “universal IDs”. The UML is based on data contributed to the authors from palm oil buyer companies, the Roundtable on Sustainable Palm Oil (RSPO), and FoodReg, as well as data gathered from government records and through extensive supply chain research. The objective of the UML is to provide a comprehensive, common dataset for the palm oil industry that can be used to easily identify mills across various platforms and reporting efforts. For more information please visit <http://data.globalforestwatch.org/>

⁸ See <http://data.globalforestwatch.org/> for more details on the standardized methodology. In particular, the verifier shall ensure that upon verification of the coordinates the image, layout and features of the infrastructure provide enough confidence to confirm the presence of a mill (e.g. silos, warehouses and settling ponds are identifiable, presence of a plantation nearby).

⁹ Note that allocation criteria related to grievances asks for different questions. See Annex 1 for guidance on answers related to grievances



2.2.2 MILL ALLOCATION CRITERIA

Allocation criteria are the core of the IRF profile as the answers selected will determine the final categorization. Each and every allocation criteria for the selected mills shall be reviewed by the verifier.

The most common answers to be selected under each allocation criteria are reported below:

Yes - This option shall be selected if evidence for the specific criteria is available at the aggregator to be able to confirm that the specific criteria is met;

No – This option shall be selected if evidence for the specific criteria is available at the aggregator to be able to confirm that the specific criteria is not met;

NA – This option shall be selected if the specific criteria does not apply to the mill. Evidence should be available to be able to confirm this selection;

Don't know – This option shall be selected if evidence is not available at the aggregator level and an answer cannot be provided on the criteria for the specific mill;

It is the responsibility of the verifier to ensure that each one of the answers is selected correctly. Appendix I provides guidance on evidence to be requested to the mill as well as how to verify the accuracy and completeness of this evidence.

This section would not be applicable in case of Data Aggregators not purchasing from the mills but only receiving aggregated mill profile information from Data Aggregators further upstream in the chain.

2.2.3 QUALITY MANAGEMENT SYSTEM

In order to reduce the risk of errors in the collection, handling and communication of NDPE IRF mill data, the aggregators are expected to have a quality management system (QMS) in place covering all the locations under the scope of the verification.

COMPONENTS OF A QMS ARE

- i. Updated procedures covering the implementation of NDPE IRF data gathering, handling and communication;
- ii. Identification of roles and responsibilities for the gathering, handling and communication of the NDPE IRF data
- iii. Procedures ensuring quality control of the NDPE IRF mill data received. Examples of quality control can include: on time delivery of data; follow up actions in case of missing information; validation process for evidence received from mills etc.

Data aggregators are expected to provide evidence of implementation for at least one of the three above mentioned components of a management system. Any strengths and weaknesses identified in the aggregator QMS should be reported in the verification report (see 2.3.1).

In case of a centralized data management system, the results on the QMS can be reported across all sites reviewed if the same processes apply to all.

In case of a verification at a Data Aggregator not directly purchasing from mills but only receiving aggregated IRF information from Data Aggregators further up-stream, the verifier shall review evidence of the IRF data communicated to them and subsequently inserted in the IRF profile tab for “traders”.

2.3 REPORTING AND VERIFICATION DECISION

2.3.1 VERIFICATION REPORTING

Upon completion of the verification, the verifier should complete a verification report. The main aim of the report is to state the findings of the verification, with a detailed description of any non-conformities or missing evidence. The report shall be shared with the audited facility, preferably within 3 weeks after the closing meeting. The verification report shall only be shared with the data aggregator and responsible personnel receiving the verification. The verification report shall include, at minimum:

- a. Date of the assessment
- b. Scope of the verification
- c. Description of the facility verified
- d. Name of the person who conducted the assessment and verification body represented
- e. A detailed description of the QMS implemented at the facility level, describing the processes for handling of NDPE IRF incoming and outgoing data. The verifier should include a description of any strengths and weaknesses found within the QMS¹⁰.
- f. List of mills reviewed and corresponding NDPE IRF categorization
- g. Allocation criteria and corresponding mill name for which the answer provided by the aggregator has been changed as a result of the verification. This should also include a description of the Finding (what the verifier found during the verification) and Evidence (what information the verifier reviewed) to reach her/his conclusion.¹¹
- h. Overview of non-conformities and missing evidence, if any (including status e.g. open/closed)
- i. A final statement on the outcome of the assessment



¹⁰ Elements of QMS described in section 2.2.3 can be used as guidance for this description. A strong QMS has procedures in place for data handling, quality check and appoints people responsible for the different processes.

¹¹ If none of the answers self-reported by the aggregators was changed as a part of the verification, this section can be omitted. A statement should be included in the description mentioning that no changes occurred in the self-reported mill allocation criteria.



2.3.2 HANDLING OF NON-CONFORMITIES AND MISSING EVIDENCE

Non-conformities during NDPE IRF reporting shall be raised in the following cases:

- I.** The total volumes received from the mills are reported incorrectly, missing mills from the list are identified, mill names or geo-coordinates are reported incorrectly (see 2.1.1). Any discrepancies found in these components will significantly affect the accuracy and quality of the categorization and need therefore to be corrected before the NPDE IRF data can be considered as verified;
- II.** A Quality Management System for handling NDPE IRF incoming and outgoing data is missing (see 2.2.3 for reference) or not identifiable by the verifier during the audit. A missing QMS increases the likelihood of incoming and outgoing data being processed and reported incorrectly, thus affecting data received further upstream in the chain.

All non-conformities shall be closed within 1 month from the audit closing meeting. Satisfactory evidence shall be provided, preferably describing Root Causes, Correction and Corrective Action¹².

In the case evidence cannot be provided during the audit to support a selected answer for a specific mill allocation criteria (see 2.2.2), it will be possible for the aggregator to deliver the evidence to confirm the provided answer.

This missing evidence shall be provided within 5 working days from the audit closing meeting to the verifier. Evidence provided after this time shall not be accepted and therefore the answer under the mill allocation criteria confirmed as NA.

Once all evidence is provided, the verifier can close the assessment process by updating the results in the verification report and issue a verification statement.

2.3.3 VERIFICATION DECISION

After the verification is completed the verifier shall issue a verification statement to the supplier. This declaration confirms that the aggregator has been verified and complies with the requirements of this protocol. The verification statement shall contain the following information, at minimum:

- a.** Name of the aggregator
- b.** Country of the aggregator
- c.** Name of the Verification Body
- d.** Scope of the Verification Performed
- e.** Reporting period and number of mills from which the sample was taken
- f.** Issue date of the statement
- g.** Authorization at verification body (name, function)

After the attestation is received, the aggregator will be able to confirm the status of all IRF NDPE data supplied up-stream as 'Verified' in the aggregated data tab.

¹² Root cause analysis refer to an in-depth analysis investigating what where the factors that led to the non-conformity; correction refers to the amendment carried out in order to address the non-conformity and close the identified gap; corrective action refers to the actions undertaken and/or procedures put in place to prevent the identified conditions in the root-cause from arising again, thus preventing the non-conformity to occur in the future.





Chapter 3: Requirements for Verification Bodies

This chapter sets out the requirements for Verification Bodies willing to perform verifications for the NDPE IRF Data as described in this protocol.

3.1 VERIFICATION BODIES QUALIFICATIONS

In order to declare NDPE IRF data as verified, all verifications must be performed by an approved verification body. Aggregators are free to select an approved verification body of choice. A list of approved verification bodies which can perform verifications is available at www.ndpe-irf.net.

All third-party verification bodies must comply with the following requirements:

- The third party is recognized by a national authority or an accreditation body which is a member of the International Accreditation Forum (IAF);
- The third-party conducts verification in conformity with ISO 19011 standard, establishing guidelines for quality and/or environmental management systems verification;
- The workflow of the verification process complies with the requirements of ISO/CE 17065:2012;

In accordance to common audit practices, verification bodies are expected to apply a four-eyes principle. This means that the work of the verifier (auditor) who conducts the verification assessment, should be reviewed by an appointed reviewer who will review the assessment findings and the report of the verifier.

Verifiers and reviewers shall comply to the following minimum requirements:

Verifiers:

- i. Demonstrable experience with RSPO P&C certification or demonstrable field experience in the palm oil sector and familiarity with field level initiatives in the palm oil sector;
- ii. Knowledge and understanding of satellite monitoring techniques and how to verify the accuracy of these;
- iii. Successful completion of an ISO 19011, 9001 or 14001 auditor course;

Reviewers:

- IV. Comparable experience to the verifiers

Third-party organizations and verifiers which comply to these requirements and are willing to be granted approval, shall sent a request to the contact listed on www.ndpe-irf.net.

Part of the approval process requires all verifiers and reviewers to attend an NDPE IRF Verification Protocol initial training. The aim of this training is to harmonize all parties involved in the process avoiding differences in the protocol interpretation. During the training, the verification procedures, reporting requirements and interpretations will be reviewed in detail. Both the verifier and reviewer need to complete the training. Both new and previously approved Verification Bodies that wish to qualify new staff shall submit a request to www.ndpe-irf.net.

Verifiers and reviewers may be requested to attend an annual harmonization training organized by one of the partners involved in the NDPE Palm Oil Collaboration Group to review practices, interpretations and significant updates.



Appendix I: Mill allocation criteria guidance

The information included in this annex is intended to provide guidance on the evidence to be collected in order to complete the individual mills profiles.

APPENDIX I: MILL ALLOCATION CRITERIA GUIDANCE

- **Column ‘description of the criteria’** provides an explanation of the criteria as found within the IRF template (please note that updated versions of the IRF template might have different description)
- **Column ‘guidance for data aggregator’** provides a guidance to data aggregators on the type of information that should be requested to the mill. When this information is available, the data aggregators can select ‘Yes’ under the corresponding criteria (a specific guidance for grievances is available).
- **Column ‘Guidance for verifiers’** guides verifiers on how to verify the accuracy and quality of information provided by the data aggregators.

Criteria	Description of the criteria	Guidance for Data Aggregator	Guidance for verifiers
		Only select YES in the IRF template if the evidence described below is available	
Volume sourced from mill (ton) (default is 1 ton, but can be edited)		Report the volumes for each mill where CPO or PKO is sourced from, accompanied by invoices, purchase agreements or signed contracts. Aggregators should select the reporting period for the incoming volumes they would like the Verification Body to review	<p>Verify whether all volumes for which the Data Aggregator has taken legal ownership coincides with volumes stated on invoices, weighbridge tickets, purchase agreements, bill of Ladings or signed contracts for the chosen reporting period</p> <p>If amounts do not correspond there might be a mistake in mill volumes reported or mills might be missing. This should be verified through up to date records of the volumes purchased, e.g. spreadsheets and/or ERP system.</p> <p>A sampling methodology may be applied while reviewing the above mentioned documentation to verify the total incoming volumes per <u>mill</u> (see Appendix II)</p>
Mill certification	<p>Certified under the RSPO Mass Balance model. Sufficient for progressing IP: The mill and its entire supply base have been certified under the RSPO Identity Preserved model and all FFB processed is from RSPO Certified plantations. Sufficient for delivering. IP;MB: The mill and a portion of its supply base has been certified under the RSPO Mass Balance and Identity Preserved model; usually means the mill switches between MB and IP production. Sufficient for Progressing.</p>	<p>Request copies of certificates of the mills and evidence on validity at the date of of the audit Validity can also be verified on the RSPO website https://rspo.org/certification/search-for-supply-chain-certificate-holders, under the status “active”.</p> <p>Please beware that in some cases, if the MB or IP certificate has expired, the palm trace license might still be valid, and accepted by RSPO. Therefore, if the certificate has expired, request the mill or RSPO to confirm the validity of the palm trace license. Record of this confirmation should be maintained and made available during the audit if needed</p>	<p>Verify the records of the Data Aggregator regarding the copies of certificates and prove of validity at date of the audit of the certified mills they are supplying from through samples (see Appendix II for sampling methodology). This includes validity of the palm trace license.</p> <p>N/A for uncertified mills.</p>

APPENDIX I: MILL ALLOCATION CRITERIA GUIDANCE

<p>Has the mill been subject to a site visit?</p>	<p>Mill on-site visits have been conducted by third parties at a number of mills. These visits, often called 'verification assessments' or similar, involve visiting the mill over several days to understand conditions and systems, identify gaps, and make expectations clear to mills</p>	<p>Ensure that records are kept up to date and can be reported regarding any site visits received by the mills related to system and conditions, identifying gaps, or making expectations clear to the mill. This can have taken place through external third-party audits, internal audits, consultants, NGOs or the Data Aggregator itself. This can be evidenced through reports, email confirming visits or any other proof of visit occurrence. These documents must be easily accessible for the auditors.</p>	<p>Verify any evidence that show any site visits received by the mills related to system and conditions, identifying gaps, or making expectations clear to the mill. Third parties, such as independent companies, consultancies, NGOs, or Data Aggregator itself visiting the company. Evidence can include signed statement from independent company, report of the visit, email confirming visits or any other proof of visit occurrence.</p>
<p>Has the mill or parent company completed a self-assessment?</p>	<p>Some companies are asking mills to complete self-assessments that ask questions on policy, traceability and performance against sustainability policies.</p>	<p>In case the Data Aggregator has asked the mill(s) to complete a self-assessment on policy, traceability and performance against sustainability policies, make sure that these self-assessments are either signed from the mill or parent company representative or evidence should be shown of this being sent by the parent company/mill to the Data Aggregator. Additionally, these shall be well recorded and easily accessible for the auditor.</p>	<p>Verify the self-assessment reports on completeness. These shall be comprehensively (>70%) completed to be selected as Yes and either signed from the mill or parent company representative or evidence should be shown of this being sent by the parent company/mill to the Data Aggregator. A self assessment report can be in the form of a word document, email, or other digital or paper forms.</p>
<p>Does the mill or parent company have any commitments to no-deforestation?</p>	<p>A 'no deforestation' policy or commitment is a document created by the mill or parent group, or signed by the mill or parent group, that commits the company to only sourcing FFB from areas that have not contributed to deforestation since December 2015 or earlier. Best practice is for commitments to include explicit statements on identifying HCV/HCS areas prior to any conversion of forests.</p>	<p>A no deforestation policy or commitment created or signed by the mill(s) or parent group(s) must be reported, that commit the mills to only source FFB from areas that have not contributed to deforestation since December 2015 or earlier. Explicit statements on identifying HCV/HCS areas prior to any conversion of forests is considered as best practice.</p>	<p>Verify the no deforestation policy or commitment through a policy available at mill or parent company website, or an approved statement from CEO or board member, signed contract between Data Aggregator and mill where no deforestation commitments are stated or any other corresponding evidence.</p>
<p>Does the mill or parent company have a commitment to no-peat and peat best management practices?</p>	<p>A no peat policy or commitment is a document created by the mill or parent group, or signed by the mill or parent group, that commits the company to only sourcing FFB from areas that have not been cleared for peat since 2015, or are managed according to best practices.</p>	<p>A no peat policy or commitment created or signed by the mill(s) or parent group(s) must be reported or available on the company website, or sent to the data aggregator and signed by company representative, or signed in the contract between Data aggregator and mill, that commit the mills to only source FFB from areas that have not contributed to deforestation or peat clearance since 31st December 2015 or earlier, or that demonstrate existing operations on peat are managed according to best practice. For the latest definition of peat, please refer to https://rspo.org/.</p>	<p>Verify the no peat policy or commitment through a policy available at mill or parent company website, or sent to the data aggregator and approved by a company representative, or signed contract between Data Aggregator and mill where clear no deforestation commitments are stated or any other corresponding evidence.</p>
<p>Does the mill or parent company have an action plan for no-deforestation?</p>	<p>An action plan is a document which outlines how the company will implement their commitment across all of their supply base, with timings. Best practice include plans to implement some of the actions listed here (such as HCV/HCS assessments own concessions) or working with third party suppliers to help them become compliant. An action plan is a requirement for the mill to be in Progressing and Delivering.</p>	<p>The plan should be sent by the mill/parent company, or shall be publicly available on the mill/parent company website. . To be selected as Yes, elements that the action plan needs to cover:</p> <ul style="list-style-type: none"> • Time-bound steps towards no deforestation covering the entire production area of the mill (directly managed plantation as well as third party estates) • Identification of suppliers of FFB from areas that have not contributed to deforestation since 31st December 2015 or earlier • Awareness raising and training to assure that suppliers and field staff can implement the no-deforestation commitment, including target indicators and timelines; • Monitoring on progress and evaluation, including target indicators and timelines. 	<p>The plan should be sent by the mill/parent company, or shall be publicly available on the mill/parent company website. . To be selected as Yes, elements that the action plan needs to cover include:</p> <ul style="list-style-type: none"> • Time-bound steps towards no deforestation covering the entire production area of the mill (directly managed plantation as well as third party estates) Identification of suppliers of FFB from areas that have not contributed to deforestation since 31st December 2015 or earlier • Awareness raising and training to assure that suppliers and field staff can implement the no-deforestation commitment, including target indicators and timelines; • Monitoring on progress and evaluation, including target indicators and timelines.

APPENDIX I: MILL ALLOCATION CRITERIA GUIDANCE

<p>Does the mill or parent company have an action plan for no-peat?</p>		<ul style="list-style-type: none"> • The plan should be sent by the mill/parent company, or shall be publicly available on the mill/parent company website. To be selected as Yes, elements that the action plan needs to cover, include <ul style="list-style-type: none"> • Time-bound steps towards no peat exploitation covering the entire production area of the mill (directly managed plantation as well as third party estates); • Traceability of suppliers of FFB, including target indicators and timelines; • Identification of suppliers of FFB from across the entire production base that do not operate on areas cleared for peat since December 31st 2015, or from areas that are managed according to best practices; • Awareness raising and training to assure that suppliers and field staff can implement the no-deforestation commitment, including target indicators and timelines; • Monitoring on progress and evaluation, including target indicators and timelines 	<p>The plan should be sent by the mill/parent company, or shall be publicly available on the mill/parent company website. To be selected as Yes, elements that the action plan needs to cover include:</p> <ul style="list-style-type: none"> • Time-bound steps towards no peat exploitation covering the entire production area of the mill (directly managed plantation as well as third party estates); • Traceability of suppliers of FFB, including target indicators and timelines; • Identification of suppliers of FFB from across the entire production base that do not operate on areas cleared for peat since December 31st 2015, or from areas that are managed according to best practices; • Awareness raising and training to assure that suppliers and field staff can implement the no-deforestation commitment, including target indicators and timelines; • Monitoring on progress and evaluation, including target indicators and timelines.;
<p>How much progress has been made with addressing grievances related to deforestation and peat?</p>	<p>Grievances are instances of non-compliance with deforestation or peat commitments at mill or parent level. If there is a grievance at mill level, then the progress made in addressing the grievance will affect the category of the mill.</p>	<p>In order to record grievances, the data aggregator should link their own grievance process (if available) to the IRF selection below, and mark any mill with grievances in own grievance system with the corresponding IRF answer.</p> <p>In case a grievance system is not available, and unless a grievance status cannot be shown using any other system (e.g. RSPO website), the answer should be Don't know</p> <p>The following options apply and should be selected regarding grievances:</p> <ul style="list-style-type: none"> • No grievances logged – This answer should be selected if there are no grievances been logged against the mill or parent company level • At least one grievance without progress – This answer should be selected if there are grievances and at least one is without progress • Progress on all grievances but not all grievances solved – This answer should be selected if the mill or parent company has open grievances and has made progress to solve them, but not all have been closed • All grievances have been solved - This answer should be selected if all the grievances at mill or parent company level have been solved and there are no open grievances • Don't know – This answer should be selected if the status on grievances for the mill or parent company level is not know by the aggregator 	<p>For the purpose of the IRF Verification, the verifier should check if the mill has a grievance process in place.</p> <p>If any grievance registered in the grievance system of the company is also recorded accordingly in the IRF based on the IRF answer options. The followings should be considered to be in place at minimum for a grievance process:</p> <p>An internal guidance for staff is available detailing how to deal with grievances and complaints effectively, which includes the following points:</p> <ul style="list-style-type: none"> • Clearly explains who is responsible internally for dealing with complaints and grievances • Which team member is responsible to make internal decisions and/or take positions on complains and has ultimate responsibility for communicating decisions • There are clear steps for classifying a grievance as logged, progressing/monitoring, and solved
<p>Does the mill or parent company have any commitments to no-deforestation?</p>	<p>A 'no deforestation' policy or commitment is a document created by the mill or parent group, or signed by the mill or parent group, that commits the company to only sourcing FFB from areas that have not contributed to deforestation since December 2015 or earlier. Best practice is for commitments to include explicit statements on identifying HCV/HCS areas prior to any conversion of forests.</p>	<p>A no deforestation policy or commitment created or signed by the mill(s) or parent group(s) must be reported, that commit the mills to only source FFB from areas that have not contributed to deforestation since December 2015 or earlier. Explicit statements on identifying HCV/HCS areas prior to any conversion of forests is considered as best practice.</p>	<p>Verify the no deforestation policy or commitment through a policy available at mill or parent company website, or an approved statement from CEO or board member, signed contract between Data Aggregator and mill where clear no deforestation commitments are stated or any other corresponding evidence.</p>

APPENDIX I: MILL ALLOCATION CRITERIA GUIDANCE

FBB from own estate		
Description of the criteria	Guidance for Data Aggregator	Guidance for verifiers
	Only select YES in the IRF template if the evidence described below is available	
<p>Does the mill process FFB from its own or parent company's concessions or other directly managed production?</p>	<p>This question asks if the mill processes FFB from its own concessions. This is relevant for the No-Deforestation profile for deforestation-free volumes to mill, described below.</p>	<p>A statement should be made by the mill or parent company regarding sourcing FFB from own or parent company's concessions or other directly managed production. If these are not available, IRF default values provided can be used.</p>
		<p>Verify statement from the mill or parent company regarding sourcing FFB from own or parent company's concessions or other directly managed production. This can be in the form of email or any other key communication. Some data aggregators might have specific process for collecting Traceability to Plantation data for their own mills or third party mills</p> <p>Evidence can include:</p> <ul style="list-style-type: none"> • List of FFB supplier • RSPO certificate or other scheme, such as RSPO, ISPO, MSPO (it can be seen in the appendix or supply base information) • FFB receiving record (daily report mill, weighbridge ticket); • Concession maps or GPS coordinates of the location of the suppliers. <p>If not available, the country default include in the IRF can be used.</p>
Progress on own estate		
Description of the criteria	Guidance for Data Aggregator	Guidance for verifiers
	Only select YES in the IRF template if the evidence described below is available	
<p>If the mill sources from its own concessions, are they being monitored by a Satellite monitoring system, with alerts being dealt with through a grievance mechanism?</p>	<p>Satellite monitoring programmers are systems that monitor deforestation in concessions and the wider production base. The satellite monitoring system should cover all of the mill's own concessions and the system should include appropriate base layers of any potential HCS forest or HCV areas, as well as at least near real time and medium resolution deforestation and fire alerts. If a mill's own concessions are being monitored by one of these systems, they have an action plan, and no deforestation related grievances have been identified, the mill would be in Progressing. Its volumes would be in delivering</p>	<p>In order to prove the use of a satellite monitoring system covering the mill supply base, evidence to be provided can include:</p> <p>Regular monitoring reports</p> <ul style="list-style-type: none"> • Evidence that the mill/operations are covered in the system – e.g. printouts or screen share showing it • Protocols describing how alerts are used/verified/responded to • Evidence of any previous alerts and how they were responded to • Person in charge for use/follow up of the system • An action plan for dealing with no-deforestation alerts
		<p>Regular monitoring reports – verify that the reports are produced regularly (at least every 6 months) Protocols or procedures should be made available from the mill, parent company or any other company monitoring the mill supply base describing clearly how alerts are being dealt with and the persons in charge.</p> <p>Evidence of how previous alerts were responded to can be provided in accordance to the steps described in any grievance or alerts systems protocols available</p> <p>Some mainstream service providers for satellite monitoring include Satelligence, Maphubs, Global Forest Watch Pro, AidEnvironment/Earthequalizer, Earthworm/Starling, amongst others</p>

APPENDIX I: MILL ALLOCATION CRITERIA GUIDANCE

<p>Have the own estates been established for a long time and/or is expansion not possible?</p>		<p>The mill should make available operational maps showing no developable areas, whereby exiting planting, conservation and community areas are clearly demarcated.</p> <p>These maps should also show no land preparation areas within <5-10 ha of the plantation boundaries</p> <p>Other evidence that could be requested include:</p> <ul style="list-style-type: none"> • Record of Last land clearing • Record of Last new planting • The Area statement, which describe the year planting of Oil Palm trees 	<p>Operational maps of the mill should be available showing no developable areas, whereby existing planting, conservation and community areas are clearly demarcated.</p> <p>These maps should also show no land preparation areas within <5-10 ha of the plantation boundaries.</p> <p>Other evidence that could be requested include:</p> <ul style="list-style-type: none"> • Record of Last land clearing • Record of Last new planting • The Area statement, which describe the year planting of Oil Palm trees <p>Crosscheck through maps and/or satellite images (if available) whether there has been any land clearing 31st December 2015 and whether there are any developable areas around the mill concession. If the mill concessions are covered by a satellite monitoring system, it might be that system is already indicating if there has been any land clearance since the cut-off date and/or if expansion is possible.</p>
<p>Has an HCV and HCSA assessment been conducted for the mill's own concessions?</p>	<p>HCV and HCSA assessments (or integrated HCV-HCSA assessments) should be conducted in line with HCSA and HCVRN procedures (by licensed assessors or registered practitioners and undergoing independent review). This is sufficient for Progressing.</p>	<p>Completed reports or those in review can be found here:</p> <p>HCV only (for new plantings since 31st December 2015) or HCV-HCSA combined: https://hcvnetwork.org/find-a-report/</p> <p>For HCSA only assessments: http://highcarbonstock.org/registered-hcsa-assessments/</p> <p>For assessments already conducted and including only HCV part, a transition phase lasting until 2023 can be applied.</p>	<p>Verify whether there is an HCV-HCSA assessment report available and check through the company website whether the HCV assessment is conducted by a licensed assessor or registered practitioner, under an independent review. Registered organizations can be found here</p> <p>HCV-HCSA: https://hcvnetwork.org/find-assessors/</p> <p>HCSA only : http://highcarbonstock.org/hcs-approach-quality-review-process/hcs-approach-registered-organisations/</p> <p>For assessments already conducted and including only HCV part, a transition phase lasting until 2023 can be applied.</p>
<p>Have HCV and HCS areas been identified and are they being monitored?</p>	<p>Management and monitoring have been developed and implemented in line with the findings of the assessment. This is sufficient for Delivering for volumes from own concessions (FFB-level reporting) or Progressing if compliance cannot yet be demonstrated with third party.</p>	<p>Evidence should be available of any identified HCV/HCS areas being managed and monitored. Evidences of this can include:</p> <ul style="list-style-type: none"> • Management and monitoring plan available including information on: <ul style="list-style-type: none"> • what activities permitted/prohibited in different areas, • monitoring protocols (satellite, field, community based etc) • responsibilities & roles of team, e.g. SOPs • staff training plans/records • community engagement process • resources available • Satellite monitoring systems incorporating identified HCV/HCS areas in the monitoring and alert system 	<p>Management and monitoring plan available including information on:</p> <ul style="list-style-type: none"> • what activities permitted/prohibited in different areas, • monitoring protocols (satellite, field, community based etc) • responsibilities & roles of team, e.g. SOPs • staff training plans/records • community engagement process • resources available • Satellite monitoring systems incorporating identified HCV/HCS areas in the monitoring and alert system

APPENDIX I: MILL ALLOCATION CRITERIA GUIDANCE

<p>Has a peat or soil assessment been conducted for the mill's own concessions?</p>	<p>There has been an assessment in line with RSP0 or other best practice guidance</p>	<p>Assessment on existing peat soil must be presented and reflected in an assessment report.</p> <p>In case there is no peat present in the area surrounding the mill supply base, evidence should be provided such as any peat or soil assessment been conducted, or relevant literature demonstrating so.</p>	<p>Verify whether there is a peat or soil assessment report available, including methodology applied, and maps showing the extent, nature, distribution and depth of the peat.</p> <p>Assessment at least should include the methodology of identifying peat soils, maps showing the extent, nature, distribution, land use (planted, conservation & other) and depth of the peat, and recommendation to avoid planting on peat soils.</p>
<p>Are peat areas being managed and monitored and is the remediation plan being implemented (if needed)?</p>	<p>All production on peatland is being managed in accordance with best practice, with ongoing monitoring in place. Where remediation is required, there is a plan which is being implemented.</p>	<p>The mill should present a peat management plan based on the results of a soil assessment, and a consequent peat monitoring plan</p> <p>The mill should also present a remediation plan (if any) if planting on peat has occurred on existing plantations.</p>	<p>Verify implementation of the actions identified in the management plan and annual planning. The management plan must be up-to-date and must be based on the results of the latest assessment (see above) and reflect measures assuring that peat shall not have adverse impacts on existing planting (before 31st December 2015) and that planting on new areas (as from 31st of December) shall be avoided, regardless of depth. Also, a remediation plan (if needed) should be reflected in the management plan monitoring, verify whether the mill and supply bases have a monitoring plan available, and whether this is implemented as such. Elements of an adequate monitoring plan include:</p> <p>Monitoring on measures of water and ground cover, and fire prevention through revision of records.</p> <p>Subsidence of peat and water level of peat monitored at least quarterly, and recorded accordingly, and measures of water and ground cover management taken into account in case of subsidence.</p> <p>Monitoring on fire prevention must be in place and recorded accordingly.</p> <p>Evidence of implementation could be:</p> <ul style="list-style-type: none"> • Progress report describing progresses over different visits • Photographic evidences • Daily reports or communications following field visits by required staff

APPENDIX I: MILL ALLOCATION CRITERIA GUIDANCE

Description of the criteria	Guidance for Data Aggregator	Guidance for verifiers
	Only select YES in the IRF template if the evidence described below is available	
<p>Is there is ongoing work with third party suppliers, such as Independent smallholders, independent estates and FFB dealers to implement commitment related to no-deforestation?</p>	<p>An engagement program needs to be in existence with third party suppliers or smallholders in order to ensure the commitment related to no deforestation is implemented (e.g. government or landscape led initiative, or other forms of third party engagement) to select the answer as yes. Below some examples of initiatives and corresponding evidence that could be implemented with third parties and shown as evidence for this criteria:</p> <ul style="list-style-type: none"> • Agreements with third party suppliers to participate in the program; (signed statements, contracts or any other communication confirming their involvement) • Conducted farm mapping, using Satellite monitoring and response systems for third party supply (satellite monitoring report, farm mapping); or purchase control system (PCS) at the mill level to understand where the FFB originate from (description of any PCS available at mill level) • Check on legality of farm locations via land tenure documents etc • HCS/HCV assessments for smallholders/third party supply; • Conducted deforestation risk assessments; (see above for guidance on HCV/HCS) • Training of field staff and awareness raising and training of third-party suppliers on HCV, HCS, requirements for new planting and requirements for management and monitoring of HCV areas and forests; for small-holders these could be more simplified training on forest protection, fire monitoring (training records and training agenda, confirming date and time) • Internal performance monitoring (can be through Due-diligence system); (Due diligence system report) • Agreements on new planting requirements or forest protection • Fire Free village approaches or village programs on forest protection/monitoring/patrolling <p>It is important to demonstrate that any of these programs includes the supply case of the mill in scope. In case the mill and its supply base are currently covered by a third-party program managed by a nother organization or company, a confirmation of the nature of the program and that the mill is included should be provided. Examples could be description of the program on the organization website with list of mills included; direct confirmation from the organization etc.</p>	<p>In case of landscape approaches supporting third party suppliers</p> <ul style="list-style-type: none"> • Verify the existence of duly signed agreements between mills and third party suppliers. This could be in the form of signed contract, meetings minutes, email communication • Verify the existence of program descriptions documents, including timelines and objectives, as well as monitoring of progresses <p>In case of programs to support independent smallholders:</p> <ul style="list-style-type: none"> • Verify the existence of program descriptions documents, including timelines and objectives, as well as monitoring of progresses. • Depending on the type the initiatives selected, evidence of its implementation should be provided <p>It is important to demonstrate that any of these programs includes the supply base of the mill in scope. In case the mill and its supply base are currently covered by a third-party program managed by a nother organization or company, a confirmation of the nature of the program and that the mill is included should be provided. Examples could be description of the program on the organization website with list of mills included; direct confirmation from the organization etc.</p>

APPENDIX I: MILL ALLOCATION CRITERIA GUIDANCE

<p>Is there is ongoing work with third party suppliers such as independent smallholders, independent states FFB dealers to implement commitment related to no-peat?</p>		<p>An engagement program needs to be in existence with third party suppliers or smallholders in order to ensure the commitment related to no peat is implemented (e.g. government or landscape led initiative, or other forms of third party engagement).</p> <p>Below some examples of initiatives and corresponding evidence that could be implemented with third parties and shown as evidence for this criteria:</p> <ul style="list-style-type: none"> • Agreements with third party suppliers to participate in the program; (signed statements, contracts or any other communication confirming their involvement) • Conducted farm mapping, using Satellite monitoring and response systems for third party supply (satellite monitoring report, farm mapping); or purchase control system at the mill level to understand where the FFB originate from (description of any PCS available at mill level) • Legality check of farm locations; • Any program or process focused on identifying peat soils, maps showing the extent, nature, distribution, land use (planted, conservation & others) and depth of the peat; (Peat analysis report with description of the evidence used) • Training of field staff and awareness raising and training of third-party suppliers (training records and training agenda, confirming date and time) on peat management • Internal performance monitoring (can be through Due diligence system); 	<p>In case of landscape approaches supporting third party suppliers</p> <ul style="list-style-type: none"> • Verify the existence of duly signed agreements between mills and third-party suppliers. This could be in the form of signed contract, meetings minutes, email communication • Verify the existence of program descriptions documents, including timelines and objectives, as well as monitoring of progresses <p>In case of programs to support independent smallholders:</p> <ul style="list-style-type: none"> • Verify the existence of program descriptions documents, including timelines and objectives, as well as monitoring of progresses. • Depending on the type the initiatives selected, evidence of its implementation should be provided
<p>Is there system in place which guarantees that suppliers outside concession are deforestation-free?</p>	<p>These two columns collect information on mills where FFB from third party suppliers is known to be produced in compliance with NDPE commitments and therefore eligible to be in 'Delivering'.</p> <p>There is a lot of work ongoing on finding effective ways to ensure that third party supply meets NDPE commitments. As there is more learning on what works well, we will add to this guidance.</p> <p>In the meantime, only answer 'yes' in these columns if you are confident that you have robust systems and actions in place to guarantee that ALL FFB from ALL types of third party suppliers is delivering on deforestation or peat commitments. In this case make a note in column AJ to explain the action.</p>	<ul style="list-style-type: none"> • Traceability/ farm locations or for smallholders village level agreements; • Contract or purchasing agreements with third party suppliers; • Internal performance monitoring (can be through Due Diligence System); • Satellite monitoring or plantations or villages; • Direct observation via on- ground visits, with evidence of these visits made available. <p>It is important to demonstrate that any of these programs includes the supply base of the mill in scope. In case the mill and its supply base are currently covered by a third-party program managed by another organization or company, a confirmation of the nature of the program and that the mill is included should be provided. Examples could be description of the program on the organization website with list of mills included; direct confirmation from the organization etc.</p>	<p>Verify the program as to whether there is a robust monitoring system in place (see also Guidance on Monitoring on Own Estates).</p> <p>There are a wide range of on-ground initiatives available. However, the overall focus should be on tracing the location of the third-party suppliers, verification of no-deforestation or peat exploitation by means of satellite monitoring, and direct observation via site visits.</p> <p>It is important to demonstrate that any of these programs includes the supply case of the mill in scope. In case the mill and its supply base are currently covered by a third-party program managed by another organization or company, a confirmation of the nature of the program and that the mill is included should be provided. Examples could be description of the program on the organization website with list of mills included; direct confirmation from the organization etc.</p>

APPENDIX I: MILL ALLOCATION CRITERIA GUIDANCE

<p>Is there system in place which guarantees that suppliers outside concession are free from planting on peat?</p>	<p>Management and monitoring have been developed and implemented in line with the findings of the assessment. This is sufficient for Delivering for volumes from own concessions (FFB-level reporting) or Progressing if compliance cannot yet be demonstrated with third party.</p>	<ul style="list-style-type: none"> • Traceability/ farm locations or for smallholders village level agreements; • Contract or purchasing agreements with third party suppliers; • Internal performance monitoring (can be through Due Diligence System); • Satellite monitoring or plantations or villages; • Direct observation via on- ground visits, with evidence of these visits made available; <p>It is important to demonstrate that any of these programs includes the supply base of the mill in scope. In case the mill and its supply base are currently covered by a third-party program managed by another organization or company, a confirmation of the nature of the program and that the mill is included should be provided. Examples could be description of the program on the organization website with list of mills included; direct confirmation from the organization etc.</p>	<p>Verify the program as to whether there is a robust monitoring system in place (see also Guidance on Monitoring on Own Estates).</p> <p>There are a wide range of on-ground initiatives available. However, the overall focus should be on tracing the location of the third-party suppliers, verification of no-deforestation or peat exploitation by means of satellite monitoring, and direct observation via site visits.</p> <p>It is important to demonstrate that any of these programs includes the supply case of the mill in scope. In case the mill and its supply base are currently covered by a third-party program managed by another organization or company, a confirmation of the nature of the program and that the mill is included should be provided. Examples could be description of the program on the organization website with list of mills included; direct confirmation from the organization etc.</p>
---	--	---	--



Appendix II:

Sampling methodology for selection of mills to be reviewed during verification.

APPENDIX II

The following sampling methodology may be applied during a verification whereby the data aggregator has several mills to be reviewed during a verification. Sampling will allow to determine the strength and accuracy of the data provided in an efficient and cost-effective way, without compromising the quality of the review.

The rounded up square root of the total number of mills in *each* IRF category should be reviewed as part of the verification. Within each category, the verifier can decide to prioritize the review of some mills over other based on additional selection criteria. The choice of these criteria is left to the verifier ¹³.

Example 1: A refinery has compiled an IRF profile with 80 mills for the reporting year January-December 2019 , of which 23 are in delivering category, 17 in progressing, 30 in the commitments and starting actions and 10 in the known. The total number of mills to be reviewed will be 18, of which 5 in the delivering (square root of 23), 5 in the progressing (rounded up square root of 17), 5 in the commitments and starting actions (square root of 30), 3 in the known (square root of 10). For these 18 mills, the verifier will have to check the mill profile and volumes delivered.

If 5 or more mills have reported incorrect or missing information in any of the allocation criteria, then the total sample size for that category should be increased by adding the square root of the total number of mills of that categories.

Example 2: A refinery has compiled an IRF profile with 80 mills for the reporting year January-December 2019 , of which 23 are in delivering category. The total number to be reviewed is 5 (square root of 23). During the review, all 5 mills reported incorrect or missing information in the mill profile. The verifier should then select another 5 mills to the reviewed in the sample to understand the extent of the issue.

Mills in the delivering category which are selected as RSPO IP or SG only require to have verified whether the certificate is still valid, the incoming reported volumes and whether there are any open grievances (see Appendix 1 for guidance on how to do so).

¹³ Examples of selection criteria are volumes, location of the mills, certification systems in place etc



Appendix II:

Sampling methodology for volumes, combination with Traceability audit, integration of IRF in company's it system.

APPENDIX II

Next to a mill profile information, the verification includes a review of the declared volumes for the mill, as the final No-Deforestation categorization for the volume will depend on the correctness of the information reported in the corresponding volume tab.

Delivery of palm or kernel oil from the mills to the refinery usually occurs in tracks, meaning that for a given month, the refinery might receive many deliveries from the same mill. This implies that there might be hundreds of small delivery receipts available at the refinery for a given reporting period and including all their mill base. In order to maximize audit timing efficiency, the verifier can select a sample of the receipts to verify that the refinery has a solid system in place to correctly record and report incoming volumes into the IRF.

For example: A refinery has compiled an IRF profile with 80 mills for the reporting year January-December 2019. A mill selected for the sample delivered in January, March, April, May, October and November. Each month, the mill delivered between 6 and 10 times to the mill. This means there are between 36 and 60 delivery receipts available confirming the amounts delivered (depending on the mill and refinery system, this could also include weighbridge confirmation outgoing from the mill and weighbridge incoming at the refinery, therefore, 2 receipts for each track delivery). The verifier can select a sample of months during which the mill delivered in the reporting period and review all the deliveries in that month. The same approach can be applied for other mills. This would give confirmation of the robustness of the system for recording data.

There is the possibility to combine an IRF Verification with a Verification of incoming traceability data at the refinery level. In that case, the verifier should increase the sample size of incoming volumes, as this is a core element of a traceability verification.

Finally, some organizations might decide to incorporate the IRF Excel template into their own IT systems, using the same coding applied in the IRF template to categorize the mill and volumes. Although a detailed review of the coding system used is not necessary during the verification, verifiers shall be explained clearly the process used by the company to ensure the system is applied correctly.





End of the document
