Sustainable Rice Platform Chain of Custody (CoC) Policy and Standard

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About the Sustainable Rice Platform (SRP)

The Sustainable Rice Platform e.V. (SRP) is a global multi-stakeholder alliance comprising over 90 institutional members from public, private, research, civil society and the financial sector. Originally co-convened by the International Rice Research Institute (IRRI), the United Nations Environment Programme (UNEP) and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. SRP is now an independent member association, working together with its partners to transform the global rice sector by improving smallholder livelihoods, reducing the social, environmental and climate footprint of rice production, and by offering the global rice market an assured supply of sustainably produced rice.

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Glossary

Assurance scheme: scheme providing verified assurance of conformance to a normative standard.

Assurance Service Provider (ASP): organization mandated by SRP to operate the SRP Assurance Scheme. GLOBALG.A.P. serves as SRP's only ASP[11].

Claim category: the type and claim being tracked within the CoC control system. Where the Organization's CoC system is Identity Preservation, the claim category will include both the SRP verification status of the rice and the farmer or producer group from where the rice has been sourced. In instances where the Organization's CoC system is Segregation, the claim category will include 'SRP-Verified rice'.

Consignment: quantity (e.g., batch, lot, load) of product mass with attached data specifying the product content in terms of kilograms and sustainability characteristics.

Conversion factors: are the ratio between the output material and the input material. Conversion factors will be specific to facilities and should be accurately documented in the mass balance system.

Document: information and its supporting medium. The medium can be paper, electronic, photograph or a combination.

Finished product: a finished product is a product where no further modification occurs (including repacking).

Identity Preservation (IP): is a type of CoC model which assures that the SRP-Verified rice product delivered to the end-user is uniquely identifiable to its verified supply base and includes the details of farmer or producer group.

Inventory period: a consistent period over which physical SRP-Verified rice and sustainability data are reconciled. Unallocated sustainability data may be carried over to the next inventory period following Mass Balance requirements set out in Annex 3.

Mass Balance (MB): is a type of CoC model which is an overarching term for various, slightly different, types of Chain of Custody which involve balancing volume reconciliation.

Multi-site Participating Operator: an entity that administers two or more sites. The CoC Verification Statement is issued for multi-site scope.

Outsourcing: subcontracted manufacturing or other handling services of materials/products by an independent third party.

Participating Operator (PO): individual, company, or organization which has ownership and/or control of rice and/or all rice-derived products, from their origin to their market availability, for one or several steps in the supply chain.

Producers: individuals or entities legally responsible for production of the rice sold by those individuals or businesses and who are eligible to apply for SRP evaluation under the Scheme.

Reporting period: this will be one year, starting from verification date, unless otherwise agreed.

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[1] Cooperation Contract and Service-Level Agreement between SRP and GLOBALG.A.P., June 2020

Segregation System: is a type of CoC model which assures that the SRP-Verified rice products delivered to the end-user come only from SRP-verified sources.

Single Participating Operator**:** an entity that administers only one production and/or processing facility but may administer one or more offices. The CoC Verification Statement is issued for a single PO.

Site: a site is defined as a geographical location with precise boundaries within which products can be mixed.

SRP Secretariat: responsible for managing SRP's activities and programs under the strategic oversight of the SRP Executive Board.

Supplier: previous legal owner of the product in the Chain of Custody.

Sustainability characteristics: sustainability characteristics refer to whether or not a consignment of paddy, milled rice and any other rice by-product, complies partly or fully with SRP environmental, social and economic criteria. When residues and waste are produced, in addition to the main product, sustainability characteristics shall equally apply to all.

Traceability: the ability to verify the history, location, or application of an item by means of documented recorded identification.

Transaction Certificate: a document issued by the COC Verification Body that verifies the goods being shipped (or delivered) from one organization to the next conform to a given standard. Can be transferred from Participating Operator to the customer without conducting a COC audit at the customer site. The Verification Body will conduct a SRP Standard audit on farm and a COC audit at the company supplying to the customer to verify SRP compliance.

Verification Body (VB): an independent organization that has signed a License agreement with the ASP to provide conformity assessments and verification statements to participating operators that meet the SRP Chain of Custody Policy and Standard requirements.

Verification Code: a unique code awarded to an organization which has certified or verified part or all of its products according to the Assurance Scheme.

Verification Cycle: the period from the point of initial verification to re-verification, or from re-verification to the following re-verification. For SRP Chain of Custody this is a three-year cycle.

1. INTRODUCTION

1.1 Background

1.1.1 The Sustainable Rice Platform (SRP) is a global multi-stakeholder alliance of over 100 institutional members from public, private, research, civil society and the financial sector. The SRP initiative was originally co-convened by the International Rice Research Institute (IRRI), the United Nations Environment Programme (UNEP) and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and is now an independent member association. SRP works with partners to transform the global rice sector by improving smallholder livelihoods, reducing the social, environmental and climate footprint of rice production; and by offering the global rice market an assured supply of sustainably produced rice.

1.1.2 Established in 2011, the SRP aims to secure adoption of sustainable farming practices among at least 1 million rice farmers by 2023. In 2015 the SRP launched the world's first global Standard for Sustainable Rice Cultivation (the SRP Standard), providing a working definition of sustainability in any rice system and allowing sustainability scoring at farm level. In addition, a linked set of SRP Performance Indicators (PI) enables collection of farm data to quantify and verify improvements and impacts of best practice adoption.

1.1.3 The SRP Chain of Custody Standard is intended to be used in conjunction with the SRP Standard[2], Assurance Scheme[3] and Performance Indicators[4] to enable market actors to make verifiable sustainability claims for rice produced using proven, climate-smart, sustainable best practices.

1.1.4 The SRP Assurance Scheme, launched in September 2020 following an open public consultation, recognizes three different types of Chain of Custody models: Identity Preservation (IP), Segregation System (Seg) and Mass Balance (MB). Chain of Custody verification is required for on-product use of SRP claims and use of the on-pack SRP-Verified Label.

1.1.5 Unless otherwise stated, all aspects of this Standard are considered to be normative, including the Standard scope and effective date, references, Glossary, requirements, notes, tables and annexes.

1.1.6 Sustainability should not stop being a focus after the farm gate, and SRP aims to assure not only traceability but also continuous improvement and conformance with SRP's social criteria for all actors in the rice value chain (see the SRP Standard criteria: 35–41: child labor, forced labor, worker health, freedom of association, wages). Although this Chain of Custody Standard does not yet include these social criteria, it is the intention of SRP to start developing this as a full and integral component in an early revision of the Chain of Custody Standard.

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[2] SRP Standard for Sustainable Rice Cultivation version 2.1 - January 2020
[3] SRP Assurance Scheme version 1.3 - August 2020
[4] SRP Performance Indicators for Sustainable Rice Cultivation version 2.1 – January 2020

1.2 Scope and Effective Date

1.2.1 The Chain of Custody (CoC) Standard is the core standard that specifies requirements for all CoC-verified and applicant organizations with respect to sourcing, processing, labelling, and sale of rice-based products as SRP-Verified.

1.2.2 All organizations in the supply chain – from farmer to the entity implementing final packaging of products carrying an SRP claim – shall be covered by the SRP CoC verification system, to be managed by an SRP-approved CoC Verification Body. CoC verification shall cover all relevant activities conducted by the certified Participating Operator (including purchasing, processing, storage, marking, record-keeping) to ensure segregation of SRP-Verified rice from non-verified rice. Participating Operators implementing the Mass Balance CoC model must also comply with additional specific requirements for Mass Balance as set out in Annex 3 and in the SRP Assurance Scheme[5].

1.2.3 The CoC Standard applies to any Participating Operator purchasing, handling and/or trading SRP-Verified rice. It describes the requirements to ensure traceability of SRP-Verified rice by implementing a CoC system under one of three models: Identity Preservation (IP), Segregation System (Seg) or Mass Balance (MB).

1.2.4 An exception can be granted to Participating Operator and/or CoC Verification Body by an Assurance Service Provider (ASP) after consulting and receiving approval from SRP Secretariat for each exception.

1.2.5 The SRP Secretariat makes a list of existing exceptions available to all assurance providers and clients working within the standards system so that these are applied consistently.

1.2.6 Exceptions are only valid until the next standard review exercise; at which time they are considered as input to the review.

1.2.7 This Standard is effective from the date of approval as stated in this document. The Standard will be updated periodically, and updated versions will supersede previous versions on date of publication.

1.3 Verification Body Roles and Requirements for SRP CoC

1.3.1 General requirements

1) Verification Bodies (VBs) are responsible for guaranteeing the impartiality of the assessment and independent verification of compliance of any Participating Operator with the requirements of the SRP CoC Standard.

2) The applicant VB shall contact the ASP and send a complete application form in English and pay an evaluation fee (according to the last version of the SRP CoC Fee table) to the ASP for initiating the approval process

3) The VBs shall sign a license and registration agreement with the ASP, specifying the range of work (globally, nationally, partner-specific) and the scope of work. Copies of all agreements with VBs will be shared with the SRP Secretariat.

4) Before approval, the ASP must evaluate the VB's qualifications according to the following requirements:
   i.   VBs shall appoint a SRP Scheme Manager who will be the main responsible person for administration of the SRP CoC verification program at the VB and shall serve as the primary contact with the ASP.
   ii. VBs shall appoint an SRP In-house trainer who will be responsible for providing a mandatory annual internal training for the VB´s CoC auditors and any other staff whose work is related with SRP CoC Standard. The in-house trainer shall complete an official SRP CoC training and pass the training exam.

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[5] SRP Assurance Scheme version 1.3 - August 2020

    iii.   The VB must appoint a SRP CoC Quality Reviewer with SRP CoC Auditor qualification responsible for the verification decision.

    iv.   VBs must demonstrate minimum capacity in terms of qualified SRP CoC auditors according to requirements set up in section 1.4.

    v.   The VB must hold a valid ISO 17065 accreditation for another standard covering primary production (e.g., GLOBALG.A.P. IFA, Rainforest Alliance, Organic)

5)   Before conducting any SRP CoC audit, the applicant VB must complete the following steps:

    i.   Receive database access from the ASP.

    ii.   Register all SRP CoC auditors in the Chain of Custody Database.

    iii.   Pay the relevant fees for the operation of the ASP.

6)   VBs shall maintain a register of approved auditors, recording details of their competence (see details below), education, relevant experience, and scope(s) of activity. This register held by the VB must contain at least:

    i.   Name and address.

    ii.   Organizational affiliation and position.

    iii.   Educational qualification and professional status.

    iv.   Experience and training in relevant fields of competence relating to the SRP Standard.

7)   Records of this evaluation must be updated regularly and made available to ASP and SRP on request.

8)   After approval by ASP the VBs must be responsible for qualifying and approving only staff participants and auditors who fulfill SRP CoC Policy and Standard requirements in section 1.4.

9)   The VB must designate a staff member responsible for development, implementation, and maintenance of the quality system. This designated staff member will report to the organization's executive and must also be responsible for reporting on the performance of the quality system for the purposes of management review and subsequent system improvement.

10)   The quality system must be documented and used by all relevant VB staff.

11)   All VB personnel must operate to meet the highest levels of professional integrity and impartiality, be free from commercial, financial, or other pressures that might affect their judgment, and are expressly forbidden from promoting any goods or services during evaluation activities.

12)   The ASP must agree to freely exchange information with SRP relating to approval of VBs, and auditors to avoid duplication.

13)   The VB is responsible for communicating to its SRP CoC-registered clients all relevant updates, as well as the date of first application and grace period for any new SRP versions of normative documents.

14)   The VB must clearly explain the Data Access Rules to the producer or producer group and obtain their written consent.

15)   The VB must treat applicant information in confidence unless otherwise required by law. No information must be released to third parties without the applicant's prior consent.

16)   The VB must have a system in place to evaluate conformance with the SRP CoC Standard as well as a system to take verification decisions, manage appeals and fully comply with other requirements of the ASP.

17)   The VB must have a system in place to ensure they retain authority for decisions related with their assessments and verification activities.

18) The VBs shall take responsibility for ensuring the quality and integrity of SRP assurance activities outsourced to another body. When assessments´ conditions require it, VBs shall employ interpreters or technical experts or oversight bodies who are independent of the clients, unless this is not feasible due to logistical constraints. In all cases, the names and affiliations of theseexperts shall be included in the audit report.

19) The VBs must notify the ASP and SRP of any withdrawal or suspension of a verification. This must be done with the update of the producer data in the Chain of Custody Database as a minimum.

20) The VBs must have a system in place to ensure that SRP and the ASP are notified immediately in the event of any conflict or problem that could result in reputational damage and agree on appropriate corrective action.

21) The VBs must actively cooperate with the ASP during management of complaints related to the VB or to the company contracted by the VB.

22) The ASP must ensure that the VB and the CoC Verification Statement holder agree to be registered and undergo potential integrity audits conducted by the SRP. Costs of integrity audits will be covered by the SRP. However, if during such routine integrity audits, incidents related to VB´s activities are found that lead to follow-up integrity audit visits, the SRP reserves the right to charge the VB for these additional integrity audit visits.

23) The VBs shall conduct annual internal audits on SRP CoC Policy and Standard related performance and share the results with the ASP.

24) The VBs must be fully paid-up members of the Sustainable Rice Platform.

25) The VBs must establish measures and procedures to prevent bribery and corruption at all levels of its organization.

26) The VB's auditor or other VB´s personnel are allowed to provide information on SRP's normative documents or other SRP guidance notes and the audit report to clients during assessment. However, consultancy is never allowed.

27) The VBs must provide the following information to the ASP on request:

    i.   Authority under which the organization operates.

    ii. A statement in relation to its verification system, including information on rules and procedures for granting, maintaining, extending, suspending, and withdrawing verification.

    iii. Evaluation procedures and verification processes in relation to the verification scheme.

    iv. Details of complaints, appeals and dispute procedures on request.

28) The VB must carry out a SRP witness assessment and/or re-inspection to each of its SRP inspectors/auditors at least once every 4 years to verify competence.

1.3.2. Extension of Scope

a) SRP-approved VBs who want to extend their scope to SRP CoC Standard shall follow the steps and requirements mentioned in section 1.3.1.

b) SRP-approved VBs shall send a letter of intention for extension of scope and the respective application form to the ASP.

c) After obtaining approval, VBs shall sign the agreement of extension of scope with the ASP.

1.3.3. Suspension or cancellation of the License Agreement

a) In case a VB wishes to terminate its Agreement with the ASP, the following actions must be taken:

   i. The VB must send a formal termination request to the ASP.

   ii. The VB must inform all clients that re-verification must be carried out by another VB.

   iii. The termination will be fully effective after expiry of the last valid Verification Statement.

b) In the event that a VB has its agreement withdrawn or suspended by the ASP, the ASP must immediately inform SRP of this action, including the reasons for the action.

1.4. Verification Body Participants in the Audit Process

1.4.2 The VB shall establish an COC verification team comprising experts in specific areas to complete the verification process and comply with all requirements set in section 1.3 of this document in accordance with each team member´s designated role(s). An individual can play more than one role. All VB personnel involved must be trained in the SRP CoC Policy and Standard either by attending an official SRP training or trained by the VB in-house trainer. Also, the VB personnel must sign a confidentiality agreement as a condition of employment.

1.4.3 Scheme manager: a designated VB staff member will be responsible for administration of the verification program and who will be the VB´s representative and shall serve as the VB's main contact with the ASP. His/her responsibilities are to:

a) Ensure that all VB staff meet the eligibility qualifications specified in this document and other relevant documentation.

b) Ensure that auditors conduct the audits in accordance with all requirements specified in this document.

c) Update and communicate with VB staff and Verification Statement holders in regard to changes in the verification program.

d) Provide documentation and/or reports to SRP and the ASP on request.

e) Ensure timely and adequate communications with SRP and the ASP.

f) Inform SRP and the ASP in the event of changes that may affect VB conformance with the requirements stipulated in section 1.3 of this document, as well as cases where the VB is sanctioned by any other scheme for which the VB is approved, e.g., RA SAS CoC, FSC CoC, PEFC CoC, RSPO SCC.

g) Shall be fluent in English.

h) Shall at least qualify as a SRP CoC Auditor (see requirements in section 1.4.5).

1.4.4 Database administrator: A database administrator within the VB manages the account within the Chain of Custody Database and ensures proper data input. His/her responsibilities are to:

a) Input data on verification processes for Verification Statement holders, ensuring each step follows the verification process timeline rules.

b) Ensure data quality and update Verification Statement holder information as needed. Data quality includes accurate Verification Statement information, as well as consistency of information across the various fields and attachments in the Chain of Custody Database.

c) Upload the Audit report in the Chain of Custody database.

d) Update auditor records in the Chain of Custody Database with new training, performance evaluations and general auditor details.

e) Must be fluent in English and participate in Chain of Custody Database training and webinars.

f) Follow-up on specific data input needs or record updates in a timely manner.

g) Must complete a SRP CoC training.

1.4.5 In-House trainer: The In-house trainer must comply with CoC auditor qualification requirements in section 1.4.5 and obtain a SRP Verification Statement of participation in an official SRP CoC Policy and Standard training course. In-house trainers must be fluent in English. The VB must maintain at least one SRP In-house trainer for every 5 auditors to ensure adequate internal knowledge-sharing and harmonized interpretation.

1.4.6 Auditor team: The auditor team is made up of qualified and registered auditors, one of whom acts as CoC auditor, and any additional technical experts as needed. All must pass the official SRP CoC training course, pass the respective exam and be qualified as a lead CoC auditor according to a social/environmental assurance scheme with similar CoC requirements (e.g., RA SAS CoC, FSC CoC, PEFC CoC, RSPO SCC, GLOBALG.A.P. CoC). SRP CoC auditors auditing Internal Management Systems of Multisite Participating Operators must have attended an auditor training course based on ISO 19011 principles, with duration of at least 2-days (16 hours). The team's responsibilities are to:

a) Audit according to the system requirements.

b) Ensure conformance with the audit report requirements of the verification process timeline.

c) Provide accurate information on all aspects of the audit process.

1.4.7 Quality reviewer: This is the VB staff member responsible for reviewing audit reports to ensure proper interpretation of the SRP CoC Standard (Annex 2) with the following roles:

a) The Quality reviewer shall comply with the qualification of lead auditor set in section 1.4.5 above.

b) Conduct a quality review of audit reports and ensure that accurate and consistent information is reviewed in the Chain of Custody Database. For example, the quality reviewer should ensure that site(s) information is recorded accurately in the audit report and in the engagement record.

c) Notify the audit team of any inaccuracies in the audit report.

　i. Propose improvements – relating to the verification process including audit quality review and auditor competence – to the verification manager.

　ii. Make the final verification decision.

　iii. Have the authority to modify the recommendation of the audit team due to any errors or inconsistencies identified in the audit report.

　iv. Recommend another audit if the report lacks sufficient evidence.

　v. Request that the CoC auditors clarify or expand any section of the audit report.

    vi.   Withdraw a non-conformity.

    vii.   Issue a new non-conformity.

    viii.   Review an appeal based on a verification decision.

2.   CoC VERIFICATION RULES

2.1   Chain of Custody Audit Scope

2.1.1   The SRP CoC requirements shall apply to any organization in the supply chain that physically and non-physically (i.e., traders) handles SRP-Verified rice products at a location under the control of the organization, including outsourced contractors. After the end-product manufacturer, there is no further requirement for certification. Onsite CoC audit is required for any organization physically handling the product(s), desktop CoC audit is required for any organization not physically handling the product(s).

2.1.2   Any company, association, factory, processing unit or other entity that applies for SRP CoC verification, shall be referred to as a Participating Operator (PO).

2.1.3   Verification cycle of SRP CoC verification is three years.

2.1.4   POs are divided into two categories in the context of the SRP CoC system:

a)   Single Participating Operator: An entity that administers only one production and/or processing facility but may administer one or more offices. The CoC Verification Statement is issued for a single PO.

b)   Multi-site Participating Operator: An entity that administers two or more sites.

2.1.5   In cases where a PO outsources activities to independent third parties, the VB shall conduct a risk assessment to determine whether an audit of the outsourced contractors is required. If the outsourced contractor holds SRP CoC verification it is categorized as low-risk, and the outsourcing contractor audit is therefore not required.

2.1.6   Outsourced contractors that are not categorized as in 2.1.5 shall be considered high risk if they are engaged in physically transforming products or if there is a risk of uncontrolled, non-deliberate or accidental cross-contamination resulting in mixing of verified and non-verified products. In such case the audit scope should include outsourced contractors, and a field visit to outsourced contractors must be planned.

2.1.7   Expansion of Multi-site Participating Operator Verification Statement:

a)   At any time in the audit cycle and as long as effectiveness of the audit is guaranteed, a PO may request a change to the verification scope to increase or decrease the number of sites.

b)   For a multi-site PO to increase its number of sites, it must communicate to the VB regarding each site it wishes to include. Multisite PO may register sites in different countries with different VB.

c)   Any new facilities involved in manufacturing, packaging or labelling must be approved by the VB before they can be included within the scope of the Verification Statement. This may require an on-site audit by the VB, or a desk review, depending on complexity and the risk associated with the site as a result of the PO's risk assessment.

2.2 Type of Audit and Frequency

2.2.1 The VB shall record each audit process for the different types of audits in the Chain of Custody Database at the time of confirmation of the audit date as described below in 2.2.3 onwards. An on-site audit is required for organizations involved in manufacturing, packaging or labelling SRP-Verified rice. Desk audits can be applied for traders not involved in any transformation or repackaging.

2.2.2 Verification audit: A verification audit is carried out when the organization applies for SRP verification for the first time, and subsequently every three years when it will be referred to as a re-verification audit.

    a) To maintain continuity, the VB must complete the re-verification audit process before the Verification Statement expires.

    b) If the VB does not have a re-verification audit process activated at the time that the Verification Statement is due to expire, the Verification Statement will immediately be cancelled in the Chain of Custody Database.

2.2.3 Annual audit: The VB shall conduct an annual audit according to the assessed risk of the PO. Such audits may be either on-site or desk audits based on the outcome of the VB's risk assessment process. An on-site annual audit shall be conducted if the PO is engaged in physically transforming products or if there is a risk of uncontrolled, non-deliberate or accidental cross-contamination resulting in mixing of verified and non-verified products; a desk-based annual audit may be conducted if PO does not physically possess SRP-Verified product.

    a) Annual audits shall take place between four (4) months before and four (4) months after the anniversary date of the Verification Statement.

    b) Annual audits shall evaluate all applicable criteria, and corrective actions associated with any open minor non-conformities.

2.2.4 Follow-up audit: The VB shall conduct a follow-up audit when the organization receives one or more major non-conformities as a result of an annual or verification audit. When a follow-up audit is necessary, the VBs shall adhere to the following additional conditions:

    a) For closure of all major non-conformities, the follow-up audit shall be completed and a final verification decision made within four (4) months of the previous verification decision.

    b) A new report checklist shall be used by the auditor which includes only the required elements related to evaluation of all major non-conformities.

2.2.5 Research audits: The VB may conduct research audits in response to a complaint, including 'incidents reported' from a buyer or third party regarding a PO with the potential to result in a major non-conformity. Research audits may be conducted at any time in the verification cycle, with the following conditions:

    a) If the complaint pertains only to the performance of the multi-site administrator regarding the multi-site standard requirements, the research audit shall apply only to that entity.

    b) If the complaint pertains to the performance of one or more member sites regarding applicable standard requirements, the audit scope shall include only the sites relevant to the complaint or sample of sites if it is multi-site. If the complaint pertains to both the administrator and the member sites, all shall be audited.

    c) In the checklist, the VB must include only the criteria on which the research audits focused.

    d) Where a research audit is required, the PO will cover the costs of this audit.

2.3 Conformance Evaluation

2.3.1 Audit findings are classified as conformities or non-conformities. Non-conformities can be categorized as major or minor.

2.3.2 Non-conformities may be closed by the auditor prior to report finalization if evidence demonstrating that the non-conformity has been corrected. Major non-conformity should be evaluated and accepted within 28 calendar days of the closing meeting. Any additional costs incurred in evaluating such evidence shall be borne by the PO.

2.3.3 An observation is a comment intended to highlight potential improvements to the PO's CoC system.

2.3.4 A major non-conformity (MaNC) is issued when there is:

    a) evidence of non-conformity that poses a material risk to certified product integrity due to mixing with uncertified product, over-selling of certified volumes, significant system gaps, or seal use violation; or

    b) a non-conformity with the CoC Standard (refer Annex 2) that poses a substantial risk to the SRP CoC system or (at SRP's sole discretion) that may otherwise carry reputational impacts for SRP; or

    c) escalation of a minor non-conformity that was not closed within the designated timeline.

2.3.5 If one or more MaNCs are issued as a result of a verification audit or re-verification audit, CoC verification will not be approved, and the PO is then required to undergo a follow-up audit within four (4) months of the verification decision. If during this follow-up audit the PO demonstrates corrective actions sufficient to close the MaNCs, a Verification Statement may be issued. Otherwise, CoC verification will not be approved.

2.3.6 If one or more MaNCs are issued as a result of an annual audit, CoC verification shall be suspended, and the PO must undergo a follow-up audit within four (4) months of the suspension decision. If, during the follow-up audit, the PO demonstrates corrective actions sufficient to close the MaNCs, the Verification Statement may be reinstated. Otherwise, the Verification Statement will be terminated.

2.3.7 A minor non-conformity (MiNC) is issued when there is:

    a) evidence of non-conformity that does not pose a material risk to certified product integrity due to mixing with unverified product, over-selling of certified volumes, significant system gaps, or seal use violation; or

    b) a non-conformity with the CoC Standard (refer Annex 2) that does not pose a substantial risk to the SRP CoC system or carry reputational impacts for SRP.

2.3.8 Although an MiNC generally does not prevent Verification Statement issuance or maintenance, there may be cases when a large number of MiNCs indicate that the overall management system is too weak to issue or maintain the Verification Statement. In such cases, presence of a cumulative impact of multiple MiNCs indicates risk of a general system breakdown, which constitutes a major non-conformance. In such a situation, each MiNC issued is classified as an MaNC.

2.3.9 If any open MiNC(s) remain following the verification or annual audits or raised in the next verification cycle, the PO should demonstrate corrective actions sufficient to resolve each MiNC within 12 months of the verification decision. At any audit, a VB may, but is not required to, escalate an MiNC from a previous audit to an MaNC if the PO has not demonstrated corrective actions sufficient to resolve the MiNC. In addition, at a re-verification audit, a VB shall escalate any open MiNC(s) to MaNC(s) if the PO has not demonstrated corrective actions sufficient to resolve the open MiNC(s) issued during the previous verification cycle.

2.4 Verification Statement Termination and Sanction

2.4.1 A PO's CoC Verification Statement shall be subject to sanctions for any of the following reasons:

   a) The PO does not undergo the corresponding audits in the verification cycle within the established timeframes, unless the VB authorizes an extension based on a force majeure situation.

   b) A PO is found to make false claims or declarations, or to deliberately provide inaccurate or materially incomplete information.

   c) A PO deliberately obstructs or hinders an audit.

   d) A PO has participated in fraudulent or unethical activities that may tarnish the reputation of the verification program.

   e) A PO knowingly fails to comply with any aspect of the SRP CoC system.

   f) A system breakdown or major/critical non-conformance that results in or will likely result in non-conformant products being sold with an SRP-Verified claim, shall result in suspension.

2.4.2 The PO may also request voluntary termination of its Verification Statement from the VB, in which case the CoC verification is deemed "terminated" as of the date of the PO's written request.

2.4.3 Sanctions for a PO without CoC status shall include all of the applicable consequences of termination:

   a) As of the termination date, no further sale or transfer of ownership of SRP-Verified rice may be claimed or recognized as SRP-Verified. Should the PO have additional volumes of SRP-Verified rice it wishes to sell, PO shall request a sell-off period to VB through the VB tracking system and the volume will be verified and approved as SRP-Verified. The sell-off period will begin on the termination date and continue for up to six (6) months from termination date.

   b) As of the termination date, and including during the sell-off period, the PO will immediately cease to make any off-pack claims that imply that it complies with the CoC Standard and immediately cease to make use of SRP claims or trademarks in any physical or electronic promotional material or media, in brochures or on web pages, signs or other types of documentation (other than approved annual reports or sustainability reports dated prior to termination).

   c) As of the termination date, and including during the sell-off period, a PO may not create or cause to be created any new products, packaging or off-product promotional materials marked as SRP-Verified.

   d) Following termination, and accounting for the sell-off period, the PO shall be deactivated in all applicable SRP systems.

   e) A PO with a Verification Statement terminated due to fraud cannot re-enter the SRP COC verification system within a period of one (1) year from date of the termination.

2.4.4 If a Verification Statement is suspended by VB for more than four (4) months, it shall be terminated.

2.5 Verification Statement Reinstatement

2.5.1 POs whose Verification Statement has been terminated may re-apply for verification at any time unless the termination was due to fraud, following the requirement in Section 2.4.3 e).

2.5.2 POs with no CoC status that have been sanctioned by SRP shall secure conformance with SRP licensing agreements and the requirements for the trademarks and traceability system prior to selling and/or promoting products as originating from SRP-Verified producers.

2.5.3 The Verification Statement cycle will follow the reinstatement date.

2.5.4 Unless within the previously approved sell-off period, no product may be sold with SRP-Verified claims before a new CoC Verification Statement is issued or sanctions have been lifted.

2.5.5 To be reinstatement, a PO shall:

    a) submit a new application to enable the VB to determine the corresponding assurance tasks to be undertaken.

    b) close any existing MaNCs or MiNCs that remained open in the 12 months prior to termination and were not closed when the previous Verification Statement was terminated.

2.5.6 Verification Statement can be reinstated after an on-site audit resulting in a positive decision.

2.6 Verification Process Timeline Rules

2.6.1 The VB is responsible for complying with the defined timelines and for recording the process in the Chain of Custody Database within the applicable timelines (see Annex 1 for details).

2.6.2 If verification is not granted, this timeline can be extended:

    a) The VB has four (4) months to perform a verification audit and must announce a new verification decision within this period.

2.6.3 The VB has 30 business days from the date of appeal to review the appeal.

2.7 Multi-site Sample Planning

2.7.1   The VB shall audit a representative sample of the PO's member sites to evaluate the effectiveness of the multi-site administrator.

2.7.2   Conformance with the SRP CoC Standard according to the audit scope will be evaluated at the site level for those sites that are part of the audit sample.

2.7.3   The VB shall always audit at least two member sites in any type of audit.

2.7.4   The sites of the CoC multi-site PO to be evaluated by the audit team shall be selected in such a way that the risk categories for each site associated with the Verification Statement are represented in the sample. When selecting sites for audit, the following factors shall be considered:

   a)   Geographic distribution,

   b)   Activities and/or products produced,

   c)   Size and complexity of participating sites,

   d)   Areas of improvement of the internal management system identified by internal reports or external audits,

   e)   New sites, products or processes.

2.7.5   The VB shall use the following guidance to determine the sample size for each audit type. If the value of the sample size is not an integer number, the VB shall round it up to the next higher number.

Type of Audit	Sample size
Verification audit	The sample of sites to be audited shall be equal to the square root of the total number of sites in the Verification Statement.
Annual audit	The sample of sites to be audited shall be equal to the square root of the total number of sites in the Verification Statement.
Surveillance audit	The surveillance audit checks whether the audited organization has satisfactorily addressed non-conformities detected during a previous audit. Surveillance audits shall apply only to those sites that did not previously meet the verification requirements. A verification audit could also be used to add new, potentially high risk, sites to the scope.
Research audit	A research audit is triggered in response to a claim or complaint about the performance of a PO. Research audits shall apply only to those sites relevant to the complaint.

2.8 VB Permitted Support

2.8.1   The actions described in this section are permitted by SRP but are not required. VBs shall consult SRP if they have any questions or need more information about technical support during or related to verification processes. VBs shall also consult the ASP if they have any questions or need more information about potential conflicts.

2.8.2   The VB may support the PO by doing the following:

a)   Describe examples of conformance with standard criteria.

b)   Inform the PO of the option to hire a consultant or organization to help the PO prepare for the audit and verification process.

c)   Provide sample documentation or other supporting materials to the PO that show how a fictional company has met CoC requirements.

d)   Describe a non-conformity during the closing meeting and in the audit report in such a way that the non-conformance and its root cause are clear, so that the operation knows exactly what it needs to correct.

e)   Provide general training about the CoC Standard and the requirements applicable to different types of operations, including Standard interpretation by auditors for these types of operations. This training cannot be one-to-one or provided specifically to one PO.

2.9 VB Support not Permitted

2.9.1   Recommend specific actions or products facilitating PO conformance with the applicable CoC Standard, including providing corrective actions or designs for operation-specific infrastructure; or write or participate in writing required plans, policies or procedures.

2.9.2   Give advice or directions, prescribe practices or provide instructions to close non-conformities. VBs may, however, explain in detail the reasons for raising the non-conformities.

2.9.3   Provide support or consulting services that could affect the VB's impartiality in assigning non-conformities, evaluating corrective actions and making verification decisions.

2.9.4   Combine or package offers or quotes for technical support with verification services.

2.9.5   Mix support and verification activities in any way that violates any of the requirements stipulated in the SRP Assurance Scheme.

3. CoC VERIFICATION PROCESS

3.1 Application Process

3.1.1   SRP CoC verification begins when a PO submits an application form to the SRP CoC Approved VB, which then determines auditing needs (type, budget and duration).

3.1.2   The applicant PO shall sign the latest version of the SRP Sublicense and Registration agreement with the VB.

3.1.3   The VB shall send an introductory information package that includes the SRP CoC Policy and Standard and application form, together with the applicable procedures.

3.1.4   The VB shall review the application within ten (10) business days of receipt, to ensure the following are in line with the VB's understanding of the PO:

      a)   All sites handling/ purchasing/ trading SRP-Verified rice have been included.

      b)   The company's operation and activities are accurately described.

3.1.5   The VB shall ensure that the PO's information is recorded in the Chain of Custody Database and updated based on any changes to the PO's information or verification scope.

3.1.6   The process of PO registration in the Chain of Custody Database shall comply with the registration rules set up for producers and producer groups (Section 4 of the SRP Assurance Scheme) as well as with the requirements of the SRP CoC Data Access Rules.

3.1.7   Following successful registration, the applicant PO will be assigned with a Global Aggregator Number – GAN.

3.1.8   The PO must include and maintain all relevant information of each site (including subcontracting sites) if a multi-site audit is chosen while complying with all requirements above. All sites will be listed in the annex of the Verification Statement

3.2 Audit Plan Development

3.2.1   VBs shall provide the PO with an audit plan at least five (5) days in advance of the on-site or desk audit, with the exception of research audits. The objective of the audit plan is to describe all activities covered by the audit process, including the following:

      a)   Composition of the audit team, indicating names and roles of the auditors and experts who will participate in the audit.

      b)   Date(s) of the audit, and time required to perform the audit.

      c)   Any PO information that affects the audit process:

           i.   Single or Multi-site: Number of sites

           ii.   Product information and related processes

      d)   Documents and records to be available for the audit process.

      e)   Agenda for the audit.

3.2.2　Factors to consider when planning audits:

　　a) To prepare for the audit the VB shall review the following factors, to be evaluated and recorded, including but not limited to

　　　　i. Geographic location of the operation – address, state/ region, country;

　　　　ii. Type of operation;

　　　　iii. Number of sites;

　　　　iv. Valid certifications under other schemes;

　　　　v. For operations already certified, the performance history of the operation regarding conformance with the SRP CoC Standard.

　　b) For research audits, VBs shall base their audit preparation and review on existing information about the operation to be investigated, which should include the above-mentioned factors. VBs shall also consider:

　　　　i. The nature and seriousness of the complaint or incident reported or detected;

　　　　ii. The evidence presented and compiled to date.

3.3　Audit Execution

3.3.1　**Preliminary review of documentation:** VBs shall provide its audit team with access to all the necessary information to conduct the audit and to allow their thorough review before initiating the audit. This may include information from other sources or stakeholders.

3.3.2　**Opening meeting:** The audit team shall initiate each on-site audit with an opening meeting led by the CoC auditor in the presence of representatives of the audited PO and all audit team members assigned to audit the site at which the main opening meeting occurs. The audit team shall record the names of all opening meeting participants, agreements reached and any objections or concerns raised by the operation's representatives.

3.3.3　**Evidence of conformance:** The VB shall provide clear and concise evidence to document conformance and non-conformance during the audit. The audit team shall verify findings between different types of evidence to triangulate evidence among document reviews, interviews, and field observations of operations. The audit team shall record such information as the primary purpose of recording triangulated information is to verify findings associated with the evaluation itself, including any non-conformities; a secondary purpose is as a basis to expand the audit scope or the collection of additional evidence.

3.3.4　Individual auditors shall keep notes of evidence for the CoC Standard criteria for which they are responsible. The audit team can complete an audit checklist provided by the VB with a summary of the consolidated evidence from all team members for each CoC Standard criterion. The summary should clearly describe the reasons why the operation is or is not in conformance with CoC Standard criteria, and the extent or magnitude of any non-conformance (MaNC or MiNC).

3.3.5　The audit team shall record all non-conformities and consolidated evidence in the audit report to ensure that all CoC Standard criteria are audited and to facilitate the recounting of evidence during the closing meeting.

3.3.6   Following the audit, the CoC auditor conducts a closing meeting with the operator representative(s). The audit team members participate according to the instructions of the CoC auditor. The following functions and activities must be completed during the closing meeting:

    a) Summarize the main findings and conclusions of the audit so that they are clearly understood by the representative(s) of the operation, especially the nature, extent and magnitude of any non-conformities detected;

    b) Explain the timeline and remaining steps of the verification process, emphasizing that the audit team does not make the verification decision;

    c) The auditor shall clearly explain each non-conformity, and the reasons for raising the non-conformities and their designation as major or minor;

    d) The auditors must allow the representatives of the operation to question findings and submit evidence that could lead to modifications of conformity decisions within the time limits established by the VB;

    e) Allow questions from the operation regarding potential improvements and corrective actions;

    f) Obtain documentation related to conformance with the CoC Standard and verify any remaining information about the operation;

    g) Reiterate the commitment to confidentiality and limitations on the use of the information obtained.

3.3.7   The CoC auditor shall submit the completed checklists, verified information, and all other materials describing or containing conformance evidence to the VB for review. The VB shall maintain copies of this evidence in their files.

3.4   Audit Report and Review

3.4.1   VBs shall adhere to the timelines stipulated in Annex 1 relating to report review and finalization.

3.4.2   Following completion of the review process as described in Annex 1, the VB shall take the verification decision and registers the decision in the Chain of Custody Database.

3.4.3   SRP may stipulate shorter timelines in cases of research audits for high-risk cases. SRP shall communicate – during the audit planning process – such timelines to the VB conducting the research audit.

3.4.4   For multi-site PO Verification Statement, the CoC auditor is responsible for completing all required information in the checklist with verified sample details describing corresponding findings and evidence for each member site and at the multi-site administrator level.

3.4.5   For Verification audits, the authors must reference the original audit report, complete the full review of non-conformance criteria and indicate the additional information and date of the verification audit. For new audit samples during the verification audit process, the CoC auditor should complete evidence and findings for all CoC criteria.

3.4.6   The CoC auditor shall send the VB the audit report, list of updated member sites (where applicable) and evidence obtained during the audit.

3.4.7   The VB shall upload the audit report in the Chain of Custody Database.

3.5 Verification Decision

3.5.1 The VBs shall conduct a documented review of the quality of all draft audit reports and evidence, to be carried out by an internal quality reviewer assigned by the VB.

3.5.2 The quality reviewer shall consider the following elements according to the requirements of the SRP CoC Standard:

a) Correct interpretation of the SRP CoC Standard criteria in the context of the applicable audit scope;

b) Correct assignment of non-conformities to the relevant SRP CoC Standard criteria;

c) Verify that the evidence for all criteria and all non-conformities is described in a manner that is clear, concise, objective and expresses the nature, magnitude and correct technical basis of the Standard non-conformities;

d) Verify that the report conclusions are consistent with the non-conformities reported;

e) Correct spelling and grammar without excessive use of jargon or colloquialisms;

f) Conformance with submission timelines established in this document.

3.5.3 The quality reviewer shall document recommended changes and any comments, observations and suggestions for improvement and return them to the CoC auditor.

3.5.4 The reviewer shall evaluate the quality of the report and keep a record for each audit report including aspects to be improved, which will be used by the VB and SRP for evaluating auditor performance.

3.5.5 VBs shall maintain copies of the original draft audit report and the quality reviewer's report and incorporate them into quality assurance reviews as indicated in the quality management systems of the VB.

3.5.6 The CoC auditor shall modify audit reports based on the recommended changes, comments, observations and suggestions for improvement made by the quality reviewer. Any conflicts between the audit team's or CoC auditor's findings and the recommended changes must be documented and incorporated in the VB's quality management system for subsequent review.

3.6 Client Review and Appeals

3.6.1 PDF versions of audit reports shall be generated after the quality review process and sent to audited operations for their review and comment. The following responsibilities and rights govern these processes:

a) The VB shall establish a process that documents and responds to POs' comments about, or conflicts with, audit reports submitted for their review;

b) The audited PO shall review the recorded information relating to their operations and notify the VB of any discrepancies or inaccuracies;

c) Audited PO shall report to the VB any discrepancies or conflicts with respect to non-conformities reported in the closing meeting and those described in the audit report. POs have the right to challenge any new or modified conformance issues recommended by report reviewers or review committees, and to provide evidence to support their claims;

d) The VB shall receive and process any comment, complaint or conflict related to audit reports according to their documented processes.

3.6.2 VBs can consider the audit reports as accepted if no comments or concerns are received from the PO within five (5) business days of the audit. Should the PO reject any decisions arising from the content of the report despite clear technical justifications by the VB, the VB shall proceed with the verification decision, send the final report to the audited PO, and upload it to the Chain of Custody Database.

3.6.3 The audited operation has the right to appeal the verification decision according to the SRP CoC Verification Policy and procedures established by the VB. The VB must adhere to the following requirements and timeframe for the appeals procedure:

a) The appeal shall be analyzed by an individual who did not participate in the audit or in the decision-making process related to the verification, who does not have any conflicts of interest related to the operation, and who is qualified as a CoC auditor;

b) The VB shall not resolve appeals by changing the Verification Statement scope to eliminate a problem in the scope of the verification granted;

c) The VB shall resolve and communicate the result of any appeal within thirty (30) business days;

d) The VB shall describe in its appeal procedure any associated fees;

e) The VB shall maintain records of appeal processes including dates that appeals are received, decided, and communicated to audited PO, as well as the nature of the appeal and decisions reached. These records shall be made available to SRP upon request;

f) Only in the case where the audited PO is not satisfied with the result of the appeals process, the VB shall communicate that the PO may appeal to ASP within five (5) business days of the original appeal decision. The SRP appeals process will adhere to the same scope and requirements as described in this section. All decisions by SRP are final;

g) The VB shall inform the PO of the result of its appeal. If the appeal is accepted, the VB shall modify the original audit report to reflect the new verification decision and upload the new report into the Chain of Custody Database. If the appeal is rejected, the original decision prior to appeal shall be retained.

3.7 Issuing the Verification Statement

3.7.1 The VB shall issue a Verification Statement only after the PO has successfully passed an audit, or successfully passed a follow-up audit after failing a verification or annual audit. The VB shall also issue an updated Verification Statement for a:

a) PO that has undergone additional audits that necessitate changes in the Verification Statement;

b) PO that has changed its legal or commercial name.

3.7.2 All Verification Statements have a validity of 36 months from the date of the verification decision. When PO undergo annual audits after their first verification audit, the verification decision date corresponds to the decision date for the annual audit.

3.7.3 The status of the verification is subject to the results of subsequent audits and the PO's conformance with the SRP Rules and related requirements.

3.7.4 The Verification Statements issued by VBs shall include the following:

a) The legal name and, if necessary, the trade name of the Verified organization;

b) The location of the certified PO;

c) A statement of conformity and the names of the applicable SRP Standard on which the audit was based;

d) The effective date of the verification and its expiry date;

e) List of sites included in the Verification Statement scope, with company type;

f) Type of product sold;

g) The unique Verification Statement code number generated by the Chain of Custody Database, which corresponds to each successful verification audit.

Annex 1: Verification Process Timeline Rules

VB receives application for CoC verification and review within 10 business days of receiving CoC application

VB sends audit plan to the PO at least five (5) business days before start of audit

VB conducts CoC audit

Auditor prepares draft report and supporting evidence

Quality reviewer reviews draft audit report within ten (10) business days

PO reviews and approves draft audit report within five (5) business days

VB issues final report and makes verification decision no later than two (2) months from date of completion of fieldwork

Annex 2: Sustainable Rice Platform (SRP) CoC Standard

1. General CoC requirements		
Criterion 1.1 The Participating Operator must implement the Chain of Custody requirements within the scope identified.		
	Indicator	**Guidance**
1.1.1	The Participating Operator must identify the scope of the Chain of Custody system.	
1.1.2	The Participating Operator must define the unit of verification, including, in the case of multi-site operators, the number of sites and the type(s) of operations covered by the scope of their SRP CoC. When applying the Mass Balance system, a Participating Operator must implement – at the level of a single site – the mass balance requirements set out in Annex 3. Whenever more than one legal entity operates on a site, each legal entity must operate its own mass balance.	
1.1.3	The Participating Operator must ensure that independent third parties handling SRP products (e.g., subcontracts for storage, transport, etc.) conform with the CoC Standard requirements.	
1.1.4	The Participating Operator must have an agreement with its sites requiring appropriate reporting and communication.	
1.1.5	The Participating Operator shall define and document the claim category/ies that will be tracked within the CoC control system.	
Criterion 1.2 The Participating Operator has a system in place to implement CoC requirements.		
	Indicator	**Guidance**
1.2.1	The Participating Operator shall identify one person with overall responsibility for the CoC control system, and individual persons responsible for each part of the CoC control system – including but not limited to purchasing and receiving, processing, storage and shipping, marking, delivery and sales, and record-keeping.	
1.2.2	The Participating Operator shall develop and maintain documented procedures to ensure conformance with all applicable CoC requirements. The procedures must be according to the scale and complexity of the PO, covering all sites included in the scope.	
1.2.3	The Participating Operator must retain and report information related to the implementation of the SRP CoCstandard, including procurement and sales documents, production records, and volume summaries for at least **three (3)** years.	

1.2.4	The Participating Operator must undertake an annual internal review of performance, including the effectiveness of quality management systems and the conformance of the sites (including outsourced contractors) with the requirements of the SRP CoC standard. In the case of non- conformities, the Participating Operator must take appropriate corrective actions.	
1.2.5	All workers involved in the implementation of this CoC Standard shall be aware of and have sufficient knowledgeof the SRP CoC requirements based on participation in relevant training.	
1.2.6	The Participating Operator shall maintain data on the quantity of tracked products and ensure that the data aremade available to the VB. At a minimum, the quantitative information that shall be maintained relating to each reporting period is as follows: • purchased SRP-Verified rice • SRP-Verified rice used in processing • waste produced during processing • sold SRP-Verified rice • input and final SRP-Verified rice held in stock.	

2. Chain of Custody Models

Criterion 2.1 The Participating Operator must define the CoC Model used and develop a system to support the selected CoC model.

	Indicator	Guidance
2.1.1	A Participating Operator applying the Identity Preservation (IP) CoC model shall demonstrate segregation starting from the producer or producer group level up to point of sale.	
2.1.2	A Participating Operator applying the Segregation System CoC model shall demonstrate segregation of SRP-Verified rice from any non-verified rice stored at or passing throughits operational sites.	
2.1.3	A Participating Operator applying the Mass Balance CoC model shall demonstrate the system is in place and conformance with the Mass Balance requirements set outin Annex 3.	
2.1.4	The Participating Operator shall track and segregate SRP-Verified rice with separate claim categories throughout allprocesses, including purchasing and receiving, processing, storage and shipping, marking, delivery and sales, and record-keeping.	

3. Data Validation

Criterion 3.1 The Participating Operator must validate the SRP documentation.

	Indicator	Guidance
3.1.1	The Participating Operator must check the supplier contract, Transaction Certificates (see Annex 4), invoice, and supporting documentation to ensure the supplied SRP-Verified rice comes from SRP-verified suppliers, matches the accompanying documentation.	
3.1.2	For each purchase/ receipt of SRP-Verified rice tracked within the CoC control system, the Participating Operatorshall identify, validate and record at least the following information: • identification of supplier(s) • identification of SRP-Verified claim • quantity of delivery • date of delivery • claim category • the supplier's SRP Verification Code[6], as applicable. • Transaction Certificate (when applicable)	

4. Data Reconciliation

Criterion 4.1 The Participating Operator must record and manage the SRP documentation.

	Indicator	Guidance
4.1.1	Invoice and/or supporting documentation of incoming SRP- Verified rice must be received and entered into the PO's system and the transaction should be reported to the CB that will later issue the Transaction Certificate within **28 calendar** days of physical intake at the PO facility.	
4.1.2	Where applicable, the Participating Operator must use documented conversion rates to calculate the equivalent output weight or volume associated with the received SRP consignment.	
4.1.3	The Participating Operator must maintain the accuracy of any measuring equipment used.	*Verification and calibration of the equipment. This should be done at a specific frequency (forexample,every 6 months)*
4.1.4	The volume of SRP-Verified rice received, and the associated sustainability characteristics must be recorded in the PO's system and follow the process as stated in 4.1.1., after validity has been confirmed (indicator 2.1.1)	
4.1.5	Allocation of SRP data must be only to products which are fungible with rice products.	

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[6] SRP Global Number from SRP database.

4.1.6	The Participating Operator must undertake inventories of the input/ output balance of SRP-Verified rice at fixed regular intervals, for each operational site, not exceeding 28 calendar days.	
4.1.7	The volume of SRP-Verified rice received shall be greater or equal to the volume or quantity of SRP-Verified rice supplied to clients over a fixed inventory period of a maximum of 28 calendar days.	
4.1.8	Where the balance of inputs and outputs is positive at the end of the economic operator's inventory period, sustainability data maybe carried into the next inventory period.	
4.1.9	Sustainability data expires three (3) years from the date of entry into the system or when verification of the economic operator ceases, whichever occurs sooner.	

5. Processing

Criterion 5.1 The Participating Operator shall implement the CoC system within its processing activities.

	Indicator	Guidance
5.1.1	The Participating Operator shall use a tracking system or production records to document product processing foreach claim category.	
5.1.2	The Participating Operator shall ensure that any off-site processing or handling that takes place at a contracted facility follows the same CoC procedures as implemented by the Participating Operator and is covered by a signed outsourcing agreement (described in 1.1.4), requiring conformance with the applicable requirements of this Standard.	
5.1.3	All products that cannot be identified as belonging to one of the claim categories defined in 2.1 above shall be kept separate from all other products until documented evidence of the claim category is obtained.	

6. Shipping and sales

Criterion 6.1 The Participating Operator shall ensure the SRP-Verified rice is sold with correct information in the sales documents.

	Indicator	Guidance
6.1.1	The Participating Operator shall ensure correct claim information is provided on Transaction Certificate salesinvoices and shipping documents, including the following: • Description of the product and the claim category • Quantity of each product/ claim category • SRP Verification Code, if applicable.	

7. Claims and public information

Criterion 7.1 The Participating Operator shall ensure the SRP-Verified rice is sold with correct claims.

	Indicator	Guidance
7.1.1	The Participating Operator shall sign a license agreement directly with the VB prior to using any SRP claims or logos.	
7.1.2	All claims and references to SRP made by the Participating Operator shall conform with SRP Trademark Rules, as applicable.	
7.1.3	The Participating Operator shall submit all draft claims and proposed on-product Label use to SRP/VB/GLOBALG.A.P. for review and approval prior touse.	

8. Multi-site operators

Criterion 8.1 Management system for multi-site operators.

	Indicator	Guidance
8.1.1	The Multi-site System Administrator shall document and implement an Internal Management System that guarantees conformance of all the individual sites with the SRP Chain of Custody system. At a minimum, the Internal Management System shall include the following elements: a) An organizational chart illustrating the relationship between the Multi-site System Administrator and each site; b) The Multi-site System Administrator shall internally inspect all sites no less than annually; c) New sites must undergo an internal inspection before being included; and d) For sites that are not under a common ownership structure, consent from each site acknowledging participation in the SRP Chain of Custody system and granting authority to the Multi-site System Administrator for internal inspection and sanction.	
8.1.2	The Multi-site System Administrator shall keep records of the sites included in the scope of its Chain of Custody, including: a) A list of sites including name, location, type of processing, and responsible personnel. b) Status of internal inspections and external audits; and c) Identification of the sanctioned sites.	
8.1.3	The Multi-site System Administrator's Internal Management System shall document and implement procedures for sanctioning sites that do not comply with the SRP Chain of Custody system. Each site shall be informed of the sanction system. A system of progressively more serious sanction measures shall be established, concluding with the exclusion of a site from the Chain of Custody scope.	

Annex 3: Mass Balance Requirements

Participating Operators applying Mass Balance as the CoC model shall demonstrate the system is in conformance with the SRP Assurance Scheme. The following additional requirements also apply:

1. Traceability
1.1 All sales and shipment transactions of mass balance materials or products claimed as SRP-Verified rice must be reported through the Chain of Custody Database. As a minimum, all salesconducted during a calendar quarter must be registered within 28 calendar days of the end ofthe respective quarter.
1.2 Mass balance credits are valid for a maximum of three years. If sales exceed purchases, these must be covered with sufficient purchases of certified inputs by the end of the quarter to make transaction for that quarter.
1.3 When using mass balance, a transaction for purchases of the SRP rice should reflect the content recipe of the packaging. For example, if the SRP rice is 30 percent, the transaction document should be purchased for this rice in the same proportion.

2. Double Counting for Multi-Certified Materials
2.1 If a batch of SRP rice is purchased from a farm with more than one verification scheme (e.g., Organic), then the equivalent volume of material can be sold forward with both certifications attached to the batch. However, the two certifications may not be separated and applied to two separate batches of material, each equivalent in volume to the original purchase, as this would be considered double counting. Volumes entered in Chain of Custody Database as SRP and sold under an alternative scheme must be recorded in Chain of Custody Database "Sold as non-SRP."

3. Conversion Ratio
3.1 If a PO wishes to convert mass balance credits to be used for further processed materials, they must demonstrate the conversion ratios. Credits can't be converted backward or in any other manner inconsistent with actual processing conversions.

4. Time-Bound Plan
4.1 The PO should develop a time-bound plan to demonstrate commitment to increasing the percentage of SRP-Verified procurement as a proportion of the claimant's total annual procurement, and eventually transition from the mass balance model to IP or Segregation System. The time-bound plan should be available during the CoC audit as part of the CoC evidence.

5. Communication and Claims
5.1 POs implementing the Mass Balance system are not permitted to use on-pack SRP-Verified Label.
5.2 On-pack claims should comply with SRP Member Communication and Claim/Logo/Label Guidelines as setout in Annex 7 of the SRP Assurance Scheme v 1.3 and the SRP Brand Manual 2020 (both available at www.sustainablerice.org).

Annex 4: Transaction Certificate Requirements

4.1 Transaction Certificate Requirements

All supply chain actors must request a transaction certificate from the VB if they plan to transfer the SRP Claims to another entity to maintain the SRP compliance and sustainability claims. POs may ask the VB to issue a Transaction Certificate to accompany the transfer of the product to the customer or customer's order final destinations. POs that request for a Transaction Certificate must have successfully met SRP verification requirements at Level 2 or Level 3 and for SRP CoC.

The Claims on the packaging must follow Assurance Scheme V.1.3 Annex 7 SRP MEMBER COMMUNICATION AND CLAIM/LOGO/LABEL GUIDELINES (ON AND OFF-PACK).

The VB will verify the compliance of Transaction Certificate processing during PO annual audit. A Transaction Certificate is proof to the VB that SRP-Verified products were used as input for further processing or trading. The Transaction Certificate can be requested retrospectively up to six (6) months. A Transaction Certificate can include multiple lots, invoices and containers within one (1) month.

4.2 Multiple Shipments on a Transaction Certificate

The VB may issue a single Transaction Certificate that covers the information of multiple shipments, provided the following conditions are met:

1) The VB shall give written permission to the seller to use a single Transaction Certificate for the agreed number of shipments and/or time period (not more than 30 days).

2) All shipments on a single Transaction Certificate shall be sent from the same seller at the same location and shall be produced by the same last processor of the products.

3) All shipments on a single Transaction Certificate shall be sold to the same buyer. Where multiple shipments covered on a single Transaction Certificate are sent to different consignees / destinations, the Transaction Certificate shall clearly link each shipment's details (products, amounts) to the corresponding consignee / destination.

4) The maximum period that a single Transaction Certificate may cover is 30 days.

Guidance: The choice of a time period requires a balancing of costs and risks. While using a single Transaction Certificate for multiple shipments should reduce the annual cost of Transaction Certificates, it does mean that there will be periods of time during which a VB has not yet verified goods being sold. This will be of concern to the buyers of the product A Transaction Certificate may not be open past the end of the validity of the seller's scope certificate.

4.3 Exemption for Verified Retailers

Verified retailers are not required to receive and maintain Transaction Certificates provided that products are labelled with the license number of the supplier or manufacturer instead of the license number of the retailer.

4.4 Exemption for Wholly Owned Subsidiaries

1) Transaction Certificates are not required for sales or transfers of products between wholly- owned subsidiaries which are included in the same parent company's scope certificate, provided that products are not repacked, relabeled, or processed by or on behalf of the subsidiary companies.

2) In this case, a transaction certificate shall be issued naming the parent company as the buyer and the parent company as the seller, regardless of intermediate ownership of the goods by its wholly owned subsidiaries and regardless of which wholly owned subsidiary is the legal buyer or seller. The parent company shall document all ownership changes in the flow of goods, which documentation shall be verified by the VB.

4.5 Timelines for issuing Transaction Certificates

1) VBs shall issue Transaction Certificates within 15 working days after receipt of a complete application from a verified organization.

2) VBs cannot issue Transaction Certificates more than six (6) months after the date of the earliest shipment to be included.

4.6 Template

Requirements and guidance regarding the content of the Transaction Certificate are as follows:

Minimum information to appear on the transaction certificate:

- Issuing Body

- Applicant/certified party & the country of origin (rice)

- Consignee/importer/buyer & the country of destination

- Producer name

- Previous TC(s) (when applicable)

- Product Name/Product (HS code)

- Net weight & Gross weight

- Lot/batch no

- Invoice no

- Transport document no

- Container(s) no(s)

- Vessel name

- Signature & seal of the issuing body

Additional information for Transaction Certificate

- Specific requirements for Transaction Certificate.

- Issuing responsibility: SRP COC VB.

- Application: When the ownership of the product is transferred from PO to supply chain actor

- Applied by: PO / SRP COC Verification Statement owner

4.7 How to Apply for a Transaction Certificate

A PO may request a Transaction Certificate from the same VB that conducted the SRP CoC Standard audit. The application process depends on the respective VB.

4.8 Application for Transaction Certificate Format

Product conforming to:	☐ SRP Standard for Sustainable Rice Cultivation (Version 2.1) ☐ Level 2 ☐ Level 3
Name Client	
PO Number	

Raw material (Rice) COC Verified model	Mass balance	Segregation	Identity Preserve
	Other:		

Country of Production	
Invoice-no with date	
Name of transport company	
Transport document no.	
Container – Truck – Flight No- Vessel Name	
Identification-code (e.g. lot no, batch no)	
Production year	
Total amount of input materials	As per attached mass balance*
Loss percentage against input	As per attached mass balance
Product Name / Variety	
Producer name	
Expected date of delivery	

Send original certificate to	exporter	importer	first consignee
	other:		

Send original certificate by	registered mail	courier	electronic

Requirement	Clarification
Name and address of <u>Seller</u>	
Country	
Previous TC number(s)	
Name and address of <u>Last Processor/ previous producer</u>	
Country	
Country of dispatch	
Name and address of <u>Buyer</u>	
Country	

Name and address of <u>consignee</u>	
Country of destination	

*Mass Balance Calculation from input - process - output showing total production and loss percentage

No.	Product name /Variety	Trade name	Pack in	Lot No.	Gross wt.	Net wt.
	Total					

Client Declaration Part
I, the seller, declare that the consignment concerned has been produced and/or prepared in accordance with the provisions of the above Standards **(SRP Standard for Sustainable Rice Cultivation (Version 2.1))** This form has been completed truthfully and to the best of my knowledge. I have conveyed all the information required and I have also enclosed copies of: invoice transport documents

Date:	Name and signature applicant: Title:

4.9 Supply Chain Examples: SRP Verified Claims