

ANNEX S6

Traceability

Version 1.1

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INTRODUCTION

This document includes additional rules around the requirements of the traceability chapter in the Rainforest Alliance 2020 Sustainable Agriculture Standard. The structure of this document follows the order of requirements of the traceability chapter, introducing traceability principles and terminology in the introductory section, providing additional interpretation to the general traceability requirements in section 1, outlining the requirements for management of the online traceability platform in section 2, and providing additional explanation around mass balance requirements in section 3.

Scope for traceability

Traceability is core to certification. It must be maintained to allow for accurate claims on the certified product. Traceability through the certification program is maintained by implementing two separate yet closely related components:

- 1) Traceability requirements which specify the rules for managing online traceability as well as how to implement on-site traceability.
- 2) Traceability through the Rainforest Alliance online platform which records the movement and conversions applied to the certified product,

Traceability at both these levels must be implemented by any certificate holder (CH) that engages in the activities listed in the Certification Rules:

- Farming
- Trading
- Warehousing
- Processing and/or manufacturing
- Packing and/or rebagging
- Labeling
- Retail

Level of traceability reporting

- Reporting of traceability is implemented at the level of the CH. If the CH is certified as a multi-site, then the multi-site administrator is responsible for the implementation of traceability requirements. Traceability in the Rainforest Alliance online traceability must reflect the certified volumes as managed at the level of the CH, i.e. traceability for movement of the certified product amongst sites is not mandatory.
- If a CH engages subcontractors that perform processing activities resulting in a change of volume, those conversions must be reported-

Applicability of Standard requirements

- Traceability requirements are applicable to legacy volumes and volumes certified against the Rainforest Alliance 2020 Sustainable Agriculture Standard (SAS).
- Chapter 2.2 of the SAS is only applicable to crops for which traceability in the online platform is available.

Traceability types

Traceability types are methods used for handling certified volumes and tracing them back to their origin. Currently, the following traceability types are available in certified supply chains, listed from "highest" to "lowest" traceability type: *identity preserved (IP)*, *segregated (SG)*, and *mass balance (MB)*. Further explanation about the traceability types can be found below.

- **Identity preserved (IP)**

A traceability option in which it is possible to identify the Rainforest Alliance Certified ingredient or product back to a single farm certificate holder. There is no mixing of

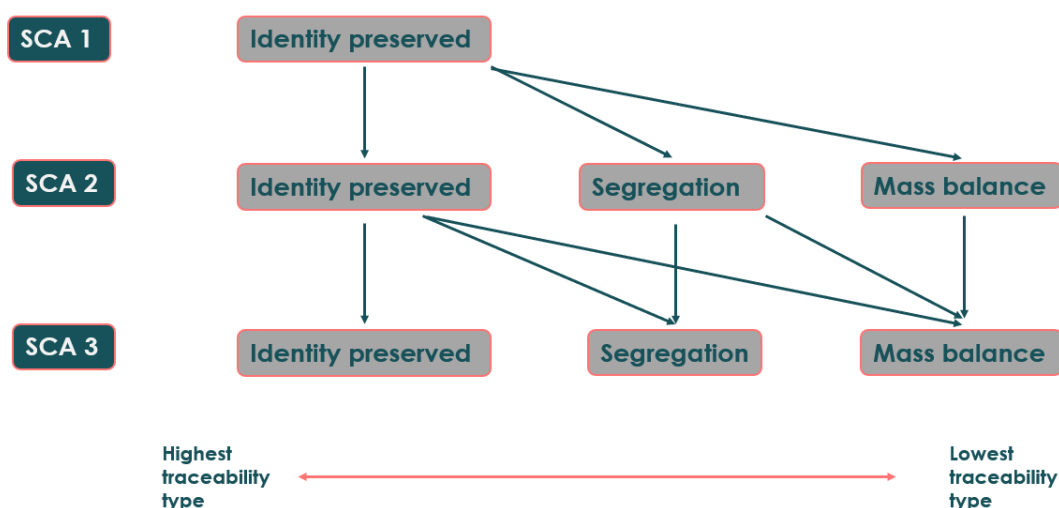
certified ingredient or product with non-certified ingredient or product. This is the most stringent traceability type.

- **Segregation (SG)**

A traceability process in which the certified product is kept separate from the non-certified product, both physically and in documentation. This segregation occurs during all receiving, processing, packaging, storage, and transportation stages of the supply chain. There is no mixing of non-certified product with certified product. This means that the full product content is certified, although it can come from different certified sources/farms, including other countries of origin. If a certified product is from different certified sources/farms, but identity is preserved throughout the supply chain, the subtype *Mixed Identity Preserved* (Mixed IP) can be applied.

- **Mass balance (MB)**

Administrative traceability that allows a certificate holder to claim a product which is not certified as Rainforest Alliance Certified when the equivalent quantity was sourced as Rainforest Alliance Certified.



SUPPLY CHAIN ACTOR (SCA)

"Upgrading" one traceability type to another is not allowed. For example, it is not possible to generate an output with traceability type *identity preserved* when the input was *segregation*. However, it is permitted to "downgrade" from a higher traceability type to a lower one, for example, from *segregation* to *mass balance*. The CH must update their scope in the Rainforest Alliance Certification Platform (RACP) when there is a change to the traceability type.

Scope

While the traceability types *identity preserved* and *segregation* may be applied to any crop included in scope for Rainforest Alliance certification, *mass balance* at supply chain certificate holder level (first buyer and beyond) is available for cocoa, orange juice, and flowers. For hazelnuts, palm oil, and coconut oil, *mass balance* may be applied at the supply chain as well as farm certificate holder level.

Credit validity

Segregated and *mass balance* credits created under the legacy certifications and the 2020 Rainforest Alliance Certification Program will be valid starting with the first sale from the farm

certificate holder to the first supply chain actor and will be renewed upon each sale outside of a certificate holder and conversion within a certificate holder.

The validity period will be determined for each crop.

TRACEABILITY

Requirement 2.1.7 – double selling

There is no double selling of volumes: products sold as conventional product or sold under another scheme or sustainability initiative are not also sold as Rainforest Alliance Certified. Selling products which that are certified under more than one scheme is possible.

- Double Selling is the practice of selling the same volume produced or purchased as Rainforest Alliance Certified twice, once as Rainforest Alliance Certified and once as conventional or under another certification.

For example, 100 MT of coffee produced by a farm can be certified as *both* organic and Rainforest Alliance and sold as

- 100 MT Rainforest Alliance Certified *only*, or
- 100 MT Organic *only*, or
- 100 MT Rainforest Alliance Certified and Organic (once in one batch) to one buyer.

However, that same volume of coffee cannot be sold as separately 100 MT of organic coffee as well as 100 MT of Rainforest Certified coffee.

Requirement 2.1.9 – conversion rates

The table below sets out the conversion rates as they shall be used in sectors for which mass balance is an approved traceability type.

Crop/Sector	1 st conversion	2 nd conversion	3 rd conversion	4 th conversion
Cocoa				
Beans to liquor	1:0.82			
Beans to nibs	1:0.82			
Nibs to liquor		1:1		
Liquor to butter and powder			1:0.5:0.5	NA
Hazelnut				
In shell to kernel	1:0.5			
Kernel to roasted kernel		1:0.94	NA	NA
Kernel to processed kernel (e.g. blanched, chopped, sliced, etc.)		1:1		
Roasted kernel to roasted processed kernel			1:1	
Coconut				
Fresh fruit to copra	1:0.25			
Copra to crude coconut oil		1:0.62		
Crude coconut oil to refined coconut oil (RBD)			1:0.96	
Crude coconut oil to refined coconut oil (hydrogenated)			1:0.96	
Palm Oil				
Fresh Fruit Bunches (FFB) to Crude Palm Oil	100:20			
Fresh Fruit Bunches (FFB) to Palm Kernels	100:5			
Crude Palm Oil to Refined Palm Oil		100:95		
Crude Palm Oil to PFAD		100:5		
Palm Kernel to Palm Kernel Oil		100:45		
Palm Kernels to Palm Kernel Expeller		100:55		
Palm Oil to Olein			100:80	
Palm Oil to Stearin			100:20	
Olein to Double Fraction Olein				100:65
Olein to Mid Fraction Stearin				100:35
Stearin to Mid Fraction Olein				100:65
Stearin to Double Fraction Stearin				100:35
Palm Kernel Oil to Refined Palm Kernel Oil		100:95		
Palm Kernel Oil to PKFAD		100:5		
Refined Palm Kernel Oil to PK Olein			100:65	
Refined Palm Kernel Oil to PK Stearin			100:35	
Oranges				
Fresh fruit to soluble solids	Kg of SS = (X Boxes of fresh fruit / Y Boxes per ton of FCOJ at 66 Brix) × 1000 × 66%			
Soluble solids to juice (FCOJ)		1:1		
Soluble solids to juice (NFC)		1:1		
Juice to reconstituted juice			1:1	

TRACEABILITY IN ONLINE PLATFORM

TRACEABILITY PLATFORM ACTIVITIES

The traceability platform is to reflect the physical movement of certified products. Therefore, it is essential for CHs to report any activity performed on the certified product. Reporting entails: sales, conversions, confirmation, redeeming, removing of the certified product, all of which are explained in the chapter below.

Requirement 2.1.9 – converting certified product

The correct methodology for the calculation of conversion factors is demonstrated and documented for each certified product and reflected accordingly in the traceability platform.

- Apart from applying correct conversion rates (see chapter above), any conversion¹ of the certified product leading to a change in volume and/or output product must be reported as such in the traceability platform.

Requirement 2.2.1 – managing outgoing transactions of certified product

Volumes sold as certified are recorded in the Rainforest Alliance traceability platform at the latest two weeks after the end of the quarter within which the shipment took place.

- In general, this means that all business-to-business sales of a certified product must be reported through the Rainforest Alliance traceability platform, starting from the farm certificate holder up to
 - a) the point that certified product is packaged and labeled under a CH's own brand. In this case, certified product is redeemed from the traceability platform or

the point that certified product is sold to the brand/retail by the SC CH packaging and labeling certified product for a brand/retailer. In this case, a sales transaction² of the certified product is issued to the brand/retailer.

Requirement 2.2.2 – managing incoming transactions of certified product

Buyers of Rainforest Alliance certified product have a procedure in place to regularly verify that invoices for certified products purchased match recordings of the transactions in the traceability platform.

- In general, transactions of certified product sold by suppliers must be reviewed and confirmed³ by the CH that is purchasing the certified product. A CH has 7 days to review the incoming transactions and request the supplier to make any edits to transaction details. After 7 days have passed, transactions will be automatically confirmed.

Requirement 2.2.3 – removing certified volumes

Volumes sold not as Rainforest Alliance Certified and/or lost are removed from the traceability platform within two weeks after the end of the quarter in which the sales took place.

- Certified products are removed from the traceability platform when they are sold to the next CH not as Rainforest Alliance Certified, or when they cannot generally be sold onwards due to product damage (product "lost").

¹ Conversion = CH reports the transformation of certified product applying ratio resulting from physical conversion

² Sales = CH makes a transaction of corresponding volume sold to their buyer

³ Confirm = CH reviews and approves details (quantity, product details, any other transactional references provided) of incoming transactions from certified suppliers, if those correspond to details of real transacted volume

- In case the CH is operating under the traceability type *mass balance*, the certified volume can be sold onwards as conventional, and corresponding *mass balance* credits may be kept.

Requirement 2.2.5 – aggregating transactions

Shipments that are combined into one transaction include sufficient information to relate the transaction to the individual shipments.

- If several shipments are combined into one transaction, SC CH provides supporting documentation in the traceability platform transaction itself to identify the individual transactions (excel with shipments or individual shipment numbers, e.g.).

When to report?

- *Within 2 weeks after the end of the quarter, with quarter referring to calendar quarter (January – March, April – June, July – September, October – December).*

Example 1: A physical sale is made in May - the CH must report the sale transaction latest by July 15th

Example 2: A certified volume is sold as conventional in December - the CH must remove the certified product from the traceability platform by January 15th of the subsequent year

MASS BALANCE

Requirement 2.3.1 – credit exchange

Credit exchange is only possible for the same product or in a forward direction of physical processing, meaning that Rainforest Alliance credits can be exchanged from a purchased Rainforest Alliance product to the same or subsequently purchased conventional products.

- *Example 1: Rainforest Alliance certified cocoa butter to conventional cocoa butter*
- *Example 2: Rainforest Alliance certified cocoa beans to conventional cocoa liquor*
- *Example 3: Rainforest Alliance certified cocoa beans to conventional cocoa butter*
- *Example 4: Rainforest Alliance certified in-shell hazelnuts to conventional roasted hazelnut kernel*
- *Example 5: Rainforest Alliance certified crude coconut oil to conventional refined coconut oil*

Credit exchange in a backward direction is not allowed (from cocoa liquor to cocoa nibs, from chocolate to cocoa butter, from cocoa butter to cocoa powder (and vice versa), from processed hazelnut kernel to in-shell hazelnuts, etc.).

Credit exchange from Rainforest Alliance certified non-pure products (e.g., chocolate) to conventional pure products (e.g., cocoa butter) is not allowed either as this constitutes a backward conversion.

Credit exchange from Rainforest Alliance (non-)pure product (chocolate) to conventional non-pure product (chocolate) is allowed, as long as the non-pure product is purchased.

Requirements 2.3.3 and 2.3.4 – origin matching

The origin matching requirements and definitions below are only applicable in the cocoa sector:

Definitions

Annual recipe	The recipe associated with certified liquor sales. This recipe may be reviewed and adjusted on an annual basis but may also be adjusted more frequently.
Origin	Country where the certified cocoa beans were produced.
Origin footprint	Country displayed on a credit representing the origin of the certified cocoa beans associated with the credit. The origin footprint does not necessarily reflect the origin of the beans used to produce the physical cocoa product associated with the credit but only shows the administrative origin of the credit.
Origin matching	The practice of matching the origin of certified purchases or sales of physical products with the origin footprint of the credits associated with those purchases or sales, per transaction, or on an aggregate basis as required below.
Sourcing plan	A plan was drawn up by a company to commit to shifting certified sourcing as needed and in a credible way in order to meet the requirements of origin matching. This plan must be submitted to and approved by the Rainforest Alliance.

Scope

Origin matching is required as of July 1st 2021, for all transactions completed in the traceability platform that meet the conditions for origin matching under the requirements described in this document. This includes all mass balance certified cocoa.

Origin matching is required for all certified sales with contracts signed on or after April 1st, 2021.

Origin matching is required for all cocoa that has an origin footprint displayed in the traceability platform. If the origin footprint of the cocoa product is not displayed in the traceability platform, then origin matching is not required for that specific product. It will not be at a company's discretion whether or not to display an origin. This is determined by the traceability platform.

Origin matching exception: A supply chain certificate holder can be exempt from origin matching for a specific volume from a specific origin if the supply chain certificate holder has received approval from the Rainforest Alliance for a sourcing plan for that specific origin.

Cocoa beans and nibs

Origin matching is required on transaction-level with 100% origin matching for all certified cocoa bean and nibs purchases from another supply chain certificate holder and bean and nibs sales to another supply chain certificate holder. Sales documentation for beans and nibs sold as certified includes origin information to country-level for certified cocoa and conventional cocoa bean and nibs inputs.

Cocoa liquor

Origin matching is required for the first sale of certified cocoa liquor to another supply chain certificate holder on an aggregate level for a 12-month period. Documentation at the supply chain certificate holder level includes origin information to country-level for certified and non-certified cocoa inputs.

The origins for aggregate certified liquor sales and the annual recipe are compared. Origin matching up to at least 80% by volume is required. Certified volumes can be combined when making the reconciliation calculation for 80% origin matching.

If more than 20% of cocoa derivatives sold in a period do not have an origin footprint in the traceability platform, then origin matching below 80% is allowed, as long as all volumes with an origin footprint have origin matching.

If origin matching is less than 80% for the 12-month period, then the volume gap must be compensated for within the next 3 months.

If no certified cocoa volume is available from a country and this causes a product to be under the required percentage of origin matching and cannot be compensated for, this product cannot be sold as certified mass balance cocoa.

Annual recipe and origin matching for liquor

The annual recipe for liquor

To prepare for an audit, a company will be expected to determine the annual recipe for origin matching of certified mass balance liquor. This can be done in one of the following ways:

1. If there is only one liquor recipe used for sales of certified liquor, the company can use the actual annual liquor recipe used by the company for certified liquor sales. If there are multiple recipes used for certified liquor sales, then an average of these recipes can be calculated.
2. If it is not possible to distinguish between liquor used for certified vs. conventional sales, and that impossibility can be proven to an auditor, then all recipes that are (fully or partly) sold as certified can be combined and averaged.
3. If it is not possible to distinguish between liquor used for sales vs. liquor used in further internal processing, and that impossibility can be proven to an auditor, then all recipes can be combined and averaged.

The above options should lead to one annual recipe for the previous 12-month period *or*, if a company prefers to use several actual annual recipes and not average those, then a company could refer to the average use of each of those recipes as their annual recipes. The average recipe does not need to be a weighted average. Proof of calculation for any of the methods above needs to be shown to the auditor, including the necessary documentation the company used to make said calculation.

Origin matching of the annual recipe for liquor

A company will need to compare the breakdown of liquor transactions per origin in the Rainforest Alliance traceability platform with the annual recipe calculated by the company,

and at least 80% of the volume sold in the traceability platform must match with the origins identified in the annual recipe.

To calculate the percentage:

Annual recipe		Transactions in MTT		Origin Matching %
Country	% content	Country	% content	% difference
Country A	40%	Country A	35%	5%
Country B	40%	Country B	35%	5%
Country C	20%	Country C	30%	10%
TOTAL	100%		100%	20% difference = 80% matched

For a simple overview of the mass balance origin matching, please see [here](#).