Methodology overview

Data collection from direct & indirect suppliers

Supply chain mapping
- List of refineries, crushers & mills in the chain
- Associated geographical maps

Level of transparency
% of transparent derivatives to refineries, crushers, mills & plantations

Sourcing areas mapping
Map of the sourcing areas linked to the chain (proportion of sourcing per country/province considering volumes)
Calculation of each supplier's representative proportion in ASD member's supply chain (based on palm equivalent)

Based on data from suppliers on chemical composition of raw materials, or on supply data and RSPO's *Rules for the Physical Transition of Certified Derivatives*, calculation of the palm ratio within the products sold by the supplier to establish its representative % in the supply chain.

Assessment of the transparency level for each supplier

Definition of the transparency profiles to mills & plantations:
> For refiners & crushers (e.g. Tier 4 & 5): based on publicly available data on transparency to mills and plantations or declared data obtained under confidentiality
> For intermediary oleochemicals suppliers (e.g. Tier 2 & 3): own volumes profile crossed with the transparency profiles to mills & plantations of the refiners & crushers identified in their chain
> For direct suppliers (e.g. Tier 1): own volumes profile crossed with the transparency profiles to mills & plantations of the intermediary oleochemicals suppliers identified in their chain

Calculation of the transparency level per supplier considering ASD member's volumes breakdown

For each direct supplier, the level of transparency obtained previously is multiplied by the % in terms of volumes the direct supplier represents in the supply chain.

Global level of transparency achieved within the supply chain

Aggregation of the previous data to obtain the level of transparency at global level considering PO/PKO eq. supplier breakdown.

**Methodology**

**Data used**

**Scope: All supply chain**
### Transparency level

**Example**

1. Calculation of each supplier’s representative proportion in ASD member’s supply chain (based on palm equivalent)

2. Assessment of the transparency level for each supplier

3. Calculation of the transparency level per supplier considering ASD member’s volumes breakdown

4. Global level of transparency achieved within the supply chain

<table>
<thead>
<tr>
<th>Suppliers</th>
<th>Volumes of products (kg)</th>
<th>PO/PKo eq. (kg)</th>
<th>Breakdown per supplier</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplier X</td>
<td>2 000</td>
<td>2 000</td>
<td>50%</td>
</tr>
<tr>
<td>Supplier Y</td>
<td>5 000</td>
<td>2 000</td>
<td>50%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>7 000</td>
<td>4 000</td>
<td>100%</td>
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</tbody>
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<table>
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**Scope:** All supply chain
Sourcing areas

**Methodology**

1. Assessment of each mill’s weight in the supply chain
2. Assessment of province or country weight based on mills location

**Data used**

- Supply chain mapping (list of mills potentially connected to the chain) – One mill can be connected to several refineries
- Allocation of the weight each mill represents in the supply chain based on suppliers’ volumes breakdown

- Location of mills
- Aggregation of mills’ weights for each province / country

Scope: Country or province
Thank You

Action for Sustainable Derivatives is a collaborative initiative facilitated by Transitions and BSR

ASD Webpage

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