

Annex 12

Agenda item 8: Approval of Chain of Custody Standard & Policy v 2.5

Key Changes - SRP Chain of Custody v2.5:

- **Terminology and Platform Updates:** Following the [launch of the SRP Assurance Platform](#) earlier this year, the term "SRP database" has been updated to "SRP Audit Management Platform." Additionally, [the introduction of SRP RiceTrace](#) provides advanced traceability capabilities for rice supply chains.
- **Purchasing and Verification:** New rules for purchasing SRP-verified rice, guidelines for requesting a sell-off period, and instructions for Transaction Certificates.
- **Audit and Scope Change:** Detailed procedures for scope change audits, [Conformity Assessment Body \(CAB\)](#) responsibilities, and document management.
- **Social and Compliance:** Integration of social elements, compliance with laws and the implementation of grievance systems.
- **Additional Clarifications:** Enhanced clarity on the Mass Balance model.

Timeline:

Take effect in July 2025. Until then, verified units may use either version 2.4 or version 2.5 to meet standard requirements.

However, the updates on terminology and platforms, including the renaming of "SRP database" to "SRP Audit Platform" and the implementation of the SRP RiceTrace platform, as well as the clarifications to the Mass Balance model, are effective immediately.

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



Title:	Chain Of Custody (COC) Policy and Standard
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The views expressed in this document are those of the Sustainable Rice Platform and do not represent the official position of individuals or organizations involved in its drafting.

About the Sustainable Rice Platform (SRP)

The Sustainable Rice Platform e.V. (SRP) is a global multi-stakeholder alliance comprising over 100 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 private sector partners, SRP is 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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Changes of the SRP Chain of Custody Policy and Standard

Previous version information

The SRP Chain of Custody Policy and Standard Version 1.0 was released in October 2020. Version 2.0 was endorsed by the SRP Board in January 2022 whereas all users were encouraged to migrate to v2.0 at the earliest opportunity. Version 1.0 remained valid until 30 June 2022, after which v2.0 became mandatory and v1.0 was no longer recognized.

The SRP Chain of Custody (CoC) Policy and Standard have undergone several changes since the endorsement of version 2.0 by the Board in January 2022, which became effective starting in July 2022. Version 2.1, published in June 2023, introduced minor wording changes but was only in effect for one month as SRP decided to postpone the enforcement of the Transaction Certificate. Consequently, version 2.2, published in July 2023, removed the Transaction Certificate chapter until the introduction of RiceTrace.

Further updates from version 2.2 to version 2.3 aligned with the SRP Assurance Scheme 2.0, incorporating system, definition, and terminology changes. The primary alteration was the removal of the Assurance Service Provider (ASP), with the SRP Secretariat taking over the management of the Assurance Scheme starting 1 January 2024. The CoC Standard itself remained unchanged.

Version 2.4 marked the introduction of RiceTrace and the reintroduction of the Transaction Certificate. This version was approved and published in July 2024, becoming effective immediately after its release.

Current version information

The current version, v2.5, introduces the SRP traceability platform, RiceTrace, providing further clarity on the standard wording and CoC models. SRP is also incorporating selective social elements into the Chain of Custody Standard, covering important aspects such as human rights, occupational health and safety, and labor.

For detailed information on the changes and updates made in the latest version of this document, please refer to the separate document titled "Overview of Updates in SRP CoC Policy and Standard version 2." This document provides a comprehensive overview of all revisions from previous versions up to the current version.

ABBREVIATIONS & DEFINITIONS

Abbreviations

FSC CoC	Forest Stewardship Council - Chain of Custody
PEFC CoC	Programme for Endorsement of Forest Certification - Chain of Custody
RA SAS CoC	Rainforest Alliance Sustainable Agriculture Standard - Chain of Custody
RSPO SCC	Roundtable Sustainable Palm Oil – Supply Chain Certification

Definitions

Assessment: The combined processes of audit, review and decision on a producer's or producer group's or participating operator's compliance with the requirements of a standard.

Assurance: Demonstrable evidence that specified requirements relating to a product, process, system, person or body are fulfilled.

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

Audit: A systematic, documented process for obtaining records, statements of fact or other relevant information and assessing them objectively to determine the extent to which specified requirements are fulfilled.

Auditor: Person who performs the audit

Chain of Custody: The custodial sequence that occurs as ownership or control of the material supply is transferred from one custodian to another in the supply chain.

Child labor: refers to work that deprives children of their childhood, potential, and dignity, and is harmful to their physical and mental development. According to the International Labour Organization (ILO), child labor includes any work performed by children under the age of 15, except for light work permitted for children aged 13 to 15, provided it does not harm their health or development and does not interfere with their schooling. Additionally, it encompasses hazardous work performed by anyone under the age of 18, which is likely to jeopardize their health, safety, or morals¹.

Claim: A message used to set apart and promote a product, process, business or service with reference to one or more of the pillars of sustainability: social, economic and/or environmental.

¹ Refers to [C138_at_a_glance_EN.pdf](#), available in [Child Labour | International Labour Organization](#)

Claim category: Reference to SRP rice products being processed and sourcing of SRP Verified Rice products. In the SRP Assurance System, three categories of claim are recognized based on the Chain of Custody model selected: 1) Identity Preservation, 2) Product Segregation, and 3) Mass Balance.

Compliance audit: An audit that is carried out by a party independent of the CAB that carried out a preceding audit, to assess the quality of that preceding audit.

Conformity Assessment Body (CAB): An entity that can issue a third-party statement that fulfilment of specified compliance requirements has been demonstrated.

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

Discrimination: any distinction, exclusion, or preference made on the basis of race, color, sex, religion, political opinion, national extraction, or social origin, which nullifies or impairs equality of opportunity or treatment in employment or occupation².

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

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

Forced labor: all work or service which is exacted from any person under the menace of any penalty and for which the person has not offered themselves voluntarily³.

Identity Preservation (IP): a type of CoC model that 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.

Integrity audit: An audit carried out by SRP as part of oversight of assurance. These may be 'compliance' or 'witness' audits.

² Refers to [Convention C111 - Discrimination \(Employment and Occupation\) Convention, 1958 \(No. 111\)](#)

³ Refers to [Convention C029 - Forced Labour Convention, 1930 \(No. 29\)](#) available in [What is forced labour? | International Labour Organization](#)

Internal Audit: An internal, systematic, documented process, conducted on themselves by a producer, producer group, participating operator or CAB, for obtaining relevant information and assessing objectively to determine the extent to which specified requirements are fulfilled.

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](#).

Logos: Both SRP-verified Label and SRP Organizational Logo.

'Label' refers to the SRP-verified Label indicating the integrity of claims to sustainable best practices according to the SRP Standard, as verified through the SRP Assurance Scheme. The SRP-verified Label symbolizes a seal of approval.

'Logo' refers to the SRP Organization Logo, used to uphold SRP's brand value and recognition and to ensure consistent application across all SRP programs, tools and communication materials.

Mass Balance (MB): 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.

Non-compliance* (synonym: non-conformity): An identified occurrence of non-conformance with one requirement of a standard.

Outsourcing: subcontracted manufacturing or other handling services of materials/products by an independent third party, has no legal relation with Verified Unit. However, the Verified Unit must sign an outsourcing agreement to ensure compliance with SRP CoC Standard Requirements.

Outsourcing Agreement: formal contract between Verified Unit with independent third party who provide service that handling SRP-verified rice (transportation service provider and warehouse for goods transit⁴ are not included). The agreement outlines that the process of outsourcing shall conform to SRP CoC standard requirements, shall track and control all

⁴ The goods that are already in the transit area with their final labels are not part of the audit scope. However, the audit should verify that the SRP-verified products, which are stored in a third-party warehouse, are properly labeled and marked for a specific buyer.

materials that are outsourced for use in SRP-verified products, shall use only material provided by SRP VUs, shall maintain inventory, shall allow SRP or CAB to conduct audits of its operation include on-site audit as part of integrity program, shall not use SRP trademarks for promotional purposes or any other purpose.

Oversight: The processes of ensuring that assurance is conducted efficiently and credibly. This includes reviewing audit reports, conducting integrity audits, reviewing and calibrating CAB performance, overseeing remediation of CAB NCs, and applying sanctions as necessary, as well as ensuring competence and qualifications of personnel.

Participating Operator (PO): an individual, company, or organization having ownership and control of rice and/or all rice-derived products, from origin to market, 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 between CAB and PO.

RiceTrace: a comprehensive platform designed to trace SRP-verified rice transactions. This platform aims to facilitate transactions between SRP-verified producers and operators, involving SRP-verified rice and supports requests for Transaction Certificates and assessments of SRP-verified Label and Claim applications.

Risk: The chance of something happening that will have an impact on objectives. It is measured in terms of a combination of the probability of an event and the severity of its consequences.

Segregation System: 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 within one group holdings. The CoC Verification Statement is issued for a single PO.

Site: a specific location with defined boundaries where products (rice) are physically stored and processed. Verification of all such operational sites is necessary to ensure traceability according to the chosen CoC system and to maintain the integrity of the product and associated SRP-verified claim. This includes trading offices, which should be audited through a desktop audit.

Trading activities without physical possession, should be combined with an operational site (with physical possession) if they share the same address OR if located separately, are in the same legal entity. Wholly-owned subsidiaries can be counted as one site if they are located in the same country and, when submitting the application to the CAB, can demonstrate that all subsidiaries' operating sites use the same internal control system and that their supply chains are connected. The CAB must verify all operating sites through a desktop audit, and on-site visits shall be conducted using the sampling method outlined in this document.

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

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

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

Transaction Certificate (TC): an official document issued by SRP Secretariat through the RiceTrace platform to confirm that a specific shipment or batch of goods complies with the SRP standard requirements. It includes details such as quantity, transaction date, claim category of the verified products, identity of buyer and seller, unique identification number of verified unit.

Verification⁵: Process that if successful leads to the issuance of a statement that fulfilment of specified compliance requirements has been demonstrated.

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

Verification Service Agreement (VSA): an agreement signed between an approved Conformity Assessment Body (CAB) and the producer/ producer group or participating operator which outlines the terms and conditions under which the CAB sublicenses certain rights and registers the producer/ producer group or participating operator under the SRP Assurance Scheme.

Verified Holder (VH): represents a company holding who support the SRP audit program and manages verified units that could be located in a different country. Therefore, one VH may relate to more than one VUs. If the VU has no connection to a group holdings or international company,

⁵ Verification and certification both ensure compliance with standards, but certification involves a formal accreditation process. SRP uses verification instead of certification to be more inclusive, reducing costs and reaching a broader range of farmers and producers.

the VH record in the SRP Assurance Platform will contain the same information as the VU.

Verified Unit ID: following the publication of the Assurance Scheme and the decision not to use the GLOBALG.A.P. Platform, the Verified Unit ID will no longer be assigned as the SRP Verified Unit's GGN ID. Instead, the current Verification Statement should utilize the Verified Unit ID generated from the SRP Audit Management Platform, which is attached to the Verified Unit Name. For instance, the name of the VU is Sun Rice Co., Ltd., - VU0026, the Verification Unit ID is VU0026.

Verified Unit (VU): an entity could be producer or producer group or participating operator that holds the SRP verification statement. This means that the company signs the Verification Service Agreement (VSA) with the CAB, has its name on the Verification Statement and exclusively engages with one CAB.

Witness audit: An audit that is observed by a party independent of the CAB to assess the quality and integrity of the CAB's audit.

Workplace harassment: violence and harassment in the world of work as behaviors, practices, or threats that aim at, result in, or are likely to result in physical, psychological, sexual, or economic harm. This includes gender-based violence and harassment⁶.

⁶ Refers to [Convention C190 - Violence and Harassment Convention, 2019 \(No. 190\)](#) in [Violence and Harassment in the World of Work | International Labour Organization](#)

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. Co-convened by the International Rice Research Institute (IRRI), the United Nations Environment Programme (UNEP) and private sector partners in 2011, SRP is an independent not-for-profit member association. SRP works with its members and 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 SRP aims to promote wide-scale adoption of sustainable farming practices among rice smallholders. In 2015 the SRP launched the world's first voluntary Standard for Sustainable Rice Cultivation (the SRP Standard), providing a working definition of sustainability for any rice system and enabling 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 Assurance Scheme, launched in September 2020 after a public consultation, underscores the necessity of maintaining the integrity and traceability of sustainable rice production. This scheme recognizes three Chain of Custody models: 1) Identity Preservation (IP), 2) Segregation (Seg), and 3) Mass Balance (MB). Chain of Custody verification is crucial for on-product SRP claims and the use of the SRP-verified Label. This verification process ensures the credibility of SRP's sustainability standards, thus reinforcing consumer confidence and supporting market transparency.
- 1.1.4 The SRP Chain of Custody Standard is intended for use in conjunction with the SRP Standard and Assurance Scheme to enable market actors to make verifiable sustainability claims for rice produced using proven, climate-smart, sustainable best practices. 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.
- 1.1.5 Sustainability does not end at 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.
- 1.1.6 In this version, SRP is incorporating selective social elements into the Chain of Custody Standard. These additions align with the SRP Standard for Sustainable Rice Cultivation, which cover important aspects such as human rights, occupational health and safety, and labor.

1.2 Scope and Effective Date

- 1.2.1 The Chain of Custody (CoC) Standard 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 The CoC Standard stipulates 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).
- 1.2.3 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 Conformity Assessment Body (CAB). Verified Producers should also implement and verify with the CoC Standard if they have activities as outlined in 1.2.4.
- 1.2.4 CoC verification shall cover all relevant activities conducted by the verified Participating Operator, including purchasing, processing, storage, marking, record-keeping, to ensure the integrity of SRP-Verified rice. In the case of Identity Preservation (IP) and Segregation System (Seg), the segregation of SRP-verified rice from non-verified rice is crucial. For Participating Operators implementing the Mass Balance CoC model, compliance with additional specific requirements for Mass Balance, as outlined in [Annex 3](#), is also mandatory.
- 1.2.5 SRP may grant an exception to a Participating Operator and/or CoC CAB after receiving justification on the case for each exception and if necessary, consulting with relevant stakeholders.
- 1.2.6 The SRP Secretariat shall make a list of existing exceptions available to all assurance providers and clients so that these are seen to be applied consistently.
- 1.2.7 Exceptions remain valid until the next standard review exercise at which time they are considered as an input to the review.
- 1.2.8 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 the date of publication.

1.3 Conformity Assessment Body Roles and Requirements for SRP CoC

- 1.3.1 General requirements
- 1) Conformity Assessment Body (CAB) are responsible for guaranteeing the impartiality of the assessment and independent verification of compliance of any Participating Operator (PO) with the requirements of the SRP CoC Standard.

- 2) The applicant CAB shall contact the SRP Secretariat and send a complete application form in English and pay the evaluation fee (according to the current version of the SRP Assurance Scheme Fee Structure) to the SRP Secretariat to initiate the approval process.
- 3) The CAB shall sign a license and registration agreement (LRA) with SRP, specifying the range of work (globally, nationally, partner-specific) and the scope of work.
- 4) Before approval, SRP will evaluate the CAB's qualifications according to the following requirements:
 - i. CAB shall appoint an SRP Scheme Manager responsible for administration of the SRP CoC verification program and shall serve as the primary contact with the SRP Secretariat.
 - ii. CAB shall appoint an SRP In-house trainer who will be responsible for providing mandatory annual internal training for the CAB's CoC auditors and any other staff whose work is related to the SRP CoC Standard. The in-house trainer shall complete an official SRP CoC training and pass the training examination.
 - iii. The CAB shall appoint an SRP CoC Quality Reviewer with SRP CoC Auditor qualification responsible for the verification decision.
 - iv. CAB shall demonstrate minimum capacity in terms of qualified SRP CoC auditors according to requirements set up in Section 1.4.
 - v. The CAB shall hold a valid ISO 17065 accreditation for another standard covering primary production.
- 5) Before conducting any SRP CoC audit, the applicant CAB shall complete the following steps:
 - i. Receive updated SRP CoC tools and information on database access.
 - ii. Register all SRP CoC auditors in the SRP Audit Management Platform.
 - iii. Pay the relevant fees for operation as per SRP Assurance Scheme Fee Structure.
- 6) CAB 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 CAB shall contain at least the following information:
 - i. Name and address.
 - ii. Organizational affiliation and position.
 - iii. Educational qualification and professional status.

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- iv. Experience and training in relevant fields of competence relating to the SRP Standard.
- 7) Records of this evaluation shall be updated regularly and made available to SRP on request.
 - 8) After approval by SRP, the CAB shall be responsible for qualifying and approving only staff participants and auditors who fulfill the requirements set out in Section 1.4 of this Policy.
 - 9) The CAB shall 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 shall also be responsible for reporting on performance of the quality system for the purposes of management review and system improvement.
 - 10) The quality system shall be documented and used by all relevant CAB staff.
 - 11) All CAB personnel shall uphold 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 CAB is responsible for communicating to its SRP CoC verified clients all relevant updates, as well as the date of first application and grace period for any new SRP versions of normative documents.
 - 13) The CAB shall clearly explain the SRP Data Management Rules for Assurance Scheme⁷ to its SRP CoC verified clients and obtain their written consent to share specified categories of data.
 - 14) The CAB shall treat applicant information in confidence unless otherwise required under national law. No information shall be released to third parties without the applicant's prior consent.
 - 15) The CAB shall establish a system to evaluate conformance with the SRP CoC Standard as well as a system to take verification decisions, manage appeals and comply with all other SRP requirements.
 - 16) The CAB shall establish a system to ensure it retains authority over decisions related to its assessments and verification activities.
 - 17) The CAB shall be responsible for ensuring the quality and integrity of any SRP assurance activities outsourced to another body. When assessment conditions require it, CAB shall employ interpreters, technical experts or oversight bodies who are independent of the client, unless this is not feasible due to logistical constraints.

⁷ The SRP Data Management Rules for Assurance Scheme is part of the verification service agreement (VSA) as an annex. CAB should send it together with VSA.

In all cases, the names and affiliations of these experts shall be included in the audit report.

- 18) The CAB shall notify the SRP of any withdrawal or suspension of a verification statement. This shall be done as early as possible, but no later than the next scheduled update of SRP Audit Management Platform, which occurs during the first week of each month.
- 19) The CAB shall establish a system to immediately notify the SRP in the event of any conflict or problem that could result in reputational damage and agree on appropriate corrective action.
- 20) The CAB shall cooperate fully with the SRP during management of complaints related to the CAB or to the company contracted by the CAB.
- 21) The SRP shall ensure that the CAB and the Participating Operator agree to be registered and submit to potential oversight program conducted by SRP. SRP shall cover the costs of any oversight audits. However, if during oversight program, incidents related to CAB's activities are found that lead to follow-up audit visits, the SRP reserves the right to charge the CAB for such follow-up audit visits as required.
- 22) The CAB shall conduct annual internal audits on its performance related to the SRP CoC Policy and Standard and share the results with the SRP.
- 23) The CAB shall be fully paid-up members of the Sustainable Rice Platform.
- 24) The CAB shall establish measures and procedures to prevent bribery and corruption at all levels of its organization.
- 25) The CAB's auditor or other CAB's personnel are permitted to provide information on SRP's normative documents or other SRP guidance notes and the audit report to clients during third-party assessment. However, CAB are prohibited from providing consultancy services to audit clients.
- 26) The CAB shall provide the following information to the SRP 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.
- 27) The CAB shall carry out witness and/or re-inspections for each of its SRP auditors at least once every 4 years to maintain competence.

1.3.2 Extension of Scope

- a) SRP-approved CAB who want to extend their scope to include the SRP CoC Standard shall follow the steps and requirements set out in Section 1.3.1.
- b) SRP-approved CAB shall send a letter of intention for extension of scope and the respective application form to the SRP.
- c) After obtaining approval, CAB shall sign the agreement of extension of scope with the SRP.

1.3.3 Suspension or cancellation of the License Agreement

- a) In case a CAB wishes to terminate its Agreement with the SRP, the following actions shall be taken:
 - i. The CAB shall send a formal termination request to the SRP Secretariat.
 - ii. The CAB shall inform all clients that re-verification shall be carried out by another CAB.
 - iii. The termination will be fully effective on expiry of the last valid Verification Statement.
- b) In case of withdrawal or suspension of a CAB Agreement by the SRP, the SRP shall immediately update the SRP Audit Management Platform.

1.4 Conformity Assessment Body Participants in the Audit Process

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

1.4.2. **Scheme manager:** a designated CAB staff member will be responsible for administration of the verification program and who will be the CAB's representative and shall serve as the CAB's main contact with the SRP. Their responsibilities are to:

- a) Ensure that all CAB 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 CAB staff and Verified Units in regard to any changes in the verification program.
- d) Provide documentation and/or reports to SRP on request.

- e) Ensure timely and adequate communications with SRP at all times.
- f) Inform SRP in the event of changes that may affect CAB conformance with the requirements stipulated in Section 1.3 of this document, as well as any sanctions imposed on the CAB by any other scheme for which the CAB is approved, e.g., RA SAS CoC, FSC CoC, PEFC CoC, RSPO SCC.
- g) Shall be fluent in English.

1.4.3. **Database administrator:** A database administrator within the CAB manages the account within the SRP Audit Management Platform and ensures proper data input. Their responsibilities are to:

- a) Input data on verification processes for Verified Units, ensuring each step follows the verification process timeline rules.
- b) Ensure data quality and update Verified Units information as needed. Data quality includes accurate Verification Statement information, as well as consistency of information across the various fields and attachments in the SRP Audit Management Platform.
- c) Upload the Audit report in the SRP Audit Management Platform.
- d) Update auditor records in the SRP Audit Management Platform with new training, performance evaluations and general auditor details.
- e) Shall be fluent in English and participate in SRP Audit Management Platform training and webinars.
- f) Follow-up on specific data input needs or record updates in a timely manner.
- g) Shall complete an SRP Authorized CoC training delivered by SRP Authorized Trainers or CAB's in-house trainer.

1.4.4. **In-House trainer:** The In-house trainer shall comply with CoC auditor qualification requirements in Section 1.4.5 and obtain an SRP certificate of participation in an official SRP CoC Policy and Standard and SRP Assurance Scheme training course. In-house trainers shall be fluent in English. The CAB shall maintain at least one SRP In-house trainer to ensure adequate internal knowledge-sharing and harmonized interpretation.

1.4.5. **Auditor team:** The auditor team comprises qualified and registered auditors, one of whom shall act as CoC auditor, along with additional technical experts as needed. All team members must participate in either the official SRP CoC Policy and Standard, and SRP Assurance Scheme training course, or training session held by CAB's in-house trainer. However, they must pass the respective examinations officially assigned by SRP Secretariat. Additionally, SRP CoC auditors who audit Multisite Participating Operators shall have attended an auditor training course based on ISO 19011 principles, with duration of at least 2 work-days (16 hours). A qualified auditor with experience as a lead CoC auditor in a social/ environmental assurance scheme with similar CoC requirements (e.g., RA SAS CoC, FSC CoC, PEFC CoC, RSPO SCC) may also meet the qualification criteria. 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.

1.4.6. **Reviewer:** This is the CAB staff member responsible for reviewing audit reports to ensure proper interpretation of the SRP CoC Standard ([Annex 2](#)) with the following roles:

- a) The Reviewer shall comply with the requirements for auditor qualifications set in Section 1.4.5 above.
- b) The Reviewer shall conduct a quality review of audit reports and ensure that accurate and consistent information is reviewed in the SRP Audit Management Platform. For example, the Reviewer should ensure that site information is recorded accurately in the audit report and in the verification audit record within SRP Audit Management Platform.
- c) The Reviewer shall notify the audit team of any inaccuracies in the audit report by:
 - 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 handles SRP-Verified rice products, either physically or non-physically (i.e., trading), at a location under the organization's control, including outsourced contractors. After the end-product manufacturer, no further verification is required. An onsite CoC audit is necessary for any organization physically handling the product, while a desktop CoC audit is sufficient for any organization not physically handling the product.

2.1.2 Companies producing and selling SRP-verified rice may only market a SRP-verified product having successfully been issued with a Verification Statement of CoC compliance by an authorized SRP CoC Conformity Assessment Body (CAB).

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

2.1.4 The verification cycle for SRP CoC verification is three years.

2.1.5 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 where trading or processing of an SRP-verified rice product takes place. It is the entity that signs the agreement with an authorized CAB that takes responsibility for development, implementation and maintenance of the multi-sites' internal management system and for verification of each individual site's compliance with the CoC Policy and Standard. In accordance with definition of "site", trading activities without physical possession (e.g. trading office), can be combined with an operational site (with physical possession) if they share the same address OR if located separately, are in the same legal entity. And the audit on trading activities could be done through a desktop audit.

2.1.6 Multi-site Participating Operators (PO) may apply for a CoC Multi-site audit to any SRP Authorized CAB under the following conditions:

- a) The Multi-site system administrator shall define the geographic area, the number and identity of sites, the supply chain model and the types of operations covered by the scope of their multi-site CoC system.
- b) The SRP supply chain model of a representative sample from the participating site shall be reviewed and verified by the CAB during the verification audit.
- c) The Multi-site system administrator acting as Internal Management System (IMS) office is considered as a participating site and shall always be part of the sampled site.
- d) A Multi-site system administrator with a processing and handling site is counted as a Participating Site with physical possession, and therefore requires an onsite audit at least during the verification or re-verification audit. During the annual audit, it must be included as part of the sampled sites, but this audit can be conducted remotely (See table in 2.7.5).

2.1.7 Wholly-owned subsidiaries of a group of companies located in different regions may apply for SRP CoC Multi-site Verification. under the following conditions:

- a) Wholly-owned subsidiaries must have the same source (SRP-verified farm) within the supply chain and demonstrate their supply chain relationship when submitting the application to the CAB.
- b) Participating Sites of the subsidiaries may be located in different regions; the PO shall provide the CAB with proof of their relationship at the application stage.
- c) To minimize the risk of integrity violation, it is highly recommended that the supply chain within the same country hold one Verification Statement to avoid the risks associated with long-distance distribution and transportation between country.

- d) If outsourced contractors are used by the wholly-owned subsidiaries within the supply chain, the CAB shall conduct a risk assessment to determine whether an audit of the outsourced contractor is required as per Section 2.1.8.
- e) The Multi-site system administrator shall justify the grouping of operational sites into sets according to activities undertaken.
- f) The Multi-site system administrator shall have a centrally administered and documented IMS for management and implementation of the SRP Chain of Custody requirements.
- g) The Multi-site system administrator shall appoint a management representative with overall responsibility for ensuring that all operational units comply with the SRP Chain of Custody Standard requirements.

2.1.8 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 shall communicate to the CAB regarding each site it wishes to include.
- c) A Multi-site PO may register sites in different countries under one SRP Verification Statement issued by a single CAB.
- d) Any new facilities shall be approved by the CAB before they can be included within the scope of the Verification Statement.
- e) Facilities involved in manufacturing, packaging or labelling may require an on-site audit or desk review by the CAB, depending on complexity and the CAB's assessed risk.
- f) In cases where a PO outsources activities to independent third parties, the CAB shall conduct a risk assessment to determine whether an audit of the outsourced contractors is required.

2.1.9 PO engagement with outsourced contractors is not considered as Multi-site PO. However, it is critical for PO to establish a control system over the outsourced contractors. An Outsourcing Agreement⁸ must be signed between the PO and outsourced contractors.

2.1.10 If the outsourced contractor holds SRP CoC verification it is categorized as low-risk, and requirement for audit of the outsourcing contractor may be waived.

2.1.11 Outsourced contractors that are not categorized as in Section 2.1.10 shall be considered high risk if 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, including a field visit to outsourced contractors.

⁸ SRP provides template of outsource agreement, available in SRP RiceTrace document library or ask to CAB to send the template.

- 2.1.12 Outsourced contractors that only store SRP-verified products in external warehouses may be considered as low risk if the PO has a sufficient control system in place to maintain the integrity of the SRP product. The CAB shall verify the control system of the PO, which if deemed sufficient, shall not trigger an audit of the outsourced contractor.
- 2.1.13 PO may purchase SRP-verified rice prior to obtaining their own verification status under the following principles:
- a) PO can process SRP-verified rice if they demonstrate that the rice originates from verified producers and complies with Chain of Custody (CoC) model requirements. Once the PO is verified and receives access to RiceTrace, all processes involving SRP-verified rice must be registered in RiceTrace accordingly.
 - b) Products cannot be marketed or sold as SRP-verified until the PO has received a positive verification decision. Products sold prior to the verification decision are prohibited from being claimed as SRP-verified.
 - c) Auditors must verify the product's traceability through documentation, field checks, and inventory systems. Additionally, auditors must review production aspects including, but not limited to, production yield and inventory management.

2.2 Type of Audit and Frequency

- 2.2.1 The CAB shall record each audit process for the different types of audits in the SRP Audit Management Platform at the time of confirmation of the audit date as described in Section 2.2.2 onwards. An on-site audit is required for organizations involved in manufacturing, packaging or labelling SRP-verified rice. Desk audits may 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. The following conditions shall apply:
- a) To maintain continuity, the PO shall complete the re-verification audit process before the Verification Statement expires.
 - b) If the PO 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 terminated in the SRP Audit Management Platform, unless an extension with a justified reason is requested by the CAB through the SRP Audit Management Platform. SRP will verify the justified reason, and a verification statement will be granted. An audit should then be completed within four months from the expiry of the verification statement.
- 2.2.3 **Annual audit:** The CAB 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 CAB'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. The following conditions shall apply:

- a) Annual audits shall take place between four (4) months before and four (4) months after the anniversary date of the Verification Statement.
- b) If the PO does not have an annual audit process at the time set out in point a), the Verification Statement shall be suspended from the SRP Audit Management Platform.
- c) Annual audits shall evaluate all applicable criteria, and corrective actions associated with any open minor non-conformities.

2.2.4 Follow-up audit: The CAB 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 CAB shall adhere to the following additional conditions:

- a) For closure of all major non-conformities (NCs), the follow-up audit shall be completed, and a final verification decision made within four (4) months of the previous verification decision.
- b) A report checklist from the main audit shall be used and the adjustment made to only the required elements related to evaluation or all major NCs.
- c) The PO will cover the expenses for a follow-up audit to address and resolve the non-conformities (NCs), which may be conducted as either a desktop review or an on-site audit based on the specific nature of the NCs.

2.2.5 Research audits: The CAB 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 CAB shall include only the criteria on which the research audits are focused.
- d) The PO will cover the costs of any required research 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 by auditor 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:
- 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
 - 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
 - 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 identified during an annual audit, CoC verification remains active, and the PO shall undergo a follow-up audit within four (4) months of the decision. If, during the follow-up audit, the PO demonstrates corrective actions sufficient to close the MaNCs, the Verification Statement will continue as active. However, if the PO cannot close the MaNCs within four (4) months, the verification will be suspended. If there is no action within four (4) months of the suspension decision, the Verification Statement may be escalated to termination.
- 2.3.7 A minor non-conformity (MiNC) is issued when there is:
- 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
 - a non-conformity with the CoC Standard that does not pose a substantial risk to the SRP CoC system or carry reputational impacts for SRP.
- 2.3.8 Although a 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 before the next verification decision.
- 2.3.10 At any audit, a CAB 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 CAB 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 Suspension and Termination

- 2.4.1 A PO's CoC Verification Statement shall be subject to suspension for any of the following reasons:
- The PO does not undergo the corresponding audits in the verification cycle within the established timeframes, unless the CAB authorizes an extension based on a force majeure situation.
 - A PO is found to make false claims or declarations, or to deliberately provide inaccurate or materially incomplete information.
 - A PO deliberately obstructs or hinders an audit.
 - A PO has participated in fraudulent or unethical activities that may tarnish the reputation of the verification program.
 - A PO knowingly fails to comply with any aspect of the SRP CoC system.
 - 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 CAB, 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:
- As of the termination date, a PO with terminated status will have no access to RiceTrace and will not appear in the SRP marketing information list. Therefore, no further sale or transfer of ownership of SRP-verified rice may be claimed or recognized as SRP-verified, as transactions are made through RiceTrace. Should the PO have additional volumes of SRP-verified rice that it wishes to sell, it shall notify the CAB and request a sell-off period, so that the volume may be verified

and approved as SRP-verified in the SRP RiceTrace platform after endorsement from SRP Secretariat. The sell-off period will begin on the termination date and continue for up to maximum six (6) months from termination date.

- b) To request a sell-off period, the PO must provide the necessary evidence to the CAB. The CAB will then verify the evidence and request the sell-off period from SRP. Upon approval, SRP will grant temporary access to RiceTrace for the sell-off period, up to a maximum of six (6) months.
- c) 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, web pages, signs or other types of documentation (other than in approved annual reports or sustainability reports dated prior to termination).
- d) 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.
- e) A PO with a Verification Statement terminated due to fraud cannot re-enter the SRP Assurance Platform, both Audit Management and RiceTrace, within a period of one (1) year from date of termination.

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

2.4.5 It is the responsibility of the CAB to notify the PO of any suspension or termination and to update the SRP Audit Management Platform (AMP) accordingly.

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) above.

2.5.2 POs without CoC verification status, yet have received authorization from the Sustainable Rice Platform (SRP) to utilize the SRP trademark under specified conditions, must adhere to the following requirements:

- a) Fulfillment of SRP's verification service agreements, including the execution of a licensing agreement.
- b) Compliance with the SRP Brand Manual and Claim Guidelines for trademark usage and implementation of an effective traceability system.
- c) Ensuring these prerequisites are satisfied prior to marketing, selling, 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 by CAB or suspension have been lifted.
- 2.5.5 To be reinstated, a PO shall comply with the following process:
- a) submit a new application to enable the CAB 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 A Verification Statement may be reinstated after an audit resulting in a positive decision.

2.6 Verification Process Timeline Rules

- 2.6.1 The CAB is responsible for complying with the defined timelines and for recording the process in the SRP Audit Management Platform within the applicable timelines (see [Annex 1](#) for details).
- 2.6.2 If verification is not granted, this timeline may be extended. The CAB has four (4) months to perform a follow-up audit and shall announce a new verification decision within this period.

2.7 Sample Planning

- 2.7.1 The CAB shall audit a representative sample of the PO's member sites to evaluate effectiveness of the multi-site administrator. A representative sample should consider factors mentioned in Section 2.7.4 below.
- 2.7.2 Conformance with the SRP CoC Standard according to the audit scope shall be evaluated at site level for those sites included in the audit sample.
- 2.7.3 The CAB 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 CAB auditor shall sample a minimum of the square root of the total population⁹ OR a minimum two samples for audit. If the population is below three, the auditor shall verify the full population. If the calculated sample size is a non-integer, the CAB shall round up the sample size to the next integer. CAB shall use the following guidance to determine the sample size for each audit type.

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, include the central office.
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, include the central office but could be done remotely/desktop.
Follow-up audit	The follow-up 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.
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.
Scope change audit	To add a new site to the verification scope, a full checklist of audit is required. For sites with potentially high risk, an on-site visit should be conducted beforehand. If adding more than one new site, sampling is applied. However, if only two sites are involved, both sites should undergo audit.

2.7.6 Document evaluation shall follow the sampling method stipulated in Section 2.7.5. In addition, the CAB auditor shall ensure conformance of the PO with the CoC Standard, including but not limited to, inventory data, purchasing, production and sales data as well as mass balance credits data.

2.7.7 The CAB auditors shall fully understand the PO's system and reconcile data within the PO's system for each claim category, where the PO uses more than one claim category.

2.8 CAB Permitted Support

2.8.1 The actions described in this Section are permitted by SRP but are not required. CAB shall consult SRP for clarification if they have any questions or need more information about technical support during, or related to, verification processes. CAB shall also seek guidance from the SRP on addressing potential conflicts.

2.8.2 The CAB may support the PO in the following ways:

⁹ Refers to the total number of items, documents, or entities within the scope of the audit from which samples are to be drawn.

- 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.

2.9 CAB Support Not Permitted

2.9.1 The CAB may NOT support the PO in the following ways:

- a) 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.
- b) Give advice or directions, prescribe practices or provide instructions to close non-conformities. CAB may, however, explain in detail the reasons for raising the non-conformities.
- c) Provide support or consulting services that could affect the CAB's impartiality in assigning non-conformities, evaluating corrective actions and making verification decisions.
- d) Combine or package offers or quotes for technical support with verification services.
- e) 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 CAB, which then determines auditing needs (scope, budget and duration).
- 3.1.2 The applicant PO shall sign the latest version of the SRP Verification Service Agreement (VSA) with the CAB.
- 3.1.3 The CAB 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 CAB shall review the application within ten (10) calendar days of receipt, to ensure the following are in line with the CAB's understanding of the PO:

- a) All sites, include outsourced contractors handling/ purchasing/ trading SRP-verified rice have been included.
 - b) CoC models used on each site are clearly stated.
 - c) The company's operation and activities are accurately described.
- 3.1.5 The CAB shall ensure that the PO's information is recorded in the SRP Audit Management Platform and updated based on any changes to the PO's information or verification scope.
- 3.1.6 The process of PO registration in the SRP Audit Management Platform shall comply with the registration rules set up for producers and producer groups of the SRP Assurance Scheme as well as with the requirements of the SRP Data Management Rules for Assurance Scheme.
- 3.1.7 The PO shall include and maintain all relevant information of each site (including outsources/ subcontracting sites) if a multi-site audit is chosen while complying with all above requirements.
- 3.1.8 All sites will be listed in an Annex of the SRP CoC Verification Statement.
- 3.1.9 For a scope change audit, a new verification audit must be created in the SRP Audit Management Platform (AMP) within the same calendar year. This audit will only register and record the additional site(s) included in the scope change. The issuance date of the Verification Statement (VS) will not change; however, the annex of the VS must be updated by adding or removing site(s) as applicable. This ensures that any changes to the scope are appropriately documented and verified according to SRP CoC standard.

3.2 Audit Plan Development

- 3.2.1 The CAB 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 CAB 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. CoC models used.
 - v. Valid certifications under other schemes¹⁰.
 - vi. For operations already verified, the performance history of the operation regarding conformance with the SRP CoC Standard.

- b) For research audits, CAB shall base their audit preparation and review on available information about the operation to be investigated, which should include the above-mentioned factors. CAB shall also consider:
 - i. 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:** The CAB shall provide its audit team with access to all necessary information to conduct the audit and enable 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 CAB 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 CAB 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

¹⁰ Indicates that the operation has met standards in other certification programs, suggesting a lower risk and a potentially credible quality management system.

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 shall conduct 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 shall be completed during the closing meeting:
- a) Summarize 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 shall 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 CAB but no longer than 14 calendar days.
 - 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**¹¹, verified information, and all other materials describing or containing conformance evidence to the CAB for review. The CAB shall maintain copies of this evidence on file.

3.4 Audit Report and Review

- 3.4.1 The CAB 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 CAB shall take the verification decision and registers the decision in the SRP Audit Management Platform.
- 3.4.3 SRP may stipulate shorter timelines in cases of research audits for high-risk cases. SRP

¹¹ SRP provides report template.

shall communicate – during the audit planning process – such timelines to the CAB conducting the research audit.

- 3.4.4 For a 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 follow-up audits, the auditors shall reference the original audit report from main audit, complete the full review of non-conformance criteria and indicate the additional information and date of the follow-up audit. For new samples during the follow-up audit process, the CoC auditor should complete evidence and findings for all CoC criteria.
- 3.4.6 For scope change audits, the auditors shall treat the audit as a new verification audit and utilize a clean and full checklist. Sampling should only be conducted for the additional site(s) included in the scope change. The auditors must complete evidence and findings for all CoC criteria applicable to the new site(s) and document the additional information and date of the scope change audit.
- 3.4.7 The CoC auditor shall send the CAB the audit report, list of updated member sites (where applicable) and evidence obtained during the audit.
- 3.4.8 The CAB shall upload the audit report in the SRP Audit Management Platform.

3.5 Verification Decision

- 3.5.1 The CAB shall conduct a documented review of the quality of all draft audit reports and evidence, to be carried out by an internal reviewer assigned by the CAB.
- 3.5.2 The 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 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 CAB and SRP for evaluating auditor performance.

- 3.5.5 CAB shall maintain copies of the original draft audit report and the reviewer's report and incorporate them into quality assurance reviews as indicated in the quality management systems of the CAB. Additionally, these two reports, along with other necessary documentation such as the application, audit plan, multi-site list, and finding evidence, must be uploaded in the SRP Audit Management Platform (AMP).
- 3.5.6 The CoC auditor shall modify audit reports based on the recommended changes, comments, observations and suggestions for improvement made by the reviewer. Any conflicts between the audit team's or CoC auditor's findings and the recommended changes shall be documented and incorporated in the CAB's quality management system for subsequent review.
- 3.5.7 The final verification decision made by the designated reviewer after thoroughly evaluating all relevant documentation, findings and report.

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 participating operator (PO) for their review and comment. The following responsibilities and rights govern these processes:
- The CAB shall establish a process that documents and responds to POs' comments about, or conflicts with, audit reports submitted for their review.
 - The audited PO shall review the recorded information relating to their operations and notify the CAB of any discrepancies or inaccuracies within five (5) calendar days.
 - Audited PO shall report to the CAB 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 reviewers, and to provide evidence to support their claims; Nevertheless, the evidence that presented to challenge the report should not newly being made or created in order to address the non-conformance.
 - The CAB shall receive and process any comment, complaint or conflict related to audit reports according to their documented processes.
- 3.6.2 CAB can consider the audit reports as accepted if no comments or concerns are received from the PO within five (5) calendar days of the audit. Should the PO reject any decisions arising from the content of the report despite clear technical justifications by the CAB, the CAB shall proceed with the verification decision, send the final report to the audited PO, and upload it to the SRP Audit Management Platform.
- 3.6.3 The audited PO has the right to appeal the verification decision according to the SRP CoC Verification Policy and Procedures established by the CAB. The CAB shall adhere

to the following requirements and timeframe for the appeals procedure:

- a) The appeal shall be analyzed by an individual or appeal team 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 CAB shall not resolve appeals by changing the Verification Statement scope to eliminate a problem in the scope of the verification granted.
- c) The CAB shall resolve and communicate the result of any appeal within thirty (30) calendar days.
- d) The CAB shall describe in its appeal procedure any associated fees.
- e) The CAB 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 CAB shall communicate that the PO may appeal to SRP within five (5) calendar 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 CAB shall inform the PO of the result of its appeal. If the appeal is accepted, the CAB shall modify the original audit report to reflect the new verification decision and upload the new report into the SRP Audit Management Platform. If the appeal is rejected, the original decision prior to appeal shall stand.

3.7 Issuing the Verification Statement

3.7.1 The CAB shall issue a Verification Statement only after the PO has successfully passed a verification audit, or successfully passed a follow-up audit after failing a verification or annual audit.

3.7.2 The CAB shall also issue an updated Verification Statement for a:

- a) PO that has undergone additional audits that necessitate changes in the Verification Statement e.g. scope change audit.
- b) PO that has changed its legal or commercial name. In such cases the CAB shall notify SRP for reference.

3.7.3 Verification Statements are valid for 36 months from the initial verification decision date. During annual audits, the verification decision date will match the date of the annual audit decision. However, the anniversary date of the Verification Statement remains based on the original (re)verification decision date.

3.7.4 The verification status depends on the results of subsequent audits and ongoing compliance with SRP rules and requirements.

3.7.5 The Verification Statements issued by CAB shall include the following:

- a) The legal name and, if necessary, the trade name of the Verified Unit.
- b) The location of the Verified Unit.
- 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 and CoC Models that are implemented.
- f) The unique Verification Statement code number generated by the SRP Audit Management Platform, which corresponds to each successful verification audit.

4. SRP Transaction Certificate

4.1. Establishment of Transaction Certificate System

4.1.1 SRP Transaction Certificate (TC) was introduced in SRP CoC Policy and Standard v2.0, which was published in January 2022. The main purpose of having the SRP Transaction Certificate was to ensure traceability, transparency, and integrity within the supply chain of SRP-verified products. The TC system served several key functions:

- a) It confirms that specific shipments or batches of goods meet the standards and requirements of SRP.
- b) It enables tracking of SRP-verified products from their origin through various stages of the supply chain, ensuring that the integrity of the verification is maintained.
- c) It provides clear and reliable documentation that can be used by all parties in the supply chain, including producers, operators, traders, and consumers, to verify the verification status of the products.
- d) It builds trust among consumers and businesses by providing assurance that the products they are purchasing meet certain standards of quality and sustainability.
- e) It ensures that claims of the SRP-verified products are verifiable, support ethical and sustainable production practices.

4.1.2. The TC system was running for around six (6) months. Subsequently, it was decided to not continue the TC system because it did not serve the key functions as mentioned above. SRP has operationalized the RiceTrace as the platform to support the TC system.

4.2. Disclaimer

4.2.1. The Transaction Certificate system was reintroduced in Q3 2024, followed by the full launch of the RiceTrace system in November 2024. The TC system will be enforced starting January 2025, allowing SRP RiceTrace users time to learn how to operate the system.

4.2.2. The adjustment period will ensure that all users of RiceTrace are ready and familiar with

the platform. Consequently, SRP CoC requirements related to the Transaction Certificate system will be mandatory starting January 2025.

4.3. Transaction Certificate Requirements

- 4.3.1. All supply chain actors, referred to as SRP CoC Participating Operators (POs), shall request a Transaction Certificate through RiceTrace from the SRP to transfer SRP Claims to another entity and maintain SRP compliance and sustainability claims.
- 4.3.2. Transaction Certificate will be issued through the RiceTrace to accompany the transfer of the SRP-verified products to the customer or customer's order final destination. The TC request process via RiceTrace will be detailed in the RiceTrace user's manual¹².
- 4.3.3. PO requesting a Transaction Certificate must have successfully met SRP CoC verification requirements through third-party assessment.
- 4.3.4. CAB will verify compliance with Transaction Certificate processing during PO annual audit. A Transaction Certificate is proof to the CAB that SRP-verified products were used as input for further processing or trading.
- 4.3.5. POs must register all buyers of SRP rice in RiceTrace. If buyers are not listed in RiceTrace, POs cannot request a TC, and the TC cannot be issued.
- 4.3.6. A Transaction Certificate can include multiple shipments, invoices and containers within 30 days of the shipments, and all transactions shall be recorded in RiceTrace inventory system¹³.
- 4.3.7. The SRP Secretariat may issue a single Transaction Certificate that covers the information of multiple shipments, provided the following conditions are met:
 - a) 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.
 - b) All shipments on a single Transaction Certificate shall be sold to the same buyer.
 - c) 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.
 - d) The maximum period that a single Transaction Certificate may cover is 30 days. Within this period, multiple shipments can be recorded on a single TC, including multiple lots, invoices, and containers. After the 30-day period expires, a new TC must be requested and issued for any subsequent shipments. This ensures that all shipments are accurately tracked and verified within a manageable timeframe, maintaining up-to-date and transparent records for the SRP-verified products.

¹² RiceTrace user manual available in RiceTrace's document folder, access to [SRP RiceTrace](#).

¹³ Further details of inventory system of RiceTrace will be available in RiceTrace user manual.

4.4. Timelines for Issuance of Transaction Certificate

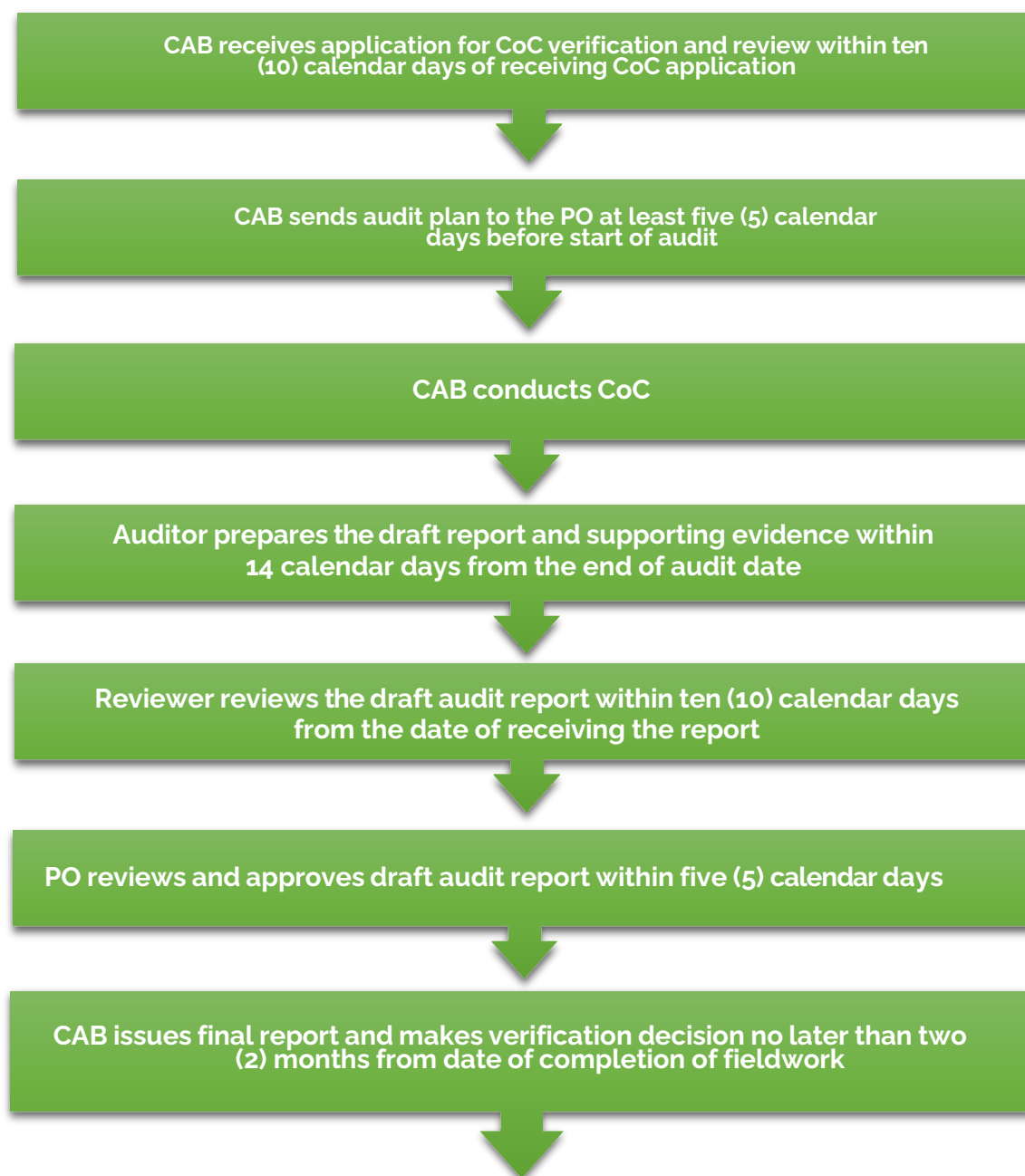
- 4.4.1. Transaction Certificate will be issued within 15 calendar days after SRP Secretariat receiving a complete application and necessary evidence¹⁴.
- 4.4.2. A Transaction Certificate (TC) cannot be issued more than six (6) months after the date of the earliest shipment included in the certificate. Each TC can only cover transactions occurring within a consecutive 30-day period. This ensures timely and accurate documentation of transactions, maintaining the integrity and traceability of SRP-verified products within the supply chain.

4.5. Exemptions

- 4.5.1. SRP retailers are not required to receive and maintain Transaction Certificates, provided that products are labelled with the SRP-verified label and claim on the final product packaging.
- 4.5.2. Transaction Certificates are not required for sales or transfers of products between wholly -owned subsidiaries which are included in the same parent company' scope of verification, provided that products are not repacked, relabeled, or processed by or on behalf of the subsidiary companies.
- 4.5.3. In such 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 CAB.

¹⁴ Application and list of evidence will be provided in the RiceTrace user manual.

Annex 1: Verification Process Timeline Rules



Annex 2: Sustainable Rice Platform (SRP) CoC Standard

1. General CoC requirements	
Criterion 1.1 The Participating Operator (PO) shall implement the Chain of Custody requirements within the scope identified.	
Indicator	
1.1.1	The PO shall identify the scope of the Chain of Custody system, and this scope should be clearly stated in the SRP application form sent to the CAB.
1.1.2	The PO shall define the unit of verification, including, for multi-site operators, the number of sites and type(s) of operations covered by the scope of their SRP CoC. When applying the Mass Balance system, a PO shall implement it at the level of a single site as per Annex 3 . If more than one legal entity operates on a single site, each legal entity shall operate its own mass balance system.
1.1.3	The PO shall ensure that independent third parties handling SRP products (e.g., outsources, subcontracts, warehouses etc.) all comply with the CoC Standard requirements.
1.1.4	The PO shall have an agreement in written with its sites requiring appropriate reporting and communication. This includes contracted operators e.g. outsources, subcontractors, warehouses.
1.1.5	The PO 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	
1.2.1	The PO 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 PO shall develop and maintain documented procedures to ensure conformance with all applicable CoC requirements. The procedures shall be appropriate to the scale and complexity of the PO, covering all sites included in the scope.
1.2.3	The PO shall retain, and report information related to implementation of the SRP CoC standard, including procurement and sales documents, production records and volume summaries, for at least three (3) years.
1.2.4	The PO shall conduct an annual internal audit against the SRP CoC standard requirements to review performance, evaluate the effectiveness of the quality management systems, and assess sites (including outsourced contractors) conformance. The internal audit scope shall align with the scope identified during the application of the SRP CoC verification audit.
1.2.5	Non-conformities identified during the internal audit shall be promptly addressed through root cause analysis and appropriate corrective actions. These corrective actions shall be well-documented and prepared for third-party assessment by the CAB upon request.

1.2.6	All workers involved in implementing the CoC Standard shall participate in the SRP CoC training course to ensure they have sufficient knowledge and awareness of the SRP CoC requirements. At least one responsible staff member must be trained by an SRP Authorized Trainer and shall train other relevant staff handling the SRP CoC system for SRP-verified rice.
1.2.7	The PO shall maintain data on the quantity of tracked products and ensure that the data are made available to the CAB. At a minimum, the quantitative information that shall be maintained relating to each reporting period is as follows: <ul style="list-style-type: none"> • 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.
Criterion 1.3 The Participating Operator shall comply with social and environmental applicable laws.	
Indicator	
1.3.1	PO shall comply with all applicable laws at all sites within the verification scope, including those related to the environment, human rights, occupational health and safety, and labor.
1.3.2	PO shall ensure that there is no practice of forced labor, child labor, discrimination and workplace harassment in all sites included in verification scope.
1.3.3	PO shall have a system to receive grievances from workers, business partners, and other parties outside the PO management. PO shall document and follow up on the grievances.

2. Chain of Custody Models

Criterion 2.1 The Participating Operator (PO) shall define the CoC Model used and develop a system to support the selected CoC model.

Indicator	
2.1.1	A PO applying the Identity Preservation (IP) CoC model shall demonstrate segregation starting from the producer or producer group level up to point of sale, maintaining identity of the producer or producer group from which the rice source originates and preventing mixing with non-verified rice.
2.1.2	A PO applying the Segregation System CoC model shall demonstrate segregation of SRP-verified rice from any non-verified rice stored at or passing through its operational sites. PO shall demonstrate effective segregation system at all operational site(s) where the rice is stored or passes through.
2.1.3	A PO applying the Mass Balance CoC model shall establish and maintain a Mass Balance system that conforms to the requirements specified in Annex 3 , ensuring accurate accounting and balancing of SRP-verified rice quantities throughout processing and distribution.
2.1.4	The PO shall track and segregate SRP-verified rice with distinct claim categories (IP/Seg/MB) throughout all stages, purchasing, receiving, processing, storage, shipping, marking, delivery and sales. Comprehensive record-keeping of these activities shall be maintained.

3. Data Validation	
Criterion 3.1 The Participating Operator (PO) shall validate the SRP documentation.	
Indicator	
3.1.1	Participating Operators (POs) are required to verify that supplied products originate from SRP-verified suppliers and match the accompanying documentation. This verification involves thoroughly examining supplier contracts, invoices, and supporting documentation.
3.1.2	<p>For each purchase or receipt of SRP-verified rice tracked within the CoC control system, the PO shall identify, validate and record at least the following information:</p> <ul style="list-style-type: none"> • identification of supplier(s) • identification of SRP-verified claim • quantity of delivery • date of delivery • claim category(es)¹⁵ • the supplier's SRP Verified Unit ID¹⁶ • Transaction certificate input <p><i>Note:</i> SRP-verified suppliers must ensure that claims on transaction documents align with the shipped products to avoid non-conformance. In the event of discrepancies, Verified Units undergoing audits must have a proper system to follow up and communicate these issues to the Conformity Assessment Body (CAB) and SRP Secretariat. Each purchase and receipt of SRP-verified rice should include the claim category and code of Verified Units in transaction documents, such as purchase orders, invoices, or packaging notes.</p>

4. Data Reconciliation	
Criterion 4.1 The Participating Operator shall record and manage the SRP documentation and in RiceTrace.	
Indicator	
4.1.1	Invoices and supporting documentation for incoming SRP-verified rice shall be received and entered into the PO's system. All SRP transactions should be recorded in the SRP RiceTrace system.
4.1.2	If a transaction uses the initial volume function in RiceTrace due to a missing Transaction Certificate, invoices and supporting documentation shall be used to support these transactions, and they shall align with the RiceTrace initial volume data.
4.1.3	The PO shall maintain the accuracy of all measuring equipment used in the process. The equipment shall undergo verification and calibration at regular intervals, adhering to recognized standards.
4.1.4	The volume of SRP-verified rice received, along with its associated sustainability characteristics, shall be recorded in the PO's system and RiceTrace following the process outlined in 4.1.1., after confirming its validity (Indicator 3.1.1).

¹⁵ Identity Preservation or Segregation or Mass Balance.

¹⁶ Verified Unit ID generated from the SRP Audit Management Platform, available on VU's verification statement.

4.1.5	The inventory in SRP RiceTrace shall be restricted to products that are specifically rice products. RiceTrace is designed to register and record only rice products, ensuring the integrity and accuracy of the SRP verification process. Estimated harvested rice from verified producers must always be recorded in the RiceTrace inventory under the product name 'Rice'.
4.1.6	The PO shall undertake inventories of the input/output balance of SRP-verified rice in RiceTrace at fixed regular intervals, at least quarterly. This interval ensures timely detection and correction of discrepancies, supports compliance with regulatory standards, and aligns with typical business cycles, allowing sufficient time for necessary adjustments. The inventory in RiceTrace must be aligned with the PO's system and physical inventory.
4.1.7	Over each quarterly inventory period in RiceTrace, the volume of SRP-verified rice supplied to clients must not exceed the total volume received. This requirement ensures traceability and balance of the SRP-verified rice inventory.
4.1.8	If there is a positive balance of inputs and outputs (surplus) at the end of the quarterly inventory period in RiceTrace, the sustainability data associated with the surplus may be carried over into the next inventory period.

5. Processing

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

Indicator

5.1.1	The PO shall use a tracking system or maintain production records to document the processing of products for each claim category. Additionally, the PO must register the processing of SRP rice in RiceTrace, following the guidelines outlined in the RiceTrace User Manual. This ensures that all processing activities are accurately recorded and traceable within the RiceTrace system.
5.1.2	PO shall maintain the calculation of the conversion factor and its supporting documentation. This conversion factor must be recorded in RiceTrace.
5.1.3	The PO shall ensure that any off-site processing or handling at a contracted facility adheres to the same CoC procedures as those implemented by the PO. This off-site processing must be governed by a signed outsourcing agreement ¹⁷ , as described in 1.1.4 of this Annex, requiring conformance with the applicable requirements of this Standard.
5.1.4	All products that cannot be identified as belonging to one of the claim categories defined in criterion 2.1 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

¹⁷ SRP provides an outsource agreement template for use. Please request the template from your CAB.

6.1.1	<p>The PO shall ensure that correct claim information is provided on sales invoices and shipping documents, including:</p> <ul style="list-style-type: none"> • Description of the product and the claim category • Quantity of each product per claim category • SRP Verified Unit ID¹⁸
6.1.2	<p>The PO shall request a Transaction Certificate (TC) through RiceTrace in accordance with the SRP RiceTrace User Manual and chapter 4 of this document. This process ensures that all transactions are properly documented and verified, maintaining the integrity and traceability of SRP-verified products. The PO must follow the guidelines outlined in the SRP RiceTrace User Manual to accurately record and report all relevant transactions.</p>
6.1.3	<p>The PO shall ensure the claim category stated in the sales documents reflects the requirements of the CoC system implemented by the PO. The claim category of an SRP-verified product cannot be upgraded, even if higher CoC system are used by supply chain participants.</p> <p>Notes:</p> <ul style="list-style-type: none"> - SRP rice Input (Seg) – Processing system (Seg), claim as Seg or MB - SRP rice Input (MB) – Processing system (MB), claim as MB - SRP rice Input (Seg) – Processing system (MB), claim as MB - SRP rice Input (MB) – Processing system (Seg), claim as MB.

7. Claims and public information

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

Indicator

7.1.1	The PO shall sign a verification service agreement directly with the CAB prior to using any SRP label and claims or SRP logos.
7.1.2	All claims and references to SRP made by the PO shall conform with the SRP Brand Manual & Claim Guidelines, as applicable.
7.1.3	The PO shall submit all draft SRP claims and label designs to the SRP Secretariat for approval before release.

8. Multi-site operators

Criterion 8.1 Management system for multi-site operators.

Indicator

8.1.1	<p>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.</p> <p>At a minimum, the Internal Management System shall include the following elements:</p> <ol style="list-style-type: none"> An organizational chart illustrating the relationship between the Multi-site System Administrator and each site; Annual internal audit conducted by the Multi-site System Administrator at all sites; New sites shall undergo an internal audit, and findings from the audit must be submitted to the Conformity Assessment Body before being included; and
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¹⁸ Verified Unit ID generated from the SRP Audit Management Platform, available on VU's verification statement.

	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 audit 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: <ul style="list-style-type: none"> a) A list of sites including name, location, type of processing, and responsible personnel; b) Result of internal audits 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

POs 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
<p>1.1. All processing, sales, and shipments of mass balance materials or products claimed as SRP-verified rice mass balance shall be made through the SRP RiceTrace. The registering process of mass balance and requesting a Transaction Certificate shall be conducted in accordance with the SRP RiceTrace User's Manual. Such sales within a calendar quarter shall be registered at the latest 28 calendar days after the quarter's end¹⁹.</p>
<p>1.2. Transactions for purchases of SRP-verified rice using mass balance must accurately reflect the rice content percentage claimed on packaging. The outgoing amount of processed products claimed as mass balance must be in accordance with the percentage of SRP-verified rice input.</p> <p><i>Example:</i> <i>If a PO received 4000 kg of SRP-verified rice and mixed it with 1000 kg of non-SRP rice (totaling 5000 kg of rice), the SRP content percentage is 80%.</i> <i>When the processed output produces 2000 kg, only 1600 kg (80% of the total output) can be claimed as mass balance SRP-verified rice, reflecting the input percentage.</i></p>
<p>1.3. The outgoing amount of SRP-verified rice must not exceed the incoming amount over each calendar quarter. Any discrepancies must be identified and corrected to ensure traceability and balance within the inventory. This principle maintains that the inventory balance in RiceTrace aligns with the actual physical inventory and the PO's system.</p>
2. Double Counting for Multi-Certified Materials
<p>2.1. SRP rice purchased from farms certified under multiple schemes may be sold with multiple certifications attached to the batch. However, certifications may not be split across separate material batches to avoid double counting. All transactions involving SRP rice, including those sold as non-SRP or under another scheme, must be recorded in the SRP RiceTrace Platform. Such transactions should be registered as 'non-verified transactions' in the SRP RiceTrace Platform</p>
3. Time-Bound Plan
<p>3.1. The PO shall collaborate with their supplier to develop a time-bound plan for upgrading their SRP-verified procurement model from mass balance to either IP (Identity Preservation) or Segregation Systems. This plan should aim to increase the proportion of SRP-verified procurement and must be available during CoC audits as evidence.</p>
4. Communication and Claims
<p>4.1. POs using the Mass Balance system are prohibited from displaying the SRP-verified Label on-pack.</p>
<p>4.2. On-pack claims must comply with the SRP Brand Manual & Claim Guidelines.</p>

¹⁹ End of quarter plus 28 calendar days. It will be on the date of 28 on the following month, e.g. second quarter ended 30 June plus 28 calendar days, it is 28 July.

Differentiating Mass Balance and Credit /Book & Claim Systems

Mass Balance System

The mass balance system is a supply chain model used to track the quantity of verified materials in a production process. In this system, verified and non-verified materials can be mixed, but the total output must not exceed the input of verified materials. The key principle here is maintaining balance and ensuring traceability without segregating the materials.

Example: A Participating Operator (PO) receives 1000 kg of SRP-verified rice and 4000 kg of non-SRP rice, resulting in a total of 5000 kg of mixed rice. The SRP content percentage is 20%. When PO produced 2000 kg of this mixed rice, only 400 kg (20%) can be claimed as mass balance SRP-verified rice, ensuring that the amount claimed does not exceed the verified input.

Credit and Claim / Book and Claim System

The credit and claim, or book and claim system, is a more flexible model that decouples the physical flow of materials from their certified status. In this system, credits are issued for the production of certified materials, and these credits can be sold or traded independently of the physical product. This means that the certified claim is based on the credits, not necessarily on the physical product itself.

Example: A farmer produces 1000 kg of SRP-certified products and receives 1000 credits for this production. These credits can be sold to a manufacturer who may not receive the physical SRP-certified products but can claim the equivalent amount in certified credits. This allows for flexibility in supply chains where physical segregation of certified materials is challenging.

Key Differences

	Mass Balance	Credit System
Traceability	Ensures physical traceability of certified materials, maintaining a balance between input and output	Relies on traded credits to represent the certified status, allowing for more flexibility but less direct physical traceability
Mixing	Verified and non-verified materials can be mixed, but the output must reflect the input percentage	Physical mixing is irrelevant as the certified status is based on credits
Labeling	Products in the mass balance system cannot carry the certified label if they are mixed	products in the credit and claim system may carry the certified label based on purchased credits.

The SRP (Sustainable Rice Platform) uses the mass balance system to **ensure efficient and flexible management of SRP-verified rice**. This approach allows for the mixing of SRP-verified and non-verified rice while **maintaining accurate records and ensuring traceability**. By using the mass balance system, the SRP can uphold the integrity of its assurance process, support supply chain transparency, and facilitate the inclusion of more suppliers in the sustainable rice production network. This method aligns with the SRP's commitment to sustainability, traceability, and market accessibility