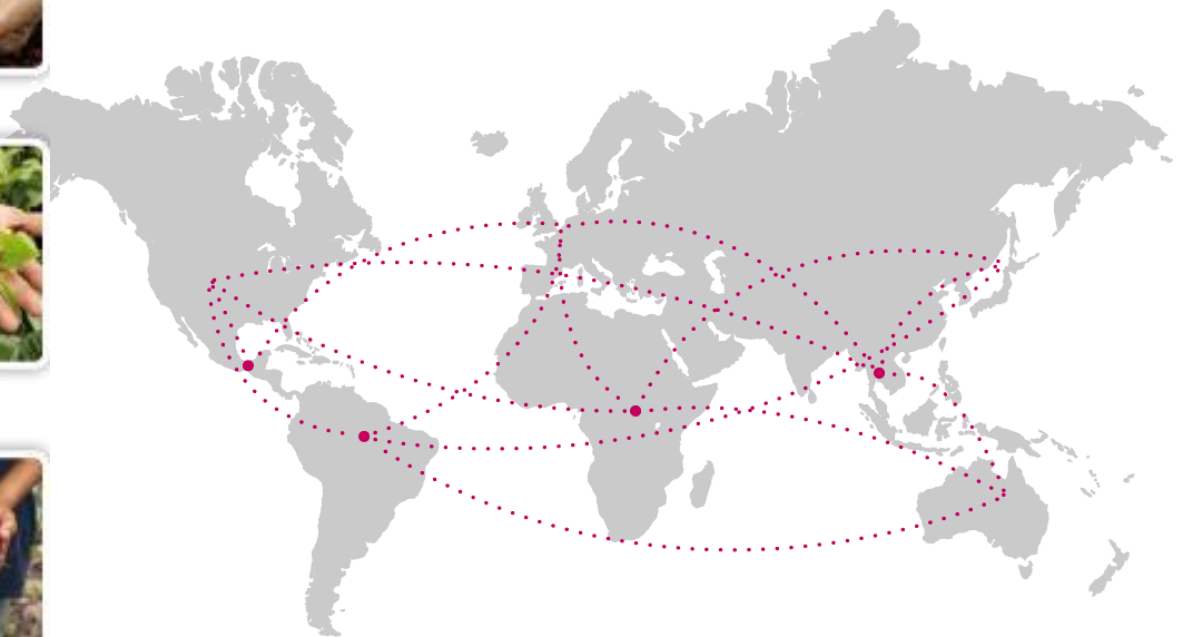


UTZ Certified Chain of Custody

For Cocoa

Version 3.1 June 2012





Copies of this document are available for free in electronic format on the

UTZ Certified Training Center website:

<http://www.utzcertified-trainingcenter.com/>

If you are not able to access this document electronically, you may write to us at the following address to get hard copies at a reasonable cost-covering price:

UTZ Certified
De Ruyterkade 6
1013 AA Amsterdam
The Netherlands

All stakeholders are invited to send comments and suggestions on the document at any time: these will then be included in the next revision process.

Please use the feedback form that can be found on our website or requested via e-mail and send your comments or suggestions to:

certification@utzcertified.org

Or via regular mail to:

UTZ Certified Certification Department
De Ruyterkade 6 bg
1013 AA Amsterdam
The Netherlands



Introduction

UTZ Certified is a program and label for sustainable farming worldwide. Our mission is to create a world where sustainable farming is the norm. Sustainable farming helps farmers, workers and their families to fulfill their ambitions and contributes to safeguarding the earth's natural resources, now and in the future.

A world where sustainable farming is the norm, is a world where farmers implement good agricultural practices and manage their farms profitably with respect for people and planet, industry invests in and rewards sustainable production, and consumers can enjoy and trust the products they buy.

The UTZ Certified Chain of Custody requirements for Cocoa have been designed to provide a high level of confidence that UTZ Certified cocoa is physically and/or administratively related to UTZ Certified cocoa producers. These requirements are a set of chain-wide administrative and technical requirements ensuring the traceability of UTZ Certified cocoa. Therefore, the standard includes above all criteria for physical and/or administrative separation of UTZ Certified cocoa and non-UTZ Certified cocoa.

UTZ Certified strives to continuously improve its certification documents through regular revisions in close cooperation with all stakeholders. The first UTZ Certified Chain of Custody for Cocoa was developed with several stakeholders in 2009. After a detailed revision, a second version was issued in 2010 that featured a revised scope and structure of the document. In November 2011, we issued version 3.0 based on concrete experience and consultation, which featured a change of document structure and deeply revised control points. In June 2012, it was necessary to make a few content clarifications, minor format changes and aligns the minimum certified content of chocolate, compound and consumer-end products with the Cocoa Labeling and Communications Policy.

Why an updated version?

UTZ Certified has continued to review this document to maintain an updated set of requirements that is in accordance with our vision to achieve sustainable agricultural supply chains and the traceability of products back to their origin. Also, the updated version streamlines the approach and terminology as much as possible with the Chain of Custody documents for Coffee and Tea.

The "UTZ Certified Chain of Custody for Cocoa" version 3.1 June 2012 replaces the "UTZ Certified Chain of Custody for Cocoa" version 3.0 November 2011".

UTZ Certified has the overall authority for the issuing and amendment of the requirements stated in this document.

Scope

This document applies to all operations and activities in the cocoa supply chain that involve physical handling (including administrative traceability) of certified products, a change of ownership and leading to product claims. The UTZ Certified cocoa program and these Chain of Custody requirements only cover the 'cocoa' content of consumer-end products. Other end-product ingredients of consumer-end products are not included.

There is a major structural change to the Chain of Custody for Cocoa version 2011 whereas product flow control and volume management control points are incorporated into each chapter of each traceability program level while maintaining separate Part I General Requirements and Part III On-pack claims and logo use on Consumer-end Products. In this way, the supply chain actor **can refer only** to the chapter on the traceability program level they have chosen **along with** Part I and Part III.

Who must be certified?

Chain of custody certification is required for all supply chain actors who meet all three of the following criteria:



1. obtain legal ownership of UTZ Certified cocoa and
2. physically handle the cocoa and
3. make product claims about UTZ Certified (*business-to-business and/or business-to-consumer*)

By “product claim”, we mean a reference to UTZ claim (with or without the logo), that is made on a product. The product can be a bulk product (business-to-business) or a consumer package (business-to-consumer).

Physically handling refers to altering the product. Please note that it counts as an own activity, when the supply chain actor subcontracts the physical handling of cocoa. For example, if a supply chain actor buys and sells cocoa but does not handle the cocoa themselves but subcontracts an activity (for example re-bagging or processing), then the supply chain actor still needs to obtain the Chain of Custody certification. Further information regarding subcontracting/outsourcing is specified as a control point in chapter 2.

In cocoa, physically handling includes the following activities:

- cleaning, sorting, and drying
- mixing of cocoa
- bagging¹ⁱ
- processing (shelling, grinding, and pressing)
- chocolate manufacturing
- compound manufacturing
- consumer-end product manufacturing

For a producer/producer group that handles the UTZ cocoa and **does not use** the Mass Balance model, these requirements are integrated in the UTZ Certified Code of Conduct and are checked as part of the annual (re)certification. No additional Chain of Custody certification is needed. However, if this supply chain actor (producer/producer group) buys UTZ cocoa from other certificate holders (including supply chain actors and other producers) they need to obtain a separate Chain of Custody certification.

Who does not need to be certified?

Supply chain actors that are not required to be certified against this document (*these supply chain actors may be certified at their own request*):

Chain of custody-exempt Good Inside Portal license holder:

Supply chain actors for which the first and third criteria are only applicable do not need to be Chain of Custody certified (e.g. trader). However, to be able to trade UTZ Certified produce, these supply chain actors must record in the Good Inside Portal for cocoa to obtain a license. In this way, they can manage their purchases and sales in the Good Inside Portal.

Subcontractor:

Supply chain actors for which the second and/or third criteria are applicable are considered subcontractors. Further information regarding outsourcing/subcontractors is specified as control points in chapter 2. Subcontractors may be certified against the requirements on their own request.

Small volume supply chain actor

Small volume supply chain actors – referred to as small artisanal companies using pre-manufactured chocolate to produce consumer-end products – who handle less than 10 Metric Tons of total cocoa bean equivalent (UTZ and non-UTZ) per calendar year, are not required to obtain Chain of Custody certification.

¹ Altering includes opening of bags and containers (e.g. opening means re-packing into different units for customers but not opening or re-packing as part of regular quality control) but not to handling or transporting a closed unit.



UTZ Certified allows then these small volume supply chain actors to use the logo and make product claims without being certified. This small volume supply chain actor must complete a declaration form and approval from UTZ Certified is required. For more information about the requirements and approval procedure, please contact: cocoa@utzcertified.org.

Obtaining Chain of Custody Certification

Certification must be carried out by a Certification Body, approved by UTZ Certified (for requirements see the UTZ Certified Certification Protocol, in particular Audit process and Audit process for Chain of Custody). A list of approved Certification Bodies can be found on the UTZ Certified Training Center website.

To obtain the certification of UTZ Certified Chain of Custody, a supply chain actor has to comply with all control points which are applicable to the activities of the supply chain actor.

Any requests for exceptions to these requirements must be consulted to UTZ Certified Standards and Certification Department (written requests only): certification@utzcertified.org.

The first audit should occur not more than 3 months before, or 3 months after, the supply chain actor starts to handle the certified cocoa. The validity of the certificate starts from the date that the Chain of Custody requirements are proven to be in place or when the certification decision has been taken by the CB. The 3 month rule's interpretation varies by traceability program levels:

- for Mass Balance: the supply chain actor's audit must be performed within the three months before or the three months after the cocoa is physically delivered.
- for Segregation and IP: the supply chain actor's audit must be performed within the three months before or the three months after the cocoa is physically processed.

The supply chain actor is only certified for the product types that are included during the audit and specified on the certificate. The product types that UTZ Certified distinguishes are cocoa beans, cocoa nibs, cocoa liquor/mass, cocoa butter, cocoa cake, cocoa powder, chocolate in bulk, compound in bulk, and finished products (consumer-end products).

The UTZ Certified logo on the final package can only be used upon written approval by UTZ Certified. Requirements for the use of the UTZ Certified logo are stated in the "UTZ Certified Labeling and Communication Policy". Further information can be found in the above mentioned document or contact: communications@utzcertified.org.

Certification options

For the Chain of Custody certification, the following certification options are applicable:

- **Individual certification:** Under this certification option, the certificate holder is an individual supply chain actor.
- **Multi-site certification:** Under this certification option, several units/locations belong to one central management. This central management is then the certificate holder. The scope of the certificate is per country, with the exception of EU-27 countries.

For more information on the certification options, please refer to the latest version of the UTZ Certified Certification Protocol.

Traceability program levels

Throughout the production chain, supply chain actors can choose between the following traceability program levels:

- **Mass Balance: administrative traceability**
- **Segregation: physical traceability**
- **Identity Preserved: physical traceability with producer information**

The Mass Balance program level creates the weakest physical link between certified input and output; the IP program level creates the strongest. As a new traceability program level, Identity Preserved (IP) maintains the identity of a certified producer or a grouping of certified producers along the supply chain. In order to get this designation, specific requirements must be met in terms of separation and identification throughout the whole supply chain.

Different traceability program levels can be used in one supply chain and within one supply chain actor.

- Throughout the chain, it is only possible to choose a program level with a physical link that is equal or lower than the supplied input (see figure 1). This choice depends on the traceability program level used by the supplying company. Each of the traceability program levels is linked to different options for making product claims and/or logo use. The external Chain of Custody audit will check the relevant control points in relation to the selected traceability program level(s) or TPL(s).
- Based on the certification body's risk assessment, the sites to be physically verified during the audit are determined and mutually agreed upon. Segregation/Identity Preserved implies a physical verification (head office, all production sites) whereas Mass Balance implies a full documentation review (head office, selected production sites). (Please consult the Certification Protocol for further information.)
- All Chain of Custody certified supply chain actors that buy, sell, and produce pure cocoa products (eg. beans, liquor, butter, and powder) have a role to play in the traceability of UTZ Certified cocoa via the Good Inside Portal . Please note that Chain of Custody certified supply chain actors buying chocolate and producing/selling chocolate and consumer-end products have limited access to the Good Inside Portal and do not have an active role in the system.

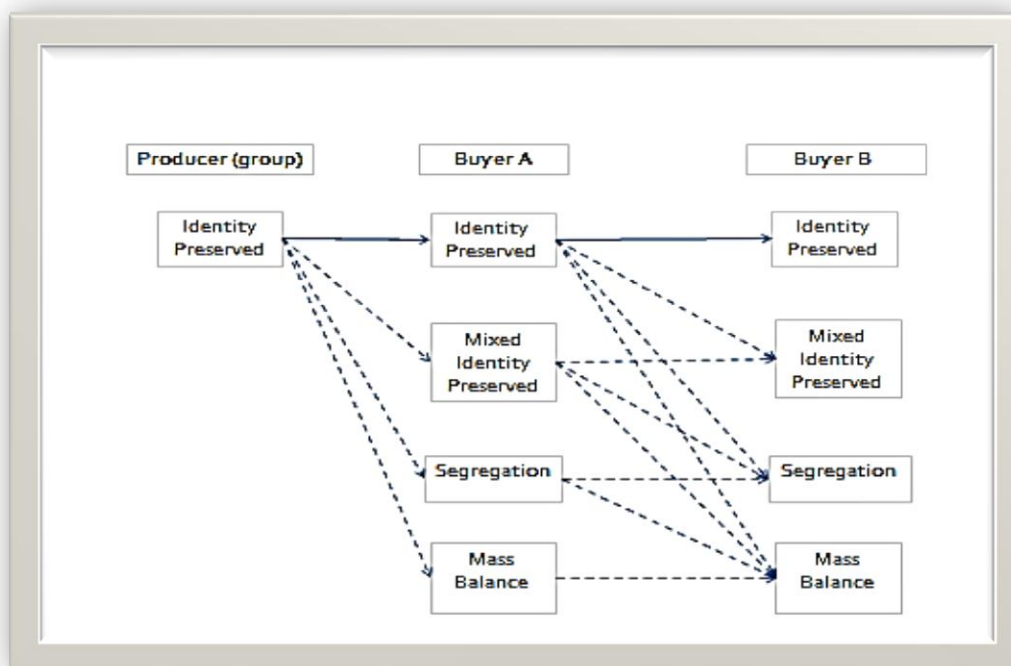
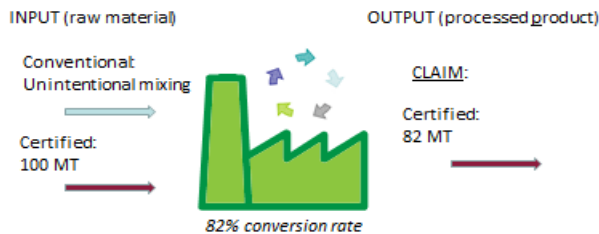


Figure 1: Possible combinations of program levels throughout the chain (the physical link can only become weaker).

Figures 2 and 3: Segregation program level (physical traceability)

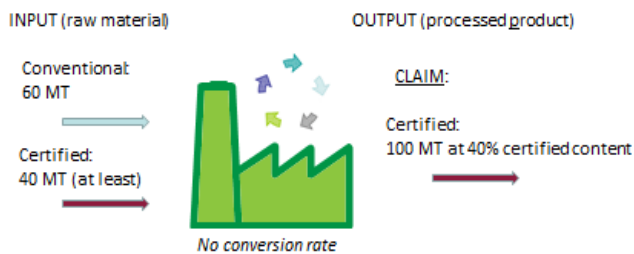
Segregation (physical traceability)
example: cocoa beans to cocoa liquor



N.B. Stronger physical link (assuming tight process control), In Identity Preserved, the product is not only Segregated but information on the original producer certificate holder is maintained.

UTZ CERTIFIED Good Inside

Segregation (physical traceability)
example: pure cocoa products to chocolate

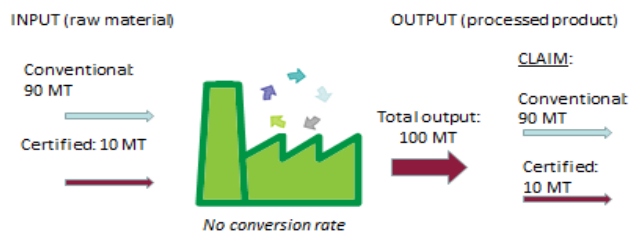


N.B. Stronger physical link but only 40% volume coverage. The minimum percentage will increase as follows: 2010-2011: 30%, 2012: 40%, 2013: 60%, 2014: 90%

UTZ CERTIFIED Good Inside

Figure 4: Mass Balance program level

Mass Balance (MB)
example: pure cocoa products to chocolate



N.B. No or very weak physical link, but 100% volume coverage

UTZ CERTIFIED Good Inside



Other relevant documents

Other important and useful documents include:

- The UTZ Certified **Certification Protocol**. This document describes the procedures that the certificate holder and the CB have to follow during the certification process.
- The UTZ Certified **Chain of Custody checklist**. This document is useful for the CB during the audit and also for the certificate holder to carry out the self-inspection.
- The UTZ Certified **Labeling & Communications Policy for Cocoa**. This document contains the requirements for the use of the UTZ Certified name and logo.
- The UTZ Certified Quick Start Guide for Members. This document contains the guidance comments for the use of the UTZ Certified Good Inside Portal traceability system.

These documents can be downloaded at the UTZ Certified Training Center website: www.utzcertified-trainingcenter.com.

Date of compliance

Certification according to the UTZ Certified Chain of Custody version 3.0 November 2011 has been possible from December 1st 2011 and all audits performed after March 1st 2012 have been required to conform to the version 3.0.

It is mandatory from the 1st of June 2012 to be certified against the requirements of the UTZ Certified Chain of Custody for Cocoa version 3.1 June 2012.

Any requests for exceptions to these requirements must be consulted to UTZ Certified Certification Department in writing: certification@utzcertified.org.



Definitions

Claim period: The period specified by the supply chain actor (SCA) for product types and traded volumes during which a specific UTZ Certified claim can be made. The minimum length of the claim period shall be the length of time to complete one batch run (including receipt, storage, processing, packing, labeling and/or sale of the product).

Conversion rate: The ratio between quantity entering and leaving a given transformation process. This can be calculated by dividing the quantity of output by the quantity of input taking into account waste and other changes resulting from the transformation process.

Credit account: A record kept by a certified supply chain actor operating a 'mass balance system, which gives an overview of entries and withdrawals of volume credits for the purpose of selling products with UTZ Certified claims.

Final manufacturer: The supply chain actor that is the final buyer of the UTZ Certified cocoa product and produces the consumer end-product. The final buyer needs to be a registered member of UTZ Certified.

Finished product (consumer-end product): A product that requires no further transformation in terms of processing or packaging, prior to its intended end use.

First buyer: The supply chain actor that is the first buyer of the UTZ Certified cocoa. This cocoa comes from a producer (group) that is certified against the UTZ Certified Code of Conduct for Cocoa. The first buyer needs to be a registered member of UTZ Certified.

Grinder: The supply chain actor that processes cocoa beans to cocoa liquor/mass, butter and/or powder.

Identity Preserved (IP) program level: The traceability program level that maintains the identity of a certified producer along the supply chain by meeting certain separation and identification requirements.

Input: The raw materials, semi-finished or finished products that physically enter the production process of a certificate holder.

Job order: A production run performed according to specified requirements and within a specified timeframe.

Legal ownership: The right to possession and the power to convey those rights over the cocoa. Ownership can be in the form of a signed contract or other binding agreement that establishes the relationship between the cocoa and the supply chain actor. Ownership thus begins with such a binding agreement and does not necessarily require physical arrival of shipment.

Manufacturer: The supply chain actor that produces (semi) finished chocolate/cocoa products.

Mass Balance (MB) (administrative traceability) program level: the traceability program level refers to the administrative traceability of a certified product. Mass balance traceability allows a proportion of the outputs of a certificate holder to be sold with an UTZ Certified MB claim, corresponding to the quantity of UTZ Certified inputs (and considering the conversion rates). UTZ Certified input is managed in a supply chain actor's trading stock in the Good Inside Portal, if applicable, or otherwise translated into a certified cocoa credits and managed in a credit account.

MB claim: A claim for products sold as UTZ Certified by a supply chain actor using the MB traceability program level.

Operator: The supply chain actor that is the legal owner of the UTZ Certified cocoa that physically handles the cocoa and makes an UTZ Certified claim either on or off-product, such as a grinder, manufacturer or confectionary.

Output: The raw materials, semi-finished products or finished products that are produced and/or supplied by an supply chain actor.



Product type: A general description of outputs based on a standard classification. The product types according to the UTZ Certified classification are cocoa beans, cocoa nibs, cocoa liquor/mass, cocoa butter, cocoa powder, chocolate, compound and consumer-end product.

Processor: The supply chain actor that processes cocoa beans or semi-finished product. This can be for example a grinder or manufacturer.

Sales announcement: An announcement to UTZ Certified of sales of certified pure cocoa products by using the Good Inside Portal.

Segregation (physical traceability) program level: The traceability program level that refers to the physical traceability of the certified product. Pure cocoa products delivered must contain at least 95% certified cocoa, excluding cocoa beans that must be 100%. Chocolate, compound and consumer-end products can be fully segregated (at least 90% of certified cocoa) or with a lower certified cocoa content. Segregation with lower percentage of certified cocoa allows outputs to be sold with a percentage claim that corresponds to the proportion of UTZ Certified input over a certain period of time. The minimum content is not static and will increase over time:

- 2010/2011: 30%
- 2012: 40%
- 2013: 60%
- 2014: 90%

Site: A single functional unit of a supply chain actor or a combination of units situated at one locality, which is geographically distinct from other units of the same supply chain actor. One or more sub-sites may be regarded as part of a site if they are an extension of the main site with no purchasing, processing or sales functions of their own (e.g. a remote stockholding site).

Subcontractor: A supply chain actor contracted by the certificate holder to carry out specific tasks.

Supplier: The individual, company or other legal entity providing goods or services to a supply chain actor.

Supply Chain Actor; a supply chain actor is an entity that operates within the sustainable supply chain and, generally, takes ownership of the product. All supply chain actors need to be registered and the scope of their activities will determine if they need to be certified against the Chain of Custody requirements.

Trader: The supply chain actor buying and selling UTZ Certified cocoa products (i.e. exporters, brokers, importers) for its own account, not on behalf of clients.

Unintentional mixing: Unintentional mixing occurs in transport lines and storage/processing tanks when switching between certified and non-certified product, if they are not emptied/cleaned out first. This mixing is allowed, but should be minimised. It is assumed to be no more than 2-3%.

UTZ Certified input: The input that counts towards the input raw material or input credit for a product type.

UTZ Certified output: The raw materials, semi-finished products or finished products that are produced and/or supplied by a supply chain actor with an UTZ Certified claim.

UTZ Certified product: The material that is supplied with an UTZ claim by a supply chain actor that has been certified by an UTZ Certified approved Certification Body, and is eligible to carry the UTZ Certified name and/or logo.

UTZ Certified claim: A claim made on invoices for UTZ Certified material that specifies the certified volume and traceability program level (MB, segregated, or identity preserved claim).



Structure of this document

The remainder of this document is divided into three parts. Due to the structural change to version 2011, supply chain actors **can refer only** to the chapter on the traceability program level they have chosen **along with** Part I and Part III.

Part I- General Requirements

- Chapter 1: General Documented Control System
- Chapter 2: Outsourcing/Subcontractors
- Chapter 3: Good Warehouse Practices
- Chapter 4: Choosing a traceability model
- Chapter 5: The Good Inside Portal

Part II- Traceability Program Levels

- Chapter 6: Mass Balance program level
- Chapter 7: Segregation and Identity-Preserved program level(s)

Part III- On-pack claims and logo use on Consumer-end Products

- Chapter 8: Labeling Approval

| Nº | CONTROL POINT | GUIDANCE COMMENT |
|--|---|--|
| PART I –GENERAL REQUIREMENTS | | |
| Chapter 1 GENERAL DOCUMENTED CONTROL SYSTEM | | |
| 1.A.1 | The supply chain actor has a clearly documented control system, which addresses each applicable control point of the UTZ Certified Chain of Custody. | <p>For each applicable chapter, the documented control system:</p> <ul style="list-style-type: none"> a) Specifies the personnel responsible for the monitoring and control; and b) Specifies the procedures in place for the implementation of this standard. Procedures in place would include but not be limited to: <ul style="list-style-type: none"> ✓ Information on the applicable traceability program level(s) ✓ How records are kept c) Provides templates of forms, or records or documents that show compliance. <p>If the supply chain actor has a computerized tracking and tracing system such as SAP, it is necessary to check if such a system covers all the traceability elements of this standard.</p> <p>The documentation in regards to input vs. output needs to be clear.</p> |
| B. RECORD KEEPING | | |
| 1.B.1 | All records requested along the Chain of Custody audit are accessible, and kept for a minimum of two years. | The supply chain actor keeps appropriate records providing information about the UTZ Certified cocoa (and non UTZ Certified cocoa) that enters and leaves the supply chain actor’s site(s), such as volume. |
| Chapter 2 OUTSOURCING/SUBCONTRACTORS | | |
| The supply chain actor can outsource an activity including the physical handling and even altering of a cocoa product (e.g. processing pure cocoa products or manufacturing chocolate) to a subcontractor to be included in the scope of the Chain of Custody certificate. | | |
| 2.A.1 | The subcontractor is part of the certification of the supply chain actor who is outsourcing the activity. As such, the supply chain actor (certificate holder) is responsible for compliance of the applicable control points of the subcontractor. A self-assessment of compliance against the UTZ Certified relevant control points must be provided. | <p>The self-assessment can be done by the subcontractor or by the supply chain actor (certificate holder). The self-assessment is done by using the UTZ Chain of Custody checklist. The supply chain actor can adapt the UTZ Certified checklist for the subcontractors with only the control points applicable to the provided services. Additional proof can also be requested by the CB.</p> <p>Subcontractors may be certified to Chain of Custody on their own request. In cases when subcontractors have an own UTZ Chain of Custody certificate, the subcontracted activities do not have to be checked again by the CB; a valid certificate of the subcontractor at the certificate holders’ office is sufficient to show compliance.</p> |

| Nº | CONTROL POINT | GUIDANCE COMMENT |
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| 2.A.2 | If the subcontracting activities include physical handling of cocoa products, the CB can decide to include the subcontractor in the physical audit. | To determine if subcontracted entities that alter cocoa products must be audited or physically visited, the certification body bases this decision only on their risk assessment. The certification body's right to do so is included in the supply chain actor's contract with the subcontractor or any formal agreement. |
| Chapter 3 GOOD WAREHOUSE PRACTICES | | |
| 3.A.1 | Good handling practices are applied to ensure good and consistent quality and food safety. These practices ensure: 1) cocoa beans are reasonably free of foreign matter and other elements to meet contractual requirements; 2) dried beans are packaged in clean, strong bags, preferably jute bags; 3) cocoa beans are stored off the ground and away from walls in a dry, well-ventilated area, away from sources of contamination such as agrochemicals, fuel, flammable substances, smoke, etc.; 4) cocoa beans are prevented from getting wet during loading and transport. | This control point applies only to cocoa beans. |
| 3.A.2 | Good hygiene is maintained during product handling. To ensure good hygiene: 1) Tools, equipment and vehicles used to transport cocoa beans are well-cleaned and maintained, to ensure that they are free of contaminants; 2) Storage and handling facilities (production sites, warehouses, and collection centers, etc), and equipment are cleaned and maintained so as to prevent contamination and pests. 3) Cleaning products and other substances are kept in a designated area, separate from cocoa beans and packaging materials; 4) Litter and waste are stored in designated areas and disposed of appropriately. | This control point applies only to cocoa beans. |
| Chapter 4 CHOOSING A TRACEABILITY PROGRAM LEVEL | | |
| 4.A.1 | For every product, the supply chain actor (SCA) can only choose traceability program levels with the same or a weaker physical link as its supplier has used for the same cocoa. | See also figure 1 on page 6. |

| Nº | CONTROL POINT | GUIDANCE COMMENT |
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| 4.A.2 | If within a production period, inputs originating from <u>different traceability program levels</u> are mixed, the supply chain actor can only use the program level with the weakest physical link for its outputs. | For example if segregated input is mixed with mass balance input, the output can only be mass balance. |
| <p>Chapter 5 THE GOOD INSIDE PORTAL Please note all supply chain actors that buy, sell, and produce pure cocoa products (e.g. beans, liquor, butter, and powder) record transactions in the Good Inside Portal effective May 31st 2011.</p> | | |
| <p>A. MANAGEMENT OF INPUTS and OUTPUTS</p> | | |
| 5.A.1 | <p>The supply chain actor manages a <u>trading stock</u> that records additions and deductions of UTZ Certified cocoa for all relevant product types in their trading stock in the Good Inside Portal.</p> <p>For Segregation, the supply chain actor's trading stock is updated at least every month for purchases and sales.</p> <p>For Mass Balance, the supply chain actor's trading stock is updated every three months for purchases and sales, including the production chocolate from pure cocoa products [see the tracing function in the Quick Start Guide for Members (and Cocoa annex)].</p> <p>If a supply chain actor has bought UTZ Certified cocoa and sells it as non-UTZ Certified cocoa, their trading stock must be updated when applicable.</p> | The Good Inside Portal allows only a positive trading stock, therefore, actual transactions must be managed in a way that strives to maintain a positive balance in the system. |
| <p>B. CONFIRMATION OF INPUTS</p> | | |
| 5.B.1 | <p>For each purchase of UTZ Certified cocoa, a buyer confirmation is made through the Good Inside Portal.</p> <p>For Mass Balance purchases, the supply chain actor can show the link between the respective volumes delivered and the corresponding contract.</p> | <p>The supply chain actor enters all transactions into the Good Inside Portal by making a buyer confirmation. All purchases must be accompanied by the respective records.</p> <p>If indication is not given on each Mass Balance delivery, Mass Balance must be reflected in the supplier's sales invoices and/or buyer's purchase orders.</p> |
| 5.B.2 | When cocoa is sold as UTZ Certified in a later stadium than the initial transaction involving the producer, the producer and first buyer must agree upon a premium. The premium must be recorded in the sales announcement in the Good Inside Portal. | The first buyer is the next immediate actor in the supply chain who purchases from a producer who is a Code of Conduct certificate holder. |
| 5.B.3 | In case of retroactive claiming, the supply chain actor must (retroactively) confirm a transaction/sales announcement for the purchase in the Good Inside Portal. | For information regarding buyer confirmations and premium reporting, please refer to the Quick Start Guide for Members (and Cocoa annex). |

| Nº | CONTROL POINT | GUIDANCE COMMENT |
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| C. CONFIRMATION OF OUTPUTS | | |
| 5.C.1 | For each sale of UTZ Certified cocoa, a sales announcement is made in a timely manner through the Good Inside Portal. | The supply chain actor enters all transactions into the Good Inside Portal by performing the relevant function(s). Please see the Quick Start Guide for Members (and Cocoa annex). |
| PART II – TRACEABILITY PROGRAM LEVELS | | |
| Chapter 6 - MASS BALANCE PROGRAM LEVEL (administrative traceability) | | |
| The mass balance program level allows <u>a proportion of outputs of a certificate holder</u> to be sold with an UTZ Certified MB claim, corresponding to the volume of UTZ Certified inputs (and considering the conversion rates). UTZ Certified input is managed in a supply chain actor's trading stock in the Good Inside Portal, if applicable, or otherwise translated into a certified cocoa credits and managed in a credit account. | | |
| A. CERTIFIED INPUTS | | |
| 6.A.1 | The supply chain actor uses certified input that has been bought: With a MB claim or SG or IP "Double claiming" is not allowed. | If credits are based on segregated inputs, it must be ensured that these inputs are used for credit product types only and they are not used as segregated and added to the MB credit account as well. |
| 6.A.2 | The supply chain actor operates a system for assuring, verifying, and monitoring whether UTZ Certified cocoa credits come from an UTZ Certified source. The system can be based on written documents and procedures and/or an automated system. | For purchases of UTZ Certified cocoa credits from its suppliers, the supply chain actor operates a system that includes the following requirements: a. Verifying the validity and scope of the UTZ Certified certificate of the supplier; b. Linking the credits allocated to certain deliveries with the contract. The supply chain actor can determine the quantity of certified input based on the claim (volume, not percentage). To show compliance, the supply chain actor's system can be proven by an UTZ reference on any one of the following types of documentation: contracts, purchase orders, sales invoices, delivery notes, SKUs or group of SKUS, and/or pro-forma invoices. If an UTZ reference is not indicated on individual sales invoices, it is recommended that the supply chain actor maintain a document that links the UTZ reference to a list of invoices of UTZ products. If there are volume inconsistencies between MB input and output, the supply chain actor can show the negative amount of credits will be compensated with a future contract or delivery. |
| B. PRODUCT TYPES & VOLUME CONTROL AND CERTIFIED OUTPUTS | | |
| 6.B.1 | The supply chain actor has a system in place to ensure that the quantities sold with UTZ Certified claims for each product type correspond with quantities of certified inputs and associated claims. | Product types defined per standard classification: cocoa beans, cocoa nibs, cocoa liquor/mass, cocoa butter, cocoa powder, chocolate, compound and consumer-end product. |

| Nº | CONTROL POINT | GUIDANCE COMMENT |
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| | <ul style="list-style-type: none"> - The supply chain actor maintains an updated list of all output products sold as UTZ, which can be indicated by either name, SKU or grouping of products and SKUs. | <p>To show compliance, the supply chain actor's system can be proven by an UTZ reference on any one of the following types of documentation: contracts, purchase orders, sales invoices, delivery notes, SKUs or group of SKUS, and/or pro-forma invoices.</p> |
| 6.B.2 | <p>This system (6.B.1) takes into account conversion rates. For cocoa bean processors, the conversion rate from cocoa beans to cocoa liquor/mass is 0.82.</p> | <p>The methodology and calculations of conversion rates are documented and kept up-to-date. The calculations must be reflected in the relevant documentation.</p> |
| 6.B.3 | <p>For each product type, the supply chain actor makes an annual overview of the total annual volume purchased and sold of UTZ Certified and non-UTZ Certified cocoa (or credits), including:</p> <ul style="list-style-type: none"> - input credits purchased - outputs credits sold | |
| <p>C. CREDIT ACCOUNT (not applicable if the supply chain actor manages a trading stock in the Good Inside Portal)</p> | | |
| 6.C.1 | <p>The supply chain actor sets up a credit account that records additions and deductions of UTZ Certified credits for all relevant product types. The credit account specifies the volume purchases and sales per period for each product type.</p> <p>The supply chain actor has a functioning system to monitor the credit balance in the overview.</p> <p>The overview is available for the auditor during the external audit.</p> | <p>The supply chain actor should have one consolidated credit account including all relevant product types, giving a clear overview of all UTZ Certified credit calculations per period (e.g. monthly).</p> <p>In the credit account documentation, it must be clearly stated the relation between incoming vs. outgoing products. The supply chain actor monitors the credit account to ensure that is never overdrawn for a prolonged period and that records of remaining UTZ Certified credits are up-to-date and clear to all relevant staff.</p> <p>The converted quantity can be added after the supply chain actor has gained legal ownership (a contract or purchase order with an expected delivery within two months is sufficient).</p> |
| 6.C.2 | <p>The credit account overview and calculations are recorded, monitored, and updated regularly at least every three months.</p> | <p>The supply chain actor can make a claim up to the total credit available on the credit account, taking into account planned purchases of certified product.</p> <p>If the credit account is overdrawn at any point, a negative balance is accepted provided there is strong evidence that the supply chain actor is continuously replenishing their credits and they are aiming to have a positive balance.</p> |
| 6.C.3 | <p>Credits can last a maximum of five years. Credits that are not used within this period shall be deducted at the beginning of the new certificate year.</p> <p>Credits are only accrued with continuous certification.</p> | |

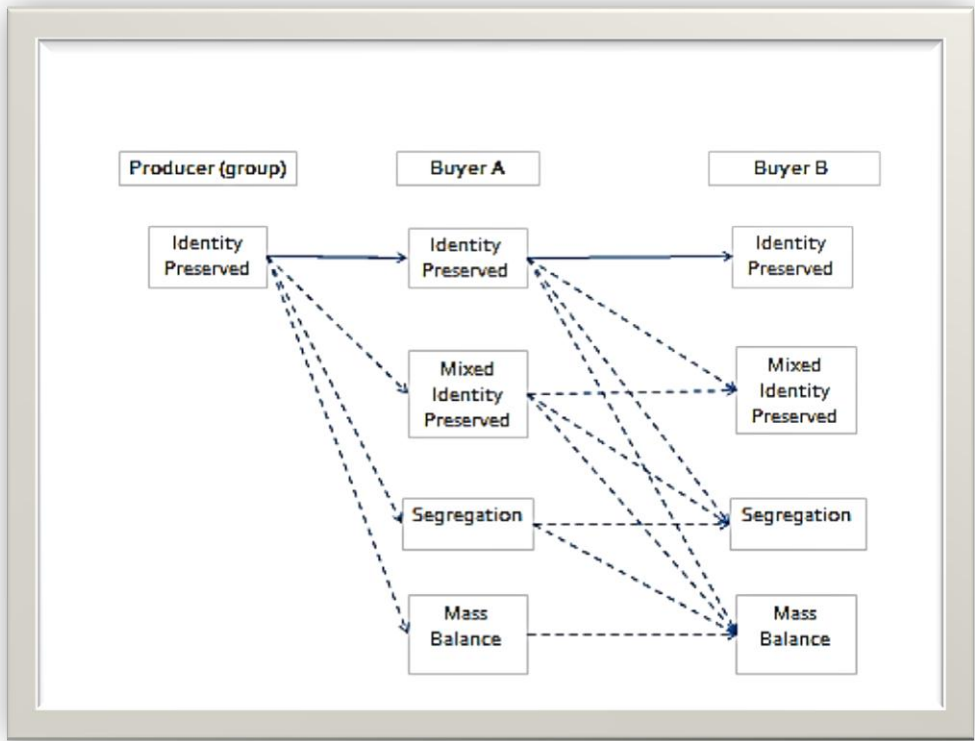
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| Chapter 7 - SEGREGATION / IDENTITY PRESERVED PROGRAM LEVELS (physical traceability) | | |
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In the Segregation program level, certified volume input is kept separated throughout the chain. Each pure cocoa product delivered must contain at least 95% certified cocoa, excluding cocoa beans that must be 100%. For manufacturing and delivering chocolate, compound and consumer-end products, certified input can be mixed (meaning a mix of certified cocoa with non-certified cocoa). The mix needs to be kept separated and the minimum certified cocoa content will increase as follows: 2011: 30%, 2012: 40%, 2013: 60%, and 2014: 90%. Unintentional mixing is allowed during production changeovers.

The Identity Preserved (IP) traceability program level builds upon the fundamentals of Segregation by maintaining the identity of a certified producer along the supply chain and enables a supply chain actor and/or consumer to trace the cocoa all the way back to the producer it originates from. In order to get this designation, specific requirements must be met in terms of separation, identification and data management throughout the whole supply chain. This traceability program level provides the highest physical link between the certified producer and the end user of the certified product.

NOTE: IP is only applicable to supply chain actors and/or their customers that operate an online trace-n-tell facility (cocoa tracer). A cocoa tracer is an online marketing tool that enables users to identify the producers of a consumer-end cocoa product.



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| A. CERTIFIED INPUTS | | |
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| 7.A.1 | The supply chain actor uses certified input that has been bought with the same or higher traceability program level (refer to the above figure). | For segregation: The supply chain actor uses the claim (volume, not percentage) on the supplier's invoice or the corresponding contract to determine the quantity of certified input. Each pure cocoa product delivered must contain at least 95% certified cocoa. Any exception to be able to deliver mixed pure cocoa products (e.g. 40% certified input) must be requested directly to UTZ Certified. |
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| | | For IP: In addition to the above, the supply chain actor separates, identifies and maintains the producer's information in each corresponding lot. |
| 7.A.2 | <p>The supply chain actor operates a system for assuring, verifying, and monitoring whether UTZ Certified cocoa, is indeed UTZ Certified.</p> <p>The system can be based on written documents and procedures and/or an automated system such as SAP.</p> | <p>For purchases of UTZ Certified cocoa , the supply chain actor operates a system that includes the following requirements:</p> <ul style="list-style-type: none"> c. Verifying the validity and scope of the UTZ Certified certificate of the supplier; d. Verifying the invoices and/or documents that accompany the delivery of the cocoa to confirm its certified status. It is strongly recommended to indicate "UTZ Certified cocoa" and the traceability program level. <p>To show compliance, the supply chain actor's system can be proven by an UTZ reference on any one of the following types of documentation: contracts, purchase orders, sales invoices, delivery notes, SKUs or group of SKUS, and/or pro-forma invoices.</p> <p>For IP: This system allows the supply chain actor to demonstrate the identity of the producer(s) in each corresponding lot, when tracing or selling the cocoa as IP.</p> |
| B. PRODUCT TYPES & VOLUME CONTROL AND CERTIFIED OUTPUTS | | |
| 7.B.1 | <p>The supply chain actor has a system in place to ensure that the quantities produced and sold for each product type with UTZ Certified claims correspond with quantities of certified inputs and traceability program level.</p> <ul style="list-style-type: none"> - The supply chain actor maintains an updated list of all output products sold as UTZ, which can be indicated by either name, SKU or grouping of products and SKUs. | <p>Product types defined per standard classification: cocoa beans, cocoa nibs, cocoa liquor/mass, cocoa butter, cocoa powder, chocolate, compound and consumer-end product.</p> <p>Volume control of certified outputs is managed by product type per defined production periods.</p> <p>The supply chain actor enables visible identification of UTZ Certified cocoa. This can be done (with or without the UTZ Certified logo) by making references on signs, tags or labels on bags or pallets and also relevant documentation.</p> <p>Unintentional mixing is allowed during production change-overs. It is recommended that unintentional mixing should be minimized by producing long enough runs. In production change-overs, it is not necessary to clean equipment before beginning an UTZ production run.</p> |
| 7.B.2 | This system [7.B.1] takes into account conversion rates. For cocoa bean processors, the conversion rate from cocoa beans to cocoa liquor/mass is 0.82. | <p>For all product types (excluding beans to liquor), the supply chain actor indicates the conversion rate bandwidth (e.g. liquor to butter and powder) or specifies the conversion rate of the total of processing steps.</p> <p>The methodology and calculations of conversion rates are documented and kept up-to-date. The calculations</p> |

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| | | must be reflected in the relevant documentation. |
| 7.B.3 | The supply chain actor documents each purchase and/or sale of UTZ Certified cocoa. | For each purchase or sale of UTZ Certified cocoa, a sales announcement is made, verified and/or confirmed correctly through the Good Inside Portal. If use of the Good Inside Portal is not applicable to the supply chain actor (e.g. does not handle pure cocoa products), then the supply chain actor has a system in place to provide their own documentation. |
| 7.B.4 | For each product type, the supply chain actor makes an annual overview of the total annual volume purchased and sold of UTZ Certified and non-UTZ Certified cocoa, including: <ul style="list-style-type: none"> - inputs received - inputs used for production - inputs still in stock - outputs sold - outputs still in stock | |
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| PART III: ON-PACK CLAIMS AND LOGO USE ON CONSUMER-END PRODUCTS | | |
| Chapter 8 – LABELING APPROVAL | | |
| <i>For more information, please refer to the latest version of the Labeling and Communications Policy for Cocoa.</i> | | |
| A. SECURE PRODUCT IDENTIFICATION AND THE USE OF THE UTZ CERTIFIED LOGO AND ON-PACK CLAIMS | | |
| 8.A.1 | The supply chain actor must show written approval of UTZ Certified for each consumer end-product (retail and foodservice products) for which they place the UTZ Certified claim or logo on the packaging. The approval can be issued for a product or for a group of products (SKU or group of SKUs). | Based upon the traceability program level stated in the Required Information for Approval Form, the correct claim and placement of the logo are checked by UTZ Certified and confirmed to the brand owner in the written approval letter. The labeling approval is valid until the brand owner makes changes in the packaging design or decides to change to a different traceability program level. If the labeling approval is not available in the case of private label products, the manufacturer must show written communication requesting their client provide them with the labeling approval (dated before production of the specific product (or group of products)). |
| 8.A.2 | For each consumer-end product with a segregated claim, the supply chain actor requests a labeling approval from UTZ Certified that reflects at least the minimum certified cocoa content. | The minimum certified cocoa content will increase as follows: 2011: 30%, 2012: 40%, 2013: 60%, and 2014: 90%. |