

## Outline of Chain of Custody Procedure (Type: Mass Balance)

### I. Introduction

Under the RSB Standard, a Participating Operator is required to put in place a chain of custody (CoC) procedure that details how biofuel or biomaterial, together with sustainability related information will be tracked through company facilities.

The outline below details how to prepare a procedure that tracks RSB compliant material, or EU RED compliant material <sup>1</sup>, which is mixed with other types of material, i.e. a 'mass balance' chain of custody procedure.

Sufficient information needs to be included to ensure compliance with the *RSB Chain of Custody Standard*. For waste materials, the *RSB EU RED Standard* for certification of biofuels based on waste and residues contains additional requirements for tracking material from the source of the waste. Where this chain of custody procedure relies on information that is kept elsewhere in the company management system, then the information can be referred to rather than duplicated in the procedure.

This document is not prescriptive and the operator can adapt it to suit their requirements. In the case of any contradictions between the outline below and the RSB Standard, the RSB Standard prevails.

### II. Outline of Procedure

The main sections of the chain of custody procedure along with recommended content are outlined below.

#### 1. Scope

This section should include the following information:

- Addresses of company sites where RSB material or EU RED compliant material is produced, processed or handled.
- Names and addresses of waste collectors or other sites included in the Company's scope of certification.
- Feedstocks and products for each site.
- Expected throughputs of RSB or other certified material per site with conversion factors.
- List of relevant metrics or measurements.

#### 2. Roles and Responsibilities

- Names or roles of company staff responsible for this procedure.
- Names or roles of company staff carrying out data entry and reconciliation of the mass balance spreadsheet/software.
- Names or roles of company staff responsible for waste material documentation.

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<sup>1</sup> EU RED compliant material is from another EU approved Voluntary Sustainability Scheme. It can pass through the RSB CoC with a claim 'EU RED Compliant'.

### 3. Suppliers and Customers

- Lists of suppliers by feedstock with contact details (if these details are held on your purchasing system then this can be referred to rather than duplicating the information in the CoC procedure).
- Lists of customers with contact details (if these details are held on your sales system then this can be referred to rather than duplicating the information in the CoC procedure).
- Named EU RED compliant Voluntary Sustainability systems accepted for crop-derived feedstock and waste materials. Indicate if non-EU RED complaint material is purchased.

### 4. Inputting Data into a Mass Balance System

- An excel spreadsheet or software<sup>2</sup> is normally used to account for material entering and leaving each site to show it is in balance. The chain of custody procedure should contain information about the mass balance spreadsheet, or the mass balance software.
- The mass balance spreadsheet/software needs to include information on feedstock, country of origin and GHG intensity.
- If both RSB and material certified by other Voluntary Schemes is handled, then separate mass balance systems are needed for RSB and the other materials. Materials that have been approved by other EU approved Voluntary Schemes are labeled as “EU RED compliant” and treated together as a block. For waste materials, RSB recognizes only Voluntary Schemes whose upstream verification has been approved by the European Commission.
- Quantities of incoming material should be entered into the spreadsheet/software. It is recommended that each incoming consignment be entered into the mass balance spreadsheet/software separately. If this is not possible then there should be a cross reference to incoming consignment numbers held elsewhere in the company management system.
- A system should be in place to guarantee that entry of data for certified consignment takes place after receiving the necessary documentation about the certification status of the supplier (e.g. valid certificate) and the sustainability information of the material (e.g. Proof of Sustainability).
- A conversion factor should be applied to the incoming consignment to indicate the expected amount of outgoing product derived from the incoming consignment. The RSB auditor will audit this conversion factor. This should include a safety margin that is adequate for the quality of the data in the mass balance to ensure that unavoidable losses are accounted for in advance.
- Actual quantities of outgoing material should be entered into the spreadsheet/software. It is recommended that actual outgoing consignments of products be entered into the mass balance spreadsheet/software separately. If this is not possible, then there should be a cross reference to outgoing consignment numbers held elsewhere in the management system.

### 5. Data Reconciliation in a Mass Balance system

- The sum of all incoming quantities over a pre-defined time period (max. 3 months) should equal the actual outgoing quantities over the same period, plus amount left in stock.
- Actual outgoing quantities should equal the expected outgoing quantities (calculated from incoming quantities multiplied by the conversion factor). If actual outgoing quantities are lower than expected outgoing quantities, the discrepancy needs to be accounted for by noting a

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<sup>2</sup> RSB recommends Elements software to provide a mass balance for each site.

spillage or a lower conversion factor. Where outgoing quantities are higher than expected outgoing quantities, the discrepancy needs to be justified in detail to ensure that no fraud has taken place.

- A mass balance can go short on RSB or other material as long as it is in balance at the end of the pre-defined time period (max. 3 months).
- The dates of three-month periods can be chosen to fit with the company accounting periods.

## 6. Raw Material and Product Mixing

- A mass balance procedure implies that all raw materials can be mixed and products can be mixed, as long as the system is in balance for each **component** at each **site** as described above.
- For product destined for Germany, all animal derived products e.g. tallow must be kept separate from vegetable derived products.
- Where waste material e.g. used cooking oil (UCO) or used cooking oil methyl ester (UCOME) is mixed with virgin material, e.g. rapeseed oil (RO) or rapeseed methyl ester (RME) then the product transfer documentation needs to indicate the actual content of the consignment or as required by the country where the material will be sold. This is because waste materials are double counted in many countries.

## 7. Waste Materials Documentation

- Documents or electronic tracking needed for the transport and sale of waste materials needs to be kept in accordance with national legislation.

## 8. Issuing a Proof of Sustainability (PoS)

- A Proof of Sustainability should be issued for each consignment of RSB or EU RED Complaint certified product.
- Recommended RSB PoS proformas for RSB certified biofuels, biochemical and biomaterials and EU RED compliant products are supplied by RSB.
- Company specific PoSs can also be used as long as they contain the same information.

## 9. Tracking GHG Intensities

- EU RED default or calculated values can be used, including transport components. In the case of default values, then this should be made clear on the output documentation/PoS so the buyer knows there is no actual value.
- Where components with different GHG savings are physically mixed to form a consignment, then operators should track the exact GHG value of each part of the consignment separately on the product transfer documentation/POS. Alternatively, the highest component GHG intensity can be assigned to the whole consignment.