

RAINFOREST ALLIANCE GUIDANCE

Traceability

Version 1.1

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This guidance document is non-binding. This means that this document provides important information to help readers understand, interpret and implement the requirements set out in the documents listed in the section "linked to" above. However, following the guidance in this document is not mandatory.

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Objective and Scope of this Document

This document provides an explanation of the traceability requirements in the Rainforest Alliance 2020 Sustainable Agriculture Standard.

1. INTRODUCTION: WHAT IS TRACEABILITY?

Traceability refers to the documentation that tracks the movement of certified volumes throughout the supply chain. In the context of the Rainforest Alliance Certification program, traceability allows us to ensure that we can follow the flow of a product from the farm all the way to the brand owner, thus guaranteeing its certified origin.

Traceability is therefore core to certification, as it provides verifiable information on product flows that allow for accurate claims to be made about Rainforest Alliance Certified products.

Traceability requirements apply to all certificate holders (CHs) and cover all crops eligible for certification. They are applicable to both legacy volumes (from the 2015 UTZ Certification Program and the 2017 Rainforest Alliance Certification Program) as well as volumes certified against the Rainforest Alliance 2020 Sustainable Agriculture Standard.

2. MAINTAINING TRACEABILITY

Farms and supply chain actors are required to maintain traceability in three ways:

- a. Paper-based traceability – keeping copies of all documentation of purchases and sales of the certified product.
- b. Online traceability – registering all transactions of Rainforest Alliance Certified volumes on the traceability platform, including sales, conversions, mixes, removals and redeeming.
- c. On-site traceability – following procedures that ensure Rainforest Alliance Certified volumes can be distinguished from non-certified volumes.

The requirements for on-site traceability (chapter 2.1 of the Rainforest Alliance Sustainable Agriculture Standard), including paper-based documentation and other practices for the physical handling of certified volumes, apply to all farm and supply chain CHs.

The requirements for online traceability (chapter 2.2 of the Rainforest Alliance Sustainable Agriculture Standard) apply to all crops for which traceability is provided in the Rainforest Alliance online traceability platform. In the event that online traceability is not yet available for a specific crop, paper-based traceability is required to maintain verifiable documentation on the flow of certified products. This means maintaining shipping, invoice and contract documentation for each purchase and sale of certified products.

3. THE PROCESS OF ONLINE TRACEABILITY

3.1 START OF ONLINE TRACEABILITY

Online traceability begins at the level of the farm CH. Transactions do not need to be registered in the traceability platform from individual producers to the farm CH (including from group members, via intermediaries/collectors to the level of the central storage location), but they still need to comply with paper-based traceability as well as physical segregation requirements.

Once the farm CH (whether group, individual or multi-farm) has completed the certification process, they will be able to declare their sales of certified volume to their customers. If a CH conducts farming as well as supply chain activities, they are always considered a farm CH and must comply with traceability requirements applicable to farm certification.

When the farm CH sells a volume of certified product to their buyer, who becomes the next legal owner, the farm CH issues a transaction in the traceability platform. This means the corresponding volume is moved to the buyer's account. Throughout the entire supply chain, each time a CH sells the certified volume to a new buyer, the transaction is registered by the seller, until the level of the brand owner and/or traceability ends due to other reasons (see section 3.2).

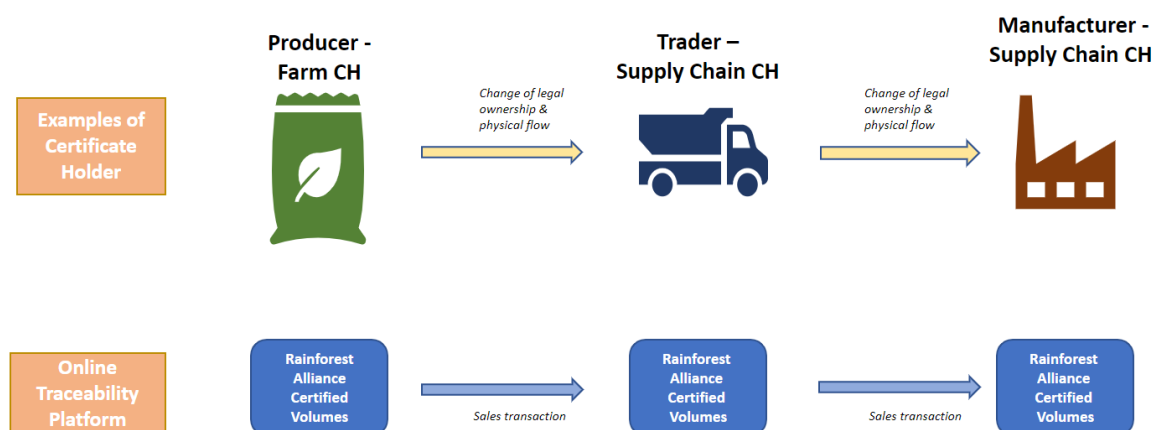


Figure 1: Traceability in the Supply Chain (simplified)

3.2 END OF ONLINE TRACEABILITY

The Rainforest Alliance 2020 Sustainable Agriculture Standard requires that traceability of certified volumes is maintained throughout the supply chain until the level of the brand owner. Below are additional scenarios in which online traceability may end.

3.2.1 Optional Traceability for Retailers

The Rainforest Alliance has made traceability to retail level optional, except in the case of retailers who are responsible for SD/SI payments, who are always required to engage in traceability. Please note that for tea retailers, traceability still remains optional.

Retailers may require traceability depending on the traceability data and risk analysis they would like to make. In the future certain certification claims not related to specific products may require traceability.

Retailers must establish whether they want to engage in traceability directly with their suppliers. Retailers that choose to engage in traceability for all or a selection of Rainforest Alliance Certified volumes will be issued a transaction by their suppliers. They will be required to confirm the incoming transactions in the traceability platform, which can be facilitated by the trusted supplier function that provides an automatic confirmation of the transactions. Retailers are also not required to redeem volumes.

If the retailer has not communicated to their supplier that they want to engage in traceability, the supplier must redeem the volumes from their own traceability account.

3.2.2 Redeeming volumes

Traceability generally ends at the level of the brand owner of consumer-facing products, who needs to “redeem” the certified volume from the traceability platform once it has been sold as certified. This means that the volume is no longer available in the account.

For final consumer-facing products, the end of traceability can take place in one of four ways:

1. In the case where the final product manufacturer is producing the consumer-facing product for a brand owner, a transaction is issued from the manufacturer to the brand owner, who needs to redeem the volume.
2. In the case where the final product manufacturer is also the brand owner, the manufacturer redeems the volume from their own traceability account.
3. In the case where a retailer is also the brand owner and has decided not to engage in traceability (if applicable), the volume is redeemed by the final product manufacturer, who does not need to declare the transaction to the retailer.
4. In the case where the retail brand owner has decided to engage in traceability, the transaction is declared to the retailer. Retailers are not required to redeem volumes.

For volumes which are not required to be sold onward in the traceability platform, and need to be redeemed by a SC CH, the “conversion” and/or “report manufacturing” activities do not need to be performed by the CH prior to redeeming. This is also applicable in cases where the processing activities take place at subcontractor level (section 4.1 of this document).

Note: Redeeming multi-ingredient products is currently not possible in the traceability platform. This means that volumes for multi-ingredient products will remain in the account until this functionality becomes available.

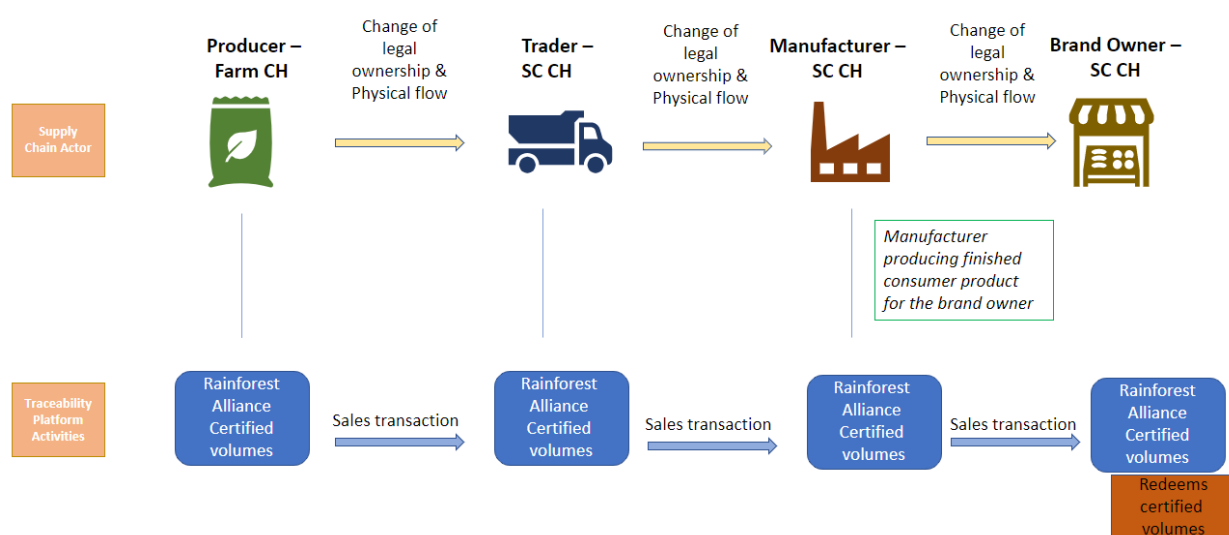


Figure 2: Example where the manufacturer is producing for a brand owner.

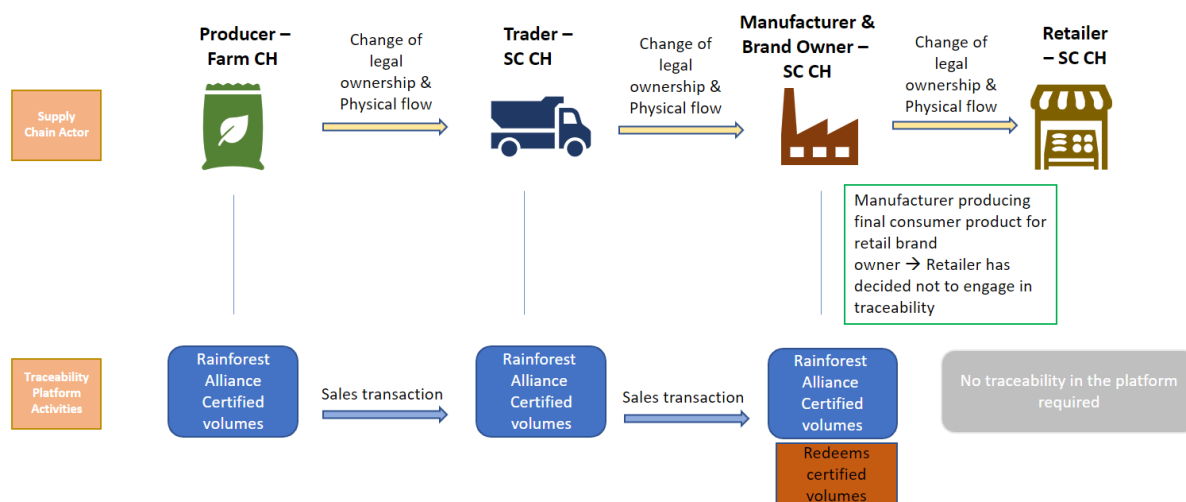


Figure 3: Example where the manufacturer is also the brand owner, and the retailer does not engage in traceability.

3.2.3 Removing Rainforest Alliance Certified volumes

If a certified volume is not sold as Rainforest Alliance Certified by a supply chain CH, the corresponding volume is removed from the traceability platform. Reasons for not selling products as Rainforest Alliance Certified can include:

- Products are considered as *lost* (for example spoiled or wasted; see the full definition in the [Glossary](#)), or
- Products are sold as conventional or under another certification scheme if the product was certified under multiple schemes.

Removing these volumes marks the end of online traceability for them.

An exception is mass balance traceability. In that case, certified volumes do not have to be removed when they are not sold as Rainforest Alliance Certified, but only once the corresponding certified volume equivalent has been sold (see the Mass Balance Requirements Annex below for further information).

Example 1: A coffee trader purchases a container of green coffee that is both organic and Rainforest Alliance Certified. Half of the volume is sold as organic only, the corresponding volume is therefore removed from the traceability platform.

Example 2 with mass balance traceability: A cocoa manufacturer purchases a container of Fairtrade and Rainforest Alliance Certified cocoa liquor as mass balance. The cocoa liquor is used to produce chocolate bars. The chocolate bars are only sold as Fairtrade. The manufacturer does not need to remove the corresponding volumes from the traceability platform, as they can use the corresponding volume equivalent of cocoa liquor to sell other non-certified volumes as certified, as long as the mass balance requirements have been followed. Once the certified volume equivalent has been sold, a transaction needs to be declared to their customer.

Note: Removing multi-ingredient products is currently not possible in the traceability platform. This means that volumes for multi-ingredient products will remain in the account until this functionality becomes available.

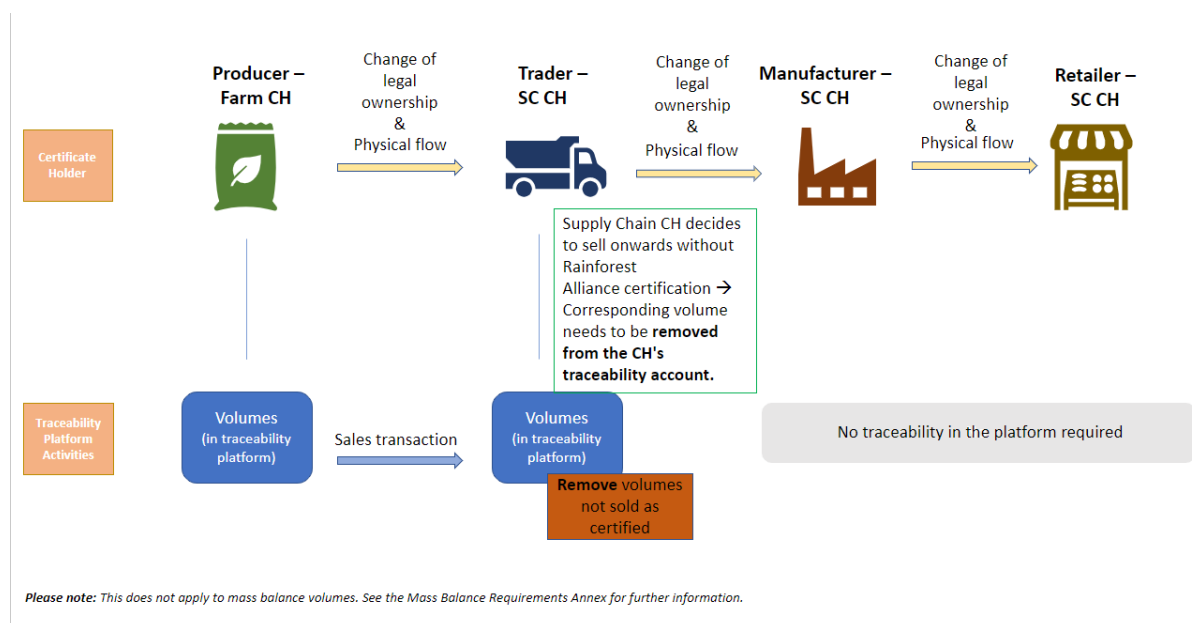


Figure 4: Example of how traceability ends by removing volumes

3.2.4 End of Traceability for Fresh Fruit and Vegetables

Fresh fruit and vegetables can be sold as non-branded or under the brand of either a farm or supply chain CH.

For fresh fruit and vegetables sold as non-branded or under the brand of the farm CH, traceability is required up to the level of the importer, who needs to redeem the corresponding volumes once sold as certified.

If the brand owner of the fresh fruit or vegetables is a supply chain CH, traceability is required up to the level of the brand owner, who needs to redeem the corresponding volumes once sold as certified.

In both scenarios, traceability to the retailer is optional (unless they are responsible for SD/SI payments), and they can decide if they want to engage in traceability. If the retailer does not engage in traceability, the CH in the supply chain before the retailer needs to redeem the volumes from their traceability account once they have been sold as certified.

3.3 ACCOUNTING FOR WEIGHT DISCREPANCIES

There are situations where volumes received by a buyer can differ from what was registered in the online traceability platform and/or sold to them by their supplier, for example when the moisture content results in an increase in weight, or coffee bags having an average of 60kg but falling slightly above or below. In such cases:

- For a difference of +/-3% we allow that discrepancy and do not require a change in the transaction in the traceability platform and/or associated documentation.
- For a difference larger than +/-3% the buyer needs to reject the transaction and have their supplier issue a new one with the correct volume.

3.4 RETROACTIVE CLAIMS

There may be cases in which a buyer wishes to claim a volume as Rainforest Alliance Certified when the volume was originally certified, but not purchased as such. This is referred to as retroactive claiming.

Retroactive claims may be allowed if the seller and the buyer both had a valid license on the date the volume was purchased. In this case either of the two CHs involved may send a retroactive claim request to the Rainforest Alliance (at customersuccess@ra.org), which will assess whether such a claim can be granted. A precondition for this is that the seller still has enough certified volume in their traceability account so that they can retroactively declare the sale to their buyer, and so that no more volume of certified product is sold in the supply chain than what was originally certified at the level of the farm CH. In addition, both parties need to comply with applicable Standard requirements, including Shared Responsibility, whenever applicable.

3.5 RECORDING OF SD/SI

The amount of SD/SI agreed to in the contracts between the farm and the supply chain CH needs to be recorded in the traceability platform by the farm CH when declaring the sale of the certified volume to their customer. This needs to be done at the latest two weeks after the end of the quarter in which the transaction took place.

For tea, the brand owner must register their SD/SI commitments in the traceability platform when redeeming volumes of certified product. In case the brand owner is also a retailer, and has decided not to engage in traceability, the private label manufacturer must indicate the SD/SI amounts in the platform on their behalf. For more information, please refer to [Annex Chapter 3: Shared Responsibility](#).

In all cases, paper-based records of SD/SI payment must be available starting from the mandatory implementation date of SD/SI requirements.

4. SPECIAL CASES IN ONLINE TRACEABILITY

4.1 SUBCONTRACTORS

Traceability in the Rainforest Alliance online platform generally follows the legal ownership of Rainforest Alliance Certified volumes. This means that CHs that legally own the Rainforest Alliance Certified volumes are required to register their transactions in the traceability platform. The change of legal ownership is defined by payment of the invoice for the purchased volume. However, management of online traceability may be different depending on the actors that only take physical, but not legal ownership of the certified volumes.

When an organization works with subcontractors (in cases of processing, packing, etc.), the legal ownership of the certified volume usually remains with the contracting CH while the subcontractor physically holds the volume. Subcontractors can either be certified as part of the contracting CH's certification scope, or be independently certified.

4.1.1 Subcontractors certified in the scope of the contracting CH

If the subcontractor, for example a processor, is included in the certification scope of the contracting CH, such as a trader, only the contracting CH will have a traceability account. Traceability remains at the level of the contracting CH, which means that the contracting CH is responsible for reporting all purchases, sales as well as conversions related to the processing activities of the certified volume, including those that occur at the subcontractor.

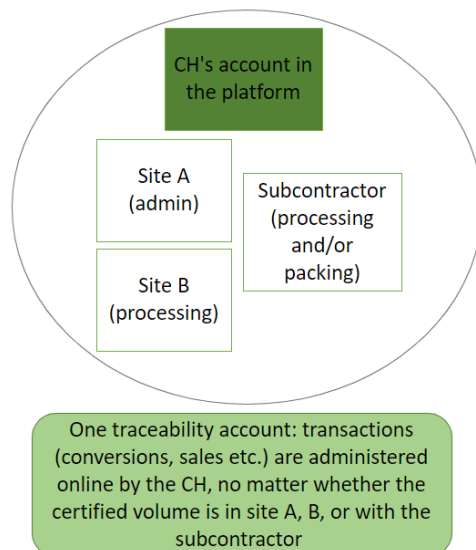


Figure 2: Subcontractor included in certification scope of contracting CH

4.1.2 Independently certified subcontractors

If the subcontractor is independently certified, and physically obtains Rainforest Alliance Certified volumes to process them, there are two possible options to report the conversions in the traceability platform:

1. The contracting CH (legal owner) must issue a transaction of Rainforest Alliance Certified volume to the subcontractor, so that the processing activities can be registered in the subcontractor's traceability account. After the physical processing of the certified volume, the subcontractor issues a transaction of the converted volume back to the contracting CH.

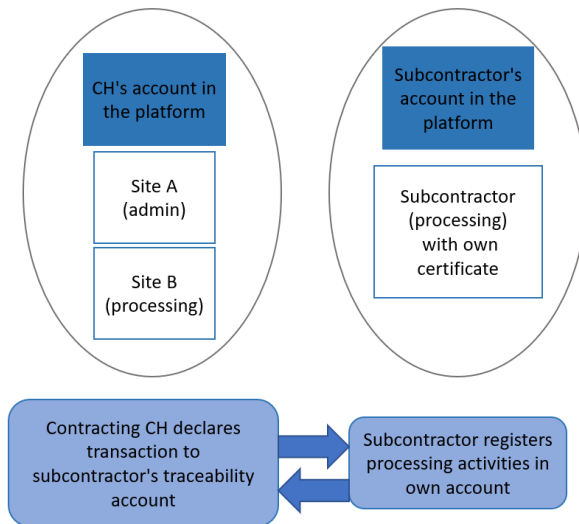


Figure 3: Subcontractor is independently certified

- It is also possible for the contracting CH (legal owner) who does not have processing activities in their scope, to register them in their own account before selling the converted volumes to their customers (as applicable), even if their subcontractor is independently certified.

In this case, the contracting CH first needs to add the subcontractor as a site in their own certification scope in RACP, in the format [subcontractor's name & RA ID]. If the subcontractor already has an active license, they will automatically receive risk level A in the contracting CH's account, and the contracting CH will have the subcontractor's processing activities added to their own traceability account.

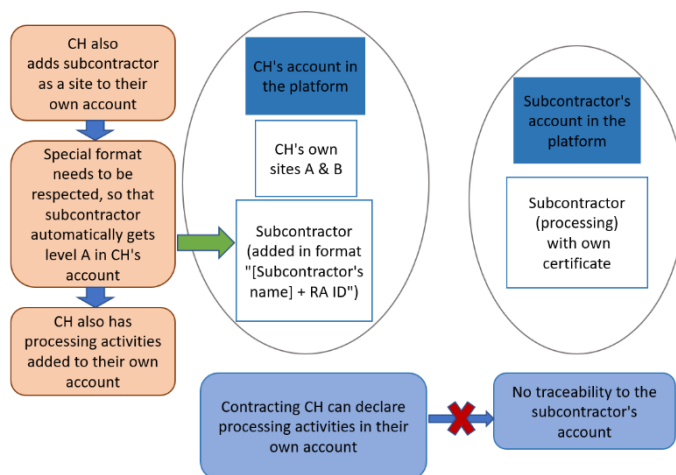


Figure 7: Subcontractor is independently certified, but contracting CH registers processing activities in their own account

4.3 FARM CHS THAT SELL SEMI-FINAL OR FINAL PRODUCTS

For Rainforest Alliance certification purposes, any entity that conducts farming activities is considered a farm, no matter how many processing sites are included in their certification scope. In some cases, the farm CH processes the certified crop into the (semi)final consumer-facing product. In such a scenario, the farm CH first needs to register the processing activities in their account, before issuing the transaction of the converted volume to their customer (if applicable).

If the farm CH sells the final consumer-facing product under their own brand, they need to redeem the volume from their traceability account. If the farm CH is not the brand owner, the farm CH must issue a transaction of the final consumer-facing product to their buyer, as that CH would count as the first buyer and shared responsibility requirements may apply.

Note for retailers: Traceability up to retail level is optional, unless the retailer is responsible for SD/SI payments. If the retailer does not engage in traceability, the CH in the supply chain before the retailer needs to redeem the volumes from their traceability account once they have been sold as certified.

4.4 SALES FROM FARM CH TO SUPPLY CHAIN CH VIA AUCTION CHANNEL

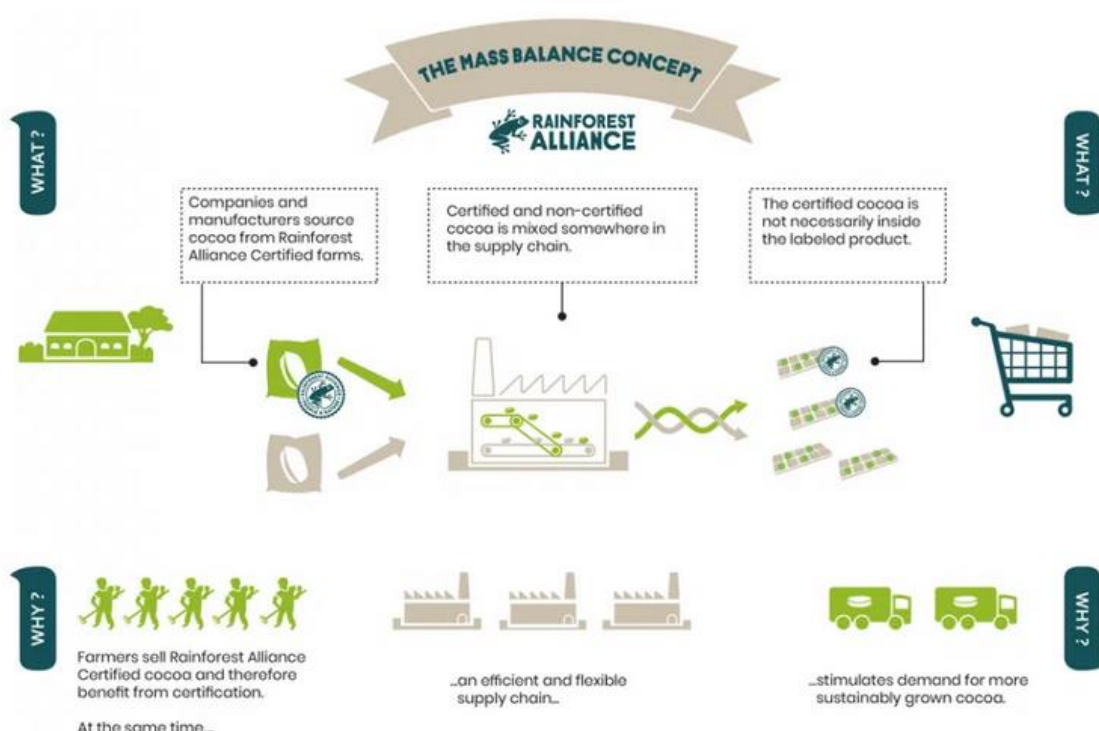
For some commodities, a farm CH's products can be sold through auction. In those cases, the certified volume is usually shipped to the auction site without the buyer being known, and the volume remains under the ownership of the farm CH until a sale is confirmed. The farm CH must then declare the transaction in the traceability platform once the legal ownership of the volume is with the first buyer following the auction.

ANNEX: MASS BALANCE REQUIREMENTS

a. What is Mass Balance?

Mass balance is a traceability type available to CHs working with certified cocoa, processed fruits (including orange juice), flowers, hazelnuts, copra/coconut oil and, since October 2022, for key herbs & spices¹. In the future, mass balance might be extended to additional crops, which will be duly communicated by the Rainforest Alliance.

When companies opt for mass balance traceability, the certified and non-certified ingredients are mixed together in transit, storage and/or the manufacturing process, and the equivalent quantity of what was initially purchased as Rainforest Alliance Certified can be claimed and sold as such.



As an example, a chocolate bar can carry the Rainforest Alliance certification seal only if the total quantity of purchased Rainforest Alliance Certified cocoa is equivalent to the total amount used in manufacturing the product.

b. Administration of mass balance traceability

While the traceability levels Identity Preserved (IP) and Segregation (SG) refer to physical traceability, mass balance (MB) is referred to as an administrative form of traceability.

Volumes traded under IP and SG must always refer to a specific physical stock of identifiable certified volume. For administration in the Rainforest Alliance traceability platform, this means that any transactions and stock positions must match the physical delivery of certified volumes as well the company's available stock in reality. On the other hand, the mass

¹ Key herbs & spices are rooibos, vanilla, saffron, pepper, cinnamon, chili pepper, oregano, coriander, paprika, cardamom, dill, clove, parsley, nutmeg, thyme, bay leaf, rosemary and tarragon.

balance volumes available in the traceability platform correspond to volumes purchased as Rainforest Alliance Certified, but do not necessarily refer to a specific physical stock.

Once a CH operating under MB traceability level receives MB volumes from their supplier in the traceability platform, or downgrades their IP or SG volumes to MB, the volume appears as MB in the platform and the volume exchange rules can be applied. This means that the identification of the certified volumes can be detached from the actual physical stock.

The CH can now use their certified volumes to claim equivalent conventional volumes as certified. When the CH sells the certified volume equivalent to the next buyer, the CH issues a transaction of the certified MB volumes in the platform to their buyer.

c. Mass Balance introduced at first Supply Chain CH level

When the first buyer in the supply chain purchases their products from a certified farm, the identity of the certified volume is preserved, as the exact origin is always known. Once the certified volume is under the ownership of the first supply chain CH, its traceability level may be downgraded to MB. At any later point in the supply chain, the MB traceability level must be maintained. Upgrading of the traceability level (from MB to SG or IP) is not permitted.

If the first buyer sells their volumes as IP (or SG if downgraded), IP and SG volumes can always be downgraded to MB at any point later in the supply chain.

d. Mass Balance introduced at Farm CH level

An exception to the rule above applies for farm CHs producing hazelnuts, copra/coconut oil and flowers, who are allowed to apply MB traceability level to their crops prior to selling them to the first buyer.

This is because in some crops, the farm CH collects the certified product through a high number of collectors/intermediaries, which means that the separation of certified from non-certified products can be very challenging before the product reaches the first buyer. In addition, for these crops, a final consumer-facing product can be manufactured at farm level including non-certified raw materials.

Therefore, for hazelnuts, copra/coconut oil and flowers, MB may be applied at the level of the farm CH, prior to the sale to the first buyer. For groups, this is not at the level of the individual group member, but at the level of the certificate holder.

Paper-based traceability for all transactions between the farm CH and their different sites and/or group members must always be maintained, and the farm CH can only claim as certified the volume which they have actually received from their sites and/or group members.

e. Mass Balance for Multi-Site CHs

If a company has multiple sites which are included in the same certification scope, MB volumes can be exchanged between each site, without any physical shipment of the certified product required.

If a company has multiple sites which are independently certified, MB volumes can only be exchanged between sites if the product has been physically shipped to the site in question. In addition, a transaction needs to be issued in the traceability platform between both sites.

f. Mass Balance Volume Exchange

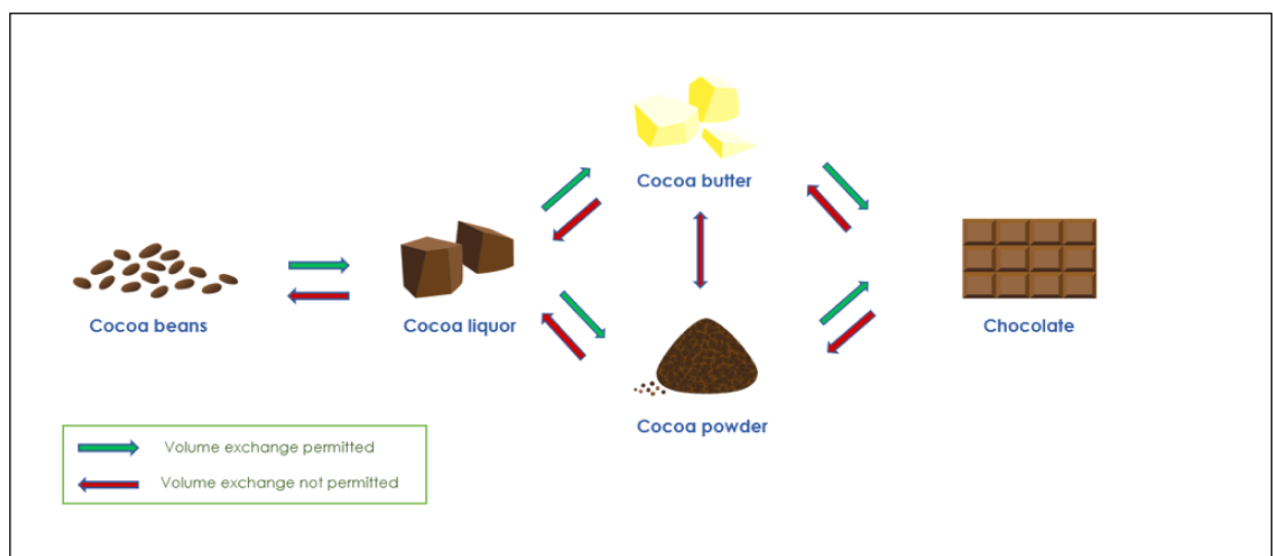
Annual Overview

CHs are required to maintain an annual overview of all their inputs and outputs, as well as any volume conversions and/or processing steps that have taken place (if applicable), for both certified and non-certified products. This is to ensure that no more volume of certified product has been sold than what was initially purchased as certified. A negative volume balance is not permitted at any time.

Volume exchange

Under MB traceability level, volumes can be exchanged between different products. This means that the equivalent volume from certified product A can be used in order to sell conventional product B as certified, as long as the correct conversion rates (see chart below) are used, if applicable, and the following volume exchange rules are followed:

1. Volume equivalents can only be exchanged in the forward direction, ie. in the direction of physical processing that occurs in reality. Volume exchange in a backward direction is **not permitted**, as in these examples:
 - Cocoa: from cocoa liquor to cocoa nibs, or from cocoa butter to cocoa powder (and vice versa)
 - Hazelnut: from processed hazelnut kernel to in-shell hazelnuts
 - Oranges: from orange juice concentrate to oranges
2. Volume exchange from Rainforest Alliance Certified multi-ingredient products to conventional raw materials is **not permitted** either, as this also constitutes a backward conversion, such as:
 - From certified chocolate to conventional cocoa butter
 - From orange juice to fresh orange fruit
 - From chocolate to conventional cocoa butter
3. Volume exchange from Rainforest Alliance multi-ingredient product and/or raw material to conventional multi-ingredient product is **permitted**, if the multi-ingredient product has been purchased:
 - From certified chocolate to conventional chocolate
 - From certified herbal tea to conventional herbal tea



Conversions

As explained above, volumes can be exchanged between different products, both for CHs which are processing, as well as traders who have different types of products in their stock, as long as the correct conversion rates have been used:

Crop/Sector	Conversion rate
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
Chocolate to chocolate	1:1
Hazelnut	
In-shell to kernel	1:0.5
Kernel to roasted kernel	1:0.94
Kernel to processed kernel (eg. 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
Oranges	
Fresh fruit to soluble solids (SS)	$\text{Kg of SS} = (\text{X Boxes of fresh fruit} / \text{Y Boxes per ton of FCOJ at 66 Brix}) \times 1000 \times 66\%$
Soluble solids to juice (FCOJ)	1:1
Soluble solids to juice (NFC)	1:1
Juice to reconstituted juice	1:1

Below are a few examples of volume exchange between different products:

Example 1:

- Company A has **50 tons** of **certified cocoa butter** in their stock
- The cocoa butter is sold as conventional – this means that the company has a **remaining volume of 50 tons certified cocoa butter**
- According to our rules, with those remaining volumes, the company can sell **100 tons** of **conventional chocolate with 50% cocoa content** as certified



Example 2:

- Company B has **1,000 kg** of **certified hazelnut kernels** in their stock
- They sell **500 kg** of those kernels as **certified** and **500 kg** as **conventional**, which means that they have a **remaining volume of 500 kg certified** hazelnut kernels
- As they currently also have **1,000 kg** of **conventional roasted processed kernels** in their stock, in using their **remaining volumes** and the **correct exchange rates**, they are allowed to sell **470 kg** of **conventional roasted processed kernels** as **certified**



Example 3:

- Company C has **500 kg** of **certified cocoa powder** in their stock, which their customers want as conventional
- As they currently also have **conventional cocoa beans** in their stock, they want to exchange their volumes from the certified cocoa powder to sell parts of the conventional cocoa beans as certified. Through our conversion rates, **500 kg cocoa powder** would amount to **1,219.5 kg of cocoa beans**
- However, volume exchange in this case is unfortunately **not possible**, as this would constitute a **backward conversion**, against the direction of physical processing

