



# Buying and processing Sustainable Palm Oil

## Mass Balance system, new regulation

### IMPORTANT NOTICE

#### Mass balance new style: accessible, economical and visible

Buying sustainable palm oil using the mass balance system, has become more accessible and more economical. Especially for users of palm oil based specialty fats.

When sustainable palm oil is separated from conventional palm oil throughout the entire supply chain, the total acquired volume may be sold using the mass balance system; without distinguishing between regular palm oil or fractions. This change gives way to offer sustainable palm oil products against more transparent and economical rates!

Our sophisticated supply chain allows Loders Croklaan to apply this new possibility, which offers price benefits to our customers:

**To make mass balance palm oil accessible and transparent, all new offers are made according to this regulation.**

Furthermore the following RSPO Trademarks may be printed on the retail package to communicate the usage of sustainable palm oil to the consumer (RSPO Trademark graphic design rules must be met):



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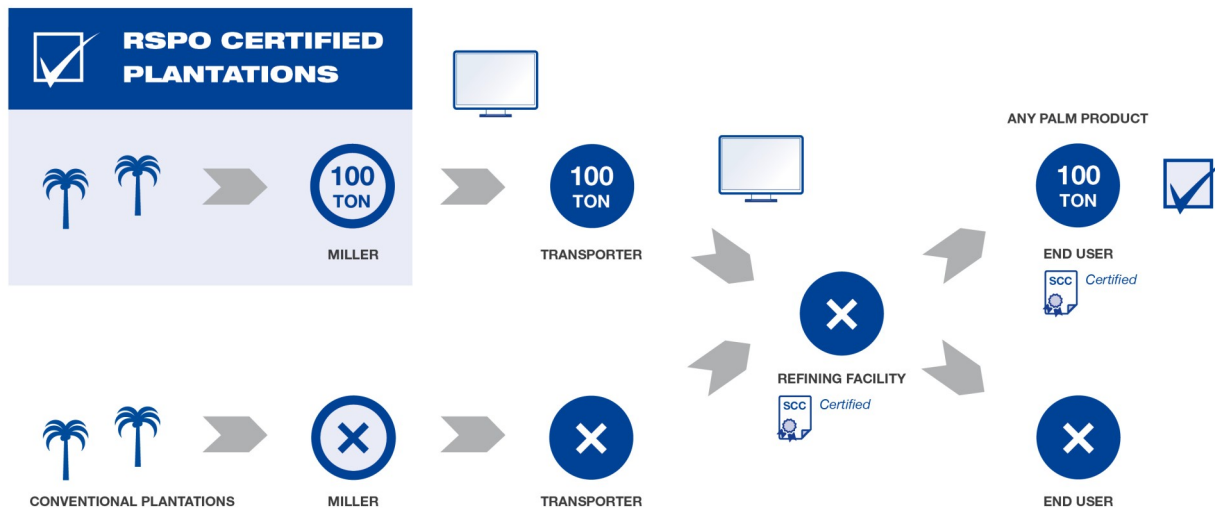
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## Mass Balance system

### Who

This information is meant to inform food producers who want to buy and process sustainable palm oil using the mass balance system.

### MASS BALANCE



In this system the sustainable palm oil physically enters the supply chain where it is kept separated from conventional palm oil until it enters the factory of the refiner.

The total separated volume which entered the factory can be sold following the regulations in the mass balance system.

UTZ-certified ([www.utzcertified.org](http://www.utzcertified.org)) is responsible for the administration and traceability of the mass balance sustainable palm oil.

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### Claim on products produced with oil from the mass balance system

After acquiring RSPO membership and obtaining supply chain certification, a producer is entitled to state the following claim:

*"This (product/brand/company) advances the production of RSPO-certified sustainable palm oil (equivalent to x% of the palm oil utilized)".*

Requests to alter the claim can be made by sending the proposed text to the RSPO-Claims Approval Committee (CAC) for review. The CAC aims to deal with all requests within 5 working days. For more information on this subject please refer to [communications@rspo.eu](mailto:communications@rspo.eu).

### Requirements for buying and processing using the mass balance system

To be able to claim the use of sustainable palm oil from the mass balance system, a palm oil processing manufacturer requires:

- RSPO membership;
- RSPO supply chain certification.

### RSPO membership

To apply for RSPO-membership the application form can be downloaded at [www.rspo.org](http://www.rspo.org) or the online form can be filled out.

Applications for RSPO membership are a commitment for a two-year period. The membership fees are due annually. After the first two years the membership can be renewed on a yearly basis.

RSPO membership fee :

Ordinary Member	: € 2000,- per year
[Ordinary Member (small grower < 500 ha)	: € 500,- per year]
Affiliate Member	: € 250,- per year
Supply Chain Associate	: € 100,- per year

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### Supply chain certification

RSPO supply chain certification is required to be entitled to claim the usage of sustainable palm oil. This certification is executed by one of the RSPO accredited certification bodies that can be found on [www.rspo.org](http://www.rspo.org). After certification, compliance will be audited and reviewed on a yearly basis. Audits are executed by an independent auditor.

### Operational costs

The Certified Sustainable Palm Oil premium is agreed upon between buyer and seller. This premium includes all administrative and certification costs for UTZ Certified and RSPO.

### Buying and processing fractions of Sustainable Palm Oil

The new mass balance system does not distinguish between crude palm oil and products based on fractions of palm oil: the same flat rate Certified Sustainable Palm Oil premium applies to all products obtained under the mass balance certification.

### Important

Retailers claiming the usage of sustainable palm oil in their private label products, on their websites or on promotional materials are required to acquire RSPO membership because they are the brand owner. Retailers do not need supply chain certification, except when they own the production facilities.

### Questions and additional information

For additional information on buying and processing sustainable palm oil and the services of Lodders Croklaan, please contact your sales manager.

Lodders Croklaan: [www.croklaan.com](http://www.croklaan.com)

Roundtable on Sustainable Palm Oil: [www.rspo.org](http://www.rspo.org) and [www.rspo.eu](http://www.rspo.eu)

UTZ certified: [www.utzcertified.org](http://www.utzcertified.org)

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