The Rainforest Alliance Mass Balance Program
Agenda

• Introductions
• Mass balance program, including origin matching for cocoa
• Mass balance communications
• Question and answer
THE MASS BALANCE CONCEPT

WHAT?
Companies and manufacturers source cocoa from Rainforest Alliance Certified™ farms.

Certified and non-certified cocoa is mixed somewhere in the supply chain.

The certified cocoa is not necessarily in the labeled product. You can be sure the equivalent amount needed for the product was bought from a Rainforest Alliance Certified farm.

WHY?
Farmers sell Rainforest Alliance Certified™ cocoa and therefore benefit from certification.

At the same time...

...an efficient and flexible supply chain...

...stimulates demand for more sustainably grown cocoa.
Mass balance program

Mass balance sourcing is available for cocoa, coconut oil, palm oil, and orange juice (RA) and cocoa and hazelnuts (UTZ).

For all these crops:
• 100% volume coverage required
• Credits are valid for 3 years
• Traceability must be recorded in the appropriate traceability system

For all these crops, other than cocoa:
• Origin matching is not required unless an origin claim is made on-pack or in other sales or marketing materials
Cocoa origin matching goal and vision

- Part of our **measures to strengthen the cocoa sector**
- Country of origin matching mass balance will **more closely mirror the physical supply chain and actual flow of investment** into certification while still providing some flexibility for supply chain actors
- **Farmers benefit** from demand for certification from their countries
The roadmap for origin matching

Current requirements (April 2020 cocoa policy)
• Full supply chain origin matching
• Required per October 1, 2020

Feedback and concerns
1. Shift needed in certified origins
2. Intellectual Property of recipes
3. Administrative and system burden
Revising our roadmap

Learnings from the last months has led RA to adapt our roadmap

• Prioritize shift at origin level in 2020
• Revise requirements to better reflect supply chain complexities
• Prepare supply chain for shift in 2021
• By 2025 a significant shift in investments has taken place
Revised roadmap for cocoa origin matching

Goal remains the same. Only adapting roadmap.

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>July &amp; Aug 2020</td>
<td>• RA consults industry on requirements</td>
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<tr>
<td>Oct 1, 2020</td>
<td>• RA publishes requirements</td>
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<td>• RA traceability systems updated</td>
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<td>• Companies must submit a detailed plan for addressing possible shortages in certified supply.</td>
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<tr>
<td>Dec 31, 2020</td>
<td>• RA and companies agree on plans of action to address country exceptions</td>
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<td>• Implementation of sourcing plan is closely monitored</td>
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<tr>
<td>July 1, 2021</td>
<td>• Origin matching is required</td>
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Cocoa origin matching supply chain requirements

Full requirements will be published October 1, 2020.

This is the general direction of our revised requirements

Still under revision, to be confirmed Oct 1, 2020

• Required for all beans and the first certified sale of cocoa liquor, butter or powder

• Required at product level for bean transactions and at Supply chain certificate level for liquor, butter and powder

• Compliance to new requirements will be required beginning July 1, 2021
Communications

Marketing tools related to Mass Balance (MB)
- Video "What is Mass Balance?"
- Infographics "What is Mass Balance?"
Communications Guidelines

Rainforest Alliance
Rainforest Alliance Messaging Templates

Mass Balance
Using the current RA seal or UTZ logo
Guidance for Working with the Rainforest Alliance Mass Balance Sourcing Program, May 2020
Mass Balance Member Pack (UTZ)

Using the new RA seal
Rainforest Alliance 2020 Labeling and Trademarks Policy, May 2020 §2.1.1, §2.2.1 and §3.1.1,
Communication related to Mass Balance

No content claims. Claims and words to avoid:
- We can trace our [crop] from the farmer to the [product].
- We use Rainforest Alliance/UTZ certified [crop] in our products.
- All the [crop] in our products is Rainforest Alliance/UTZ certified.
- Our [product] contains Rainforest Alliance/UTZ certified [crop].
- Our products are made with Rainforest Alliance/UTZ certified [crop].

Only purchasing/sourcing claims
We purchase a volume of [crop] from Rainforest Alliance and/or UTZ certified farms equivalent to the volume used in this product.
For more, see: www.companyname.com/[crop- sourcing] or www.ra.org/mb.

NOTE: no claim required in new RA seal policy
Questions?