

# Traceability Protocol

**Intercontinental Specialty Fats Sdn Bhd**

[A member of The Nisshin OilliO Group Ltd, Japan]

**VERSION 1**

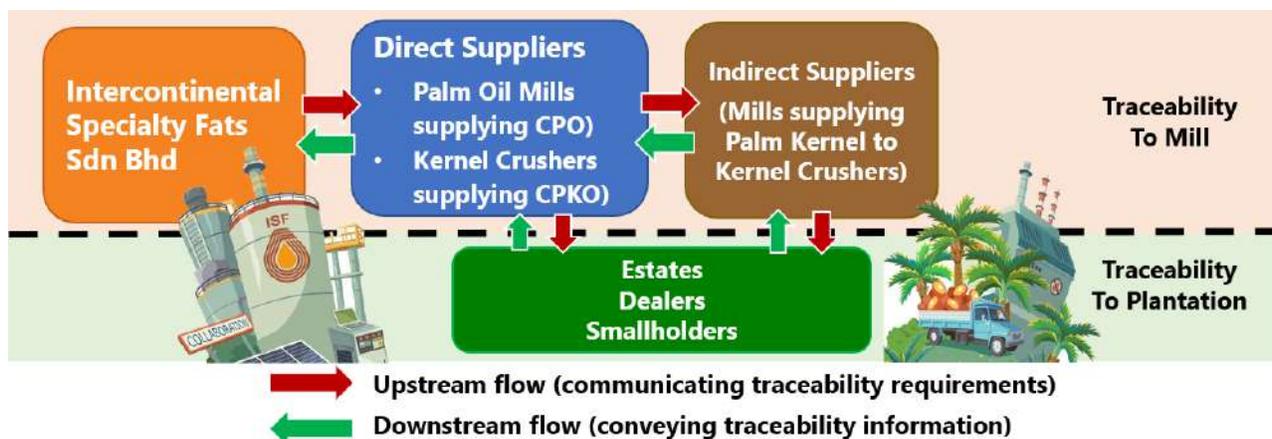
**JANUARY 2024**

## 1 Introduction

Intercontinental Specialty Fats Sdn Bhd (ISF) is committed to practicing sustainable palm oil production and responsible sourcing, in keeping with one of our core values in sustainability. We have achieved 100% traceability to mill for both Crude Palm Oil (CPO) and Crude Palm Kernel Oil (PKO) since January 2018 and intend to achieve 100% Traceability to Plantation by 2025. This protocol aims to provide a guideline for our traceable palm oil operations and includes all of our palm oil suppliers within our supply chain. We intend to mitigate any risks of NDPE infringements and improve on meeting commitments in our supply chain through collaborations with our upstream supply chain and achieving full traceability.

## 2 Traceability Definitions and Procedure

Traceability in the palm oil industry is defined as the possibility of chronologically tracing palm oil products over the supply chain to all their sources. As oil palm plantations are the base of the supply chain, traceability to the mill is the initial step before tracing to the plantations for attaining full traceability.

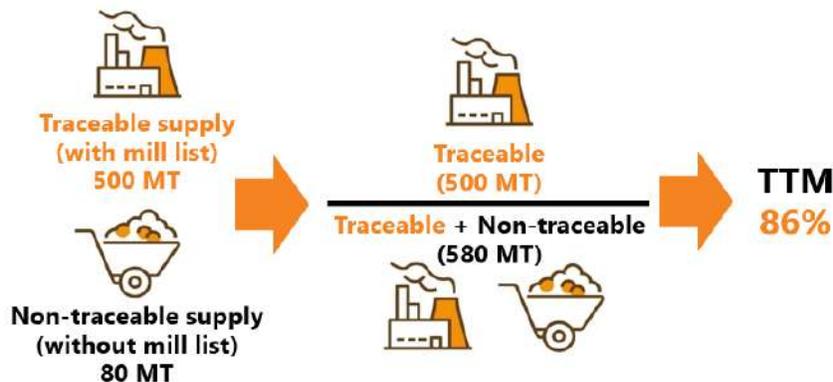


**Figure 1:** ISF's map of supply chain traceability

### 2.1 Traceability to Mill (TTM)

Traceability to Mill (TTM) traces all of the palm oil mills within the supply chain that supply to ISF, including mills that directly supply CPO as well as mills that supply palm kernels for the kernel crushing plants (**Figure 1**). A "mill score" is calculated based on the total number of traceable and untraceable mills (**Figure 2**). Minimum requirements for our mill list to fulfill TTM requirements include:

- Mill name and its parent company name
- Universal Mill List (UML) number
- State/Region of the country or GPS coordinates
- Certification status (RSPO and MSPO)
- Volume supplied



**Figure 2:** Calculation of Traceability to Mill (TTM)

## 2.2 Traceability to Plantation (TTP)

Tracing the palm sources back to the fresh fruit branches (FFB) supplied by the oil palm plantations is also known as Traceability to Plantation (TTP). This is a huge challenge due to the uncertainty of the FFB’s sources which have multiple and constantly changing origins, including smallholder farmers, dealers, collection centres, and owned or third-party estates (**Figure 1**). ISF has developed minimum requirements that relate to our operations to collect and validate our TTP data.

### ISF’s minimum requirements for TTP are as follows:

The minimal information below is needed for each supplier type to regard their FFB sources as “traceable to mill” and “traceable to plantations”; √ denotes required information.

**Table 1:** Minimum required TTP information for estates, smallholders, and dealers within ISF’s supply chain

FFB Supplier Source Type	TTP		
	Estate	Smallholder	Dealer
Definition of business	Total planted area >50 hectares	Total planted area <50 hectares	
Parent company name	√		
Estate/Dealer/Smallholder name	√	√	√
GPS Coordinates	√		
FFB sourcing location (sub-district/ <i>mukim</i> )		√	√
Certification status and details (where applicable)	√		
FFB volume supplied	√	√	√



Our TTP metric is calculated as follows:

<b>CPO</b>	<ul style="list-style-type: none"><li><b>SUM (%TTP per mill* x %Volume sourced by mill to ISF) = Overall %TTP of CPO</b></li></ul>
<b>CPKO</b>	<ul style="list-style-type: none"><li><b>Stage 1: %TTP of each Kernel Crusher</b> <b>SUM (%TTP per mill supplying to crusher* x %Volume supplied to crusher)</b> <b>= %TTP per Kernel crusher</b></li><li><b>Stage 2: Overall %TTP of CPKO supply</b> <b>SUM (%TTP per crusher x %Volume supplied by crusher to ISF) = Overall %TTP of CPKO</b></li></ul>

*\*%TTP per mill or mill supplying palm kernel to the crusher is calculated based on data collected on estates, dealers, and smallholders from each mill.*

#### Assumption(s):

- Mills/suppliers that are certified RSPO IP and SG are assumed 100% TTP (minimum required information for TTP as per **Table 1** is available on RSPO reports available on the [RSPO suppliers database](#))
- TTP data collected from supplying mills with full required information of estates, smallholders, and dealers are assumed 100% TTP

Once the percentage of TTP is obtained and types of risks are identified, further action includes supplier engagement to monitor NDPE implementation progress. The procedure, including data collection and validation, will be updated according to the latest developments to enhance data consistency and accuracy.

## 3 Traceability Data

### Supplier Collaboration

Traceability data requirements are explained during supplier onboarding and adhering to [ISF's Sustainable Palm Oil Policy](#) and [Supplier Code of Conduct](#). The requirements must be acknowledged by all of ISF's suppliers in our supply chain to ensure consistent and effectual delivery of traceability data.

### Communication of Data

Our direct and indirect suppliers upstream are encouraged to provide the minimum requirements of the TTM and TTP data stated in **Section 2: Traceability Procedure and Definitions**. This denotes our direct and indirect suppliers must be transparent and report data as per the requirements above, as any missing data may reflect on the accuracy of percentage TTM and TTP. Missing data or gaps should be reported and provided promptly and ISF will provide the necessary support for suppliers to fulfill the TTP requirements.

### Documentation and Reporting

Our collected data, including traceability, mill lists, and calculated TTP scores are all archived within our ISF Sustainability database. Key figures are published quarterly on our [ISF Traceability Dashboard](#).