

# Chain of Custody Standard

Version 1.1 December 2015

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## Contents

1. INTRODUCTION	3
1.1. What is the Chain of Custody Standard?	3
1.2. Why an updated version?	3
1.3. When to comply with the Chain of Custody Standard version 1.1 December 2015	3
1.4. Scope of the Chain of Custody Standard	4
1.5. Other relevant documents	4
1.6. Labeling and Trademark Policy	5
1.7. Abbreviations	5
1.8. Definitions	5
1.9. Traceability levels	7
2. The Chain of Custody requirements	8
Chain of Custody Cocoa Annex	13
1. Introduction to the Chain of Custody Cocoa Annex	13
2. Contacting UTZ Certified	13
3. Definitions	13
4. Physical handling activities	14
5. Supply Chain	15
6. Mass balance	16
7. Conversion rates	17b
8. Minimum % requirements	17b
9. GIP Transactions and Stock Activities	17c
Chain of Custody Coffee Annex	18
1. Introduction to the Chain of Custody Coffee Annex	18
2. Contacting UTZ Certified	18
3. Physical handling activities	18
4. Supply Chain	19
5. Conversion rates	20
6. Minimum % requirements	20
7. GIP Transactions and Stock Activities	20
Chain of Custody Hazelnut Annex	22
1. Introduction to the Chain of Custody Hazelnut Annex	22
2. Contacting UTZ Certified	22
3. Definitions	22
4. Physical handling activities	22
5. Supply Chain	23
6. Mass balance	24
7. Conversion rates	25
8. Minimum % requirements	26
9. GIP Transactions and Stock Activities	26
Chain of Custody Tea Annex	28
1. Introduction to the Chain of Custody Tea Annex	28
2. Contacting UTZ Certified	28
3. Definitions	28
4. Physical handling activities	28
5. Supply Chain	29
6. Conversion rates	29
7. Minimum % requirements	29
8. Transactions and Stock activities	30
Chain of Custody Herbs Annex	31
1. Introduction to Chain of Custody Herbs Annex	31
2. Background of the UEBT/UTZ Certified Herbal Tea program	31
3. Contacting UTZ Certified	31
4. Definitions	31
5. Physical handling activities	31
6. Supply Chain	32
7. Minimum % requirements	33
8. GIP Transactions and Stock Activities	33

# 1. 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 values sustainable production, and consumers can enjoy and trust the products they buy.

## 1.1. What is the Chain of Custody Standard?

The Chain of Custody Standard is a set of requirements designed to provide a high level of confidence that UTZ certified products are physically or administratively (in the case of mass balance) related to UTZ certified producers/producer groups, and ensures the traceability of UTZ certified product. Certification against the Chain of Custody Standard ensures that the products sold by a certified supply chain actor (SCA) are UTZ certified, and have been traded and handled according to the requirements set forth by UTZ Certified.

Those who use the Chain of Custody Standard should consult the product specific annex corresponding to the product they are trading and/or processing. The product annex does not include requirements in the form of control points, however does stipulate rules and specifications regarding physical handling activities, traceability levels, conversion rates, and GIP transactions and stock activities relating to the product, which must be respected in order to obtain Chain of Custody certification.

*Note: The version number of the product annex may differ from the version number of the Chain of Custody Standard as either of these documents may be revised separately.*

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

## 1.2. Why an updated version?

The UTZ Certified standards are revised, improved, and updated periodically based on changes in the UTZ Certified program, past experience with the standard, and feedback received from stakeholders. The prior versions of the Chain of Custody standards (coffee version 5.0 May 2013; tea and rooibos version 2.0 November 2011; cocoa version 3.1 June 2012) have been revised in order to:

- establish a generic Chain of Custody Standard that includes the same requirements for all products;
- establish clearer Chain of Custody requirements;
- align with the latest version of the UTZ Certified Certification Protocol.

In addition, the development of a generic Chain of Custody standard will facilitate the incorporation of new products into the UTZ Certified program.

The Chain of Custody Standard 1.1 immediately replaces version 1.0, and incorporates minor changes to provide further clarification on the definition of product claim; minimum percentage requirements for making UTZ product claims; and the use of the Remove function in the Good Inside Portal.

## 1.3. When to comply with the Chain of Custody Standard version 1.1 December 2015

All audits performed after January 1<sup>st</sup> 2016 must be against the version 1.1 December 2015 of the Chain of Custody Standard and applicable product annex. After January 1<sup>st</sup> 2016, the UTZ Certified Chain of Custody Standard version 1.1 December 2015 substitutes any previous version of an UTZ Certified Chain of Custody standard (Coffee version 5.0 May 2013; Tea and Rooibos version 2.0 November 2011; Cocoa version 3.1 June 2012).

Between December 1<sup>st</sup> 2015 and January 1<sup>st</sup> 2016, an audit can be performed either against a latest prior version of a Chain of Custody standard (Coffee version 5.0 May 2013; Tea and Rooibos version 2.0 November 2011; Cocoa version 3.1 June 2012) or against the Chain of Custody Standard version 1.1 December 2015, unless the audit is for a product new to the UTZ program (hazelnut or herbal tea) in which case only the Chain of Custody Standard version 1.1 December 2015 can be applied.

SCAs who wish to trade and/or process a certified product which is new to the UTZ program (hazelnut or herbal tea) and who received an audit that resulted in certification prior to July 1<sup>st</sup> 2015 which was based on a previous version an UTZ Certified Chain of Custody standard for any of the above mentioned versions for cocoa, coffee, tea or Rooibos do not need to undergo a separate audit for the new product. Instead they can sign a “Chain of Custody Standard Compliance Declaration” for the product they wish to add to their scope. They will then receive a license for the new product. Please contact [hazelnut@utzcertified.org](mailto:hazelnut@utzcertified.org) or [tea@utzcertified.org](mailto:tea@utzcertified.org) if you wish to make use of this option.

**Product cannot be sold as UTZ unless the SCA has a valid certificate/license, or an authorization from UTZ Certified.**

#### 1.4. Scope of the Chain of Custody Standard

The Chain of Custody Standard applies to all SCAs who trade and/or process an UTZ certified product. Some of these SCAs do not need to be audited and certified, but still have to comply with the Chain of Custody Standard and may require a license to trade UTZ certified product in the Good Inside Portal<sup>1</sup>. Further information on which SCAs do and do not need to be audited and certified can be found in chapter 2 of the Certification Protocol.

The requirements included in the Chain of Custody Standard apply only to the trading and/or processing of the UTZ certified product, and not to any other product or ingredient.

This document is the original English version. In case there is any doubt on the accuracy of the information in any translated version of this document, please refer to the English version which is the official and binding version.

#### 1.5. Other relevant documents

Translations of the Chain of Custody Standard and product annexes are available on the UTZ Certified website<sup>2</sup>. Other relevant documents relating to the Chain of Custody Standard are also available on the website. These documents include:

- **Certification Protocol:** describes the procedures and conditions for who needs to become certified and how to become an UTZ certified member. It also describes the procedures and requirements for becoming an UTZ approved Certification Body (CB).
- **List of approved CBs:** list of CBs which are approved by UTZ Certified to perform UTZ certification audits. Indication of the region/country where each CB can perform audits is also provided.
- **Chain of Custody Checklist:** summarized list of the Chain of Custody requirements (with an additional area for adding comments). This document is used by the SCA while carrying out the self-assessment. The checklist can also be used by auditors from CBs carrying out external audits.
- **Code of Conduct:** standard for producers/producer groups covering better farming methods and working conditions as well as better care for nature and next generations. If a producer/producer group implements the requirements of the Code and receive an audit carried out by an approved Certification Body which results in certification, they can sell their products as UTZ certified and need to record the sale in the UTZ Certified traceability system.

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<sup>1</sup> UTZ Certified's online Certificate Administration and Traceability System, accessible at [www.goodinsideportal.org](http://www.goodinsideportal.org)

<sup>2</sup> [www.utzcertified.org/](http://www.utzcertified.org/)

## 1.6. Labeling and Trademark Policy

The Labeling and Trademark Policy defines the requirements for:

- On-pack labeling of both retail and foodservice products, e.g. the UTZ label on coffee packages for the retail market and bean packages for the out-of-home markets.
- Off-pack use of the UTZ trademark, e.g. use of the UTZ trademark on a website, advertisement or corporate report.

Labeling includes all references to UTZ certified ingredients, both with and without the logo. The correct wording (text claims) is part of the policy as well as details on the correct logo use (color, positioning, size).

The policy can be found on the UTZ Certified website or by contacting the Member Support Team.

## 1.7. Abbreviations

The following is a list of abbreviations used in this document:

CB	Certification Body approved by UTZ Certified
CP	Control Point
ERP	Enterprise Resource Planning
GIP	Good Inside Portal
IP	Identity Preserved (traceability level)
MB	Mass Balance (traceability level)
SCA	Supply Chain Actor
SG	Segregation (traceability level)
SKU	Stock Keeping Unit

## 1.8. Definitions

<b>Buyer confirmation</b>	Confirmation of a purchase in the GIP of UTZ product
<b>Certificate</b>	Document issued by an UTZ approved CB when a member complies with the requirements of one or more of the UTZ Certified standards. The certificate provides a means to request a license in the GIP for the certified member to trade UTZ certified products.
<b>Consumer end-product</b>	A product that requires no further transformation in terms of processing or packaging prior to consumption, and is destined for retail sale or foodservice
<b>First buyer</b>	The supply chain actor that is the first buyer of the UTZ certified product. The first buyer purchases product from a producer/producer group who is certified against the UTZ Certified Code of Conduct.
<b>Foodservice (also called Out-of-Home)</b>	A company which purchases consumer-end product, and handles the product before serving or selling to consumers.
<b>Good Inside Portal (GIP)</b>	UTZ Certified's online certificate administration and traceability system
<b>Half-finished product</b>	Product which is not a consumer-end or foodservice product and is not traded in the GIP. Volumes of UTZ certified product used for the production of half-finished product must be traced in the GIP. Half-finished products include extracts, aromas, color, etc. not sold as consumer-end or foodservice products.
<b>Label approval</b>	An approval issued by UTZ Certified for any on-pack communication about UTZ Certified towards end-users in retail and foodservice
<b>License</b>	Permission granted by UTZ Certified to its members to use the UTZ trademarks and to use the GIP to record transactions and manage and store labeling approvals of UTZ products.
<b>Member</b>	All producers, producer groups, and SCAs that have successfully registered with UTZ Certified.
<b>Multi-certified</b>	When a product has been certified against two or more certification standards
<b>Non-pure product</b>	UTZ certified product which has been mixed with one or more ingredients or products different from the UTZ certified product (e.g. sugar, milk, etc.)
<b>"On Behalf User Authorization"</b>	Authorization signed by a supplier (producer/producer group) and a first buyer which authorizes the first buyer to register transactions in the GIP on behalf of the producer/producer group

<b>Packing</b>	The action or process of putting products into a package. Packing takes place at different stages in the supply chain, and also includes consumer-end packing (final packing of consumer-end products). Those who perform consumer-end packing must obtain a labeling approval from UTZ Certified.
<b>Physical Handling</b>	Any activity that includes physical contact with un-bagged, un-sealed, or un-packaged product. Activities considered as physical handling are listed in the product specific annexes.
<b>Product Claim</b>	<p>Any reference made about UTZ Certified or about the sustainable or responsible sourcing of a product or ingredient(s), that to all intents and purposes are wholly or partially based on UTZ Certified origin or status, with or without the UTZ Certified logo, which is made on-product or off-product, in relation to the offering or selling of the product. This can be both business-to-business and business-to-consumer. UTZ reserves the right to take the final decision on whether or not something is considered a product claim.</p> <p>The following examples are considered to be a product claim:</p> <ul style="list-style-type: none"> <li>• If the member mentions UTZ Certified or the sustainable sourcing of the product or ingredient(s) on an invoice to its clients;</li> <li>• If the member refers to UTZ Certified or the sustainable sourcing of the product or ingredient(s) in brand or product communications, including online, press, advertisements, point-of-sale;</li> <li>• If the member refers to UTZ Certified or the sustainable sourcing of the product or ingredient that has been delivered to them.</li> </ul> <p>Product claims are further explained in the Labeling and Trademark Policy.</p>
<b>Program Fee</b>	<p>The program fee (formerly "administration fee") is a volume-based contribution to the UTZ program. The program fee is UTZ Certified's main source of income and enables it to sustainably run and maintain its program and to provide the following services to its members:</p> <ul style="list-style-type: none"> <li>- Client support on implementation, sourcing and commercialization of UTZ certified products</li> <li>- Stakeholder acceptance and maintenance of the certification standards and assurance system in producing and consuming countries</li> <li>- Quality control and training in the certification process</li> <li>- Maintenance and innovation of the traceability system</li> <li>- Training and support to field extension providers to ensure proper implementation</li> </ul>
<b>Purchase announcement</b>	When a first buyer purchases pure products from a producer/producer group, and they have received authorization to register transactions in the GIP on behalf of the producer/producer group. Authorization from the producer/producer group provided via the GIP, or an "On Behalf User Authorization" form signed by both parties is required to perform this stock transaction.
<b>Pure product</b>	UTZ certified product which has not been mixed with any other ingredient or product different from the UTZ certified product (e.g. milk, sugar, etc.).
<b>Retroactive claiming</b>	When a product is claimed as UTZ certified at a later stage than the initial sale/purchase of the product, or after expiry of a license. In the case that the supplier or the buyer no longer hold a valid license, an application for a retroactive claim must be submitted to UTZ Certified, and conditions may apply for the claim to be accepted.
<b>Sales announcement</b>	Sale of UTZ certified product performed in the GIP to a SCA by a producer/producer group or a SCA.
<b>Self-assessment</b>	Evaluation performed by a member of its own implementation level of any of the UTZ Certified standards.
<b>Stock activity</b>	Any activity, excluding sales or purchase announcements and buyer confirmations performed on a member's stock of UTZ certified product. Stock activities include "Convert", "Downgrade", "Mix", "Remove", and "Trace".
<b>Stock keeping unit</b>	A distinct item for sale and all attributes (e.g. material, ingredients, size, packaging, etc.) associated with the item that distinguish it from other items.
<b>Subcontractor</b>	A supply chain actor contracted by the member to carry out specific activities. Typically they do not own the UTZ certified product.
<b>Supply Chain Actor</b>	An entity that operates within the UTZ supply chain and is not a producer/producer group. Examples of SCAs are processors (including subcontractors) and traders.

<b>Traceability level</b>	<p>Defines to what degree a product can be traced back to its certified source. In the UTZ program, there are three options (IP, SG, MB) of traceability levels that can apply to the certified product and related processes.</p> <p><b>Identity Preserved (IP):</b> The identity of a certified producer/producer group is maintained along the supply chain. The product can be traced all the way back to the producer/producer group that it originates from. A variation of the IP traceability level is <b>Mixed Identity Preserved (MixIP)</b>. Under this level, the product from multiple producers/producer groups is mixed, but the product can be traced back to this group of producers/producer groups. Requirements which apply to the IP traceability level also apply to MixIP.</p> <p><b>Segregation (SG):</b> UTZ certified product from different producers/producer groups is mixed. The product was produced by UTZ certified producers/producer groups, however the identity of the specific producers is lost.</p> <p><b>Mass Balance (MB)</b> (Note: the MB option is only possible for UTZ certified cocoa and hazelnut SCAs): Administrative traceability of a certified product. Mass balance traceability allows a proportion of the outputs of a SCA to be sold with an UTZ Certified MB claim, corresponding to the quantity of UTZ certified inputs (and considering the conversion rates).</p>
<b>Trace</b>	<p>Manufacturers of half-finished, consumer-end, or food service products (e.g. coffee roaster, tea packer, chocolate maker) that operate in the Good Inside Portal must trace all UTZ volumes for which they have confirmed receipt and which they will not sell onwards in the GIP. Their Trace Reports may be used further down the supply chain as supporting evidence of UTZ Certified status.</p>
<b>Transactions</b>	<p>Commercial transactions of UTZ certified product traded in the GIP. Includes “sales announcement”, “purchase announcement” and “buyer confirmation”.</p>
<b>UTZ certified product</b>	<p>For IP and SG: product produced by an UTZ certified producer and kept physically separated from non-UTZ certified products. For MB: product administratively related to an equal amount of product produced by an UTZ certified producer.</p>
<b>UTZ Premium</b>	<p>An additional cash amount paid above the market price for a similar conventional (non-certified/non-verified) product, because the product is sustainably produced and meets the requirements of the UTZ Certified standards. The UTZ premium is mandatory and agreed upon between the UTZ Code of Conduct certified group or producer and the first buyer, is net of any deductions for repayment of pre-financed goods or services, and is registered in the UTZ Certified Good Inside Portal.</p>

## 1.9. Traceability levels

Different traceability levels can be used in one supply chain and within one supply chain actor. This choice depends on the traceability level used by the supplying SCA. **Throughout the chain, it is only possible to choose a traceability level with a physical link that is equal to or lower than the supplied input.** Each of the traceability levels is linked to different options for making product claims and/or logo use.

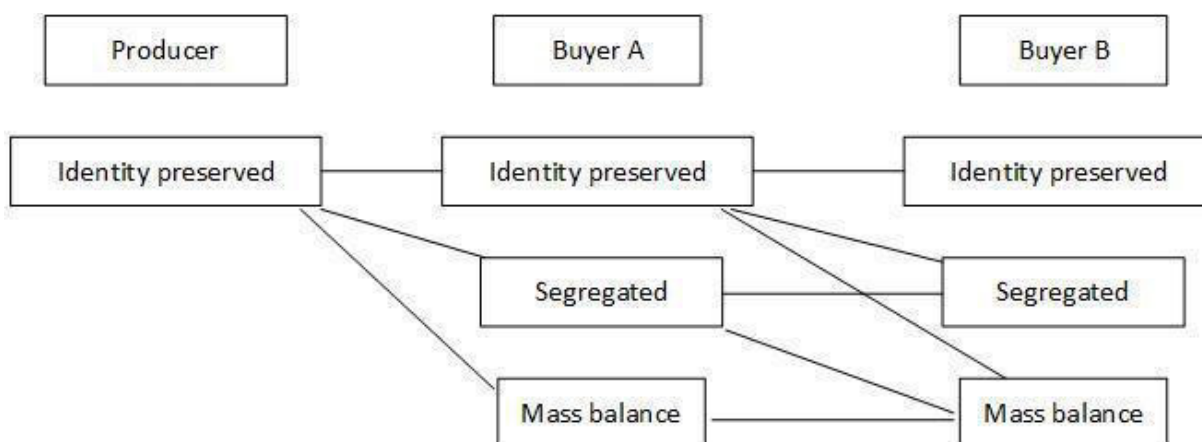
Supply chain actors can choose between the following traceability levels, listed from “strongest” to “weakest”:

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

UTZ Code of Conduct certified producers/producer groups can only operate under the IP traceability level.

The mass balance traceability level is only applicable to cocoa and hazelnut, and not to any other UTZ certified product. The first buyer is the first actor in the UTZ supply chain who can operate at the MB traceability level.





**Possible combinations of traceability levels throughout the chain (the physical link can only remain the same or become weaker when sold to a next buyer).**

Based on the certification body’s risk assessment, the sites to be physically audited are determined by the CB. SG/IP implies a physical audit (head office, all production sites) whereas MB implies a full documentation review (head office). Please consult Chapter 2 of the Certification Protocol for further information on which sites are included in the audit.

## 2. The Chain of Custody requirements

The Chain of Custody requirements are listed as “control points”. The SCA must comply with all control points applicable to their activities and products in order to be certified. The requirements are grouped into four chapters: Management, Traceability, Product Separation and Identification, and Product Claims.

The column entitled “Traceability Level (TL)” indicates to which traceability level(s) the control point applies. For example, if MB is indicated, the control point applies only to MB products. Supply chain actors who do not operate at the MB traceability level can indicate all MB control points as non-applicable.

**If no traceability level is indicated, the control point applies to products of all traceability levels.**

When you see an asterisk (\*) in the text, this is an indication that further specifications can be found in the product annex.

CP#	Control Point	TL
<b>Management</b>		
<b>General documented control system</b>		
1	<p>The SCA has a clearly documented management system, which addresses each applicable UTZ Certified Chain of Custody requirement.</p> <p>The documented control system:</p> <ul style="list-style-type: none"> <li>a) specifies the personnel responsible for the various requirements of the Chain of Custody Standard.</li> <li>b) specifies the procedures in place for the implementation of the Chain of Custody Standard.</li> </ul> <p>Procedures in place:</p> <ul style="list-style-type: none"> <li>- take into account the traceability program level(s);</li> <li>- specify how records are kept.</li> </ul> <p>c) provides templates, forms, records, and documents necessary for compliance with the standard.</p> <p>If the SCA has a computerized tracking and traceability system such as an ERP system, it must cover all the traceability elements of the Chain of Custody Standard.</p> <p>All documentation must be legible, dated, and up-to-date.</p>	

CP#	Control Point	TL
<b>Self-assessment</b>		
2	The SCA completes a self-assessment to evaluate the compliance with all applicable control points of all sites to be included on the SCAs certificate. The self-assessment is completed annually using the UTZ Certified Chain of Custody Checklist.	
<b>Subcontractors</b>		
3	<p>The SCA is responsible for the compliance of the subcontractor(s) with the applicable control points of the UTZ Certified Chain of Custody Standard, and has a system in place to ensure compliance.</p> <p>The SCA must:</p> <p>a) request from the subcontractor(s) or complete on their behalf (at least annually) a self-assessment of compliance against the UTZ Certified Chain of Custody Standard;</p> <p><u>or</u></p> <p>b) verify that the subcontractor(s) hold a valid UTZ Certified Chain of Custody certificate for the processes performed at the time that the subcontractor(s) provide a service to the SCA.</p>	
<b>Traceability</b>		
<b>Record keeping</b>		
4	All records requested in the Chain of Custody Standard are kept for a minimum of two years.	
5	<p>The SCA keeps records and sales invoices of all purchases and sales of UTZ certified product and non-UTZ certified product.</p> <p>The records can consist of written documents and procedures and/or an automated system. Records of all GIP transactions are available (documents generated when a transaction is registered, or overview of all transactions registered in the GIP).</p>	
6	The calculations of conversion rates used within each processing facility are indicated in the documentation relating to the transformation of the product, and kept up-to-date.	

CP#	Control Point	TL
<b>Identification of certified input and output</b>		
7	<p>The SCA operates a system for ensuring, verifying, and monitoring that the product purchased as UTZ certified is indeed UTZ certified.</p> <p>This system includes:</p> <ul style="list-style-type: none"> <li>a) Verification of the validity of the supplier's UTZ Certified license. Any supplier must have a valid UTZ Certified license at the moment the product is claimed as UTZ certified.</li> <li>b) Verification of invoices and/or documents coming from the supplier. Documentation must include a reference to "UTZ" and to the corresponding traceability level to identify which products are traded as "UTZ".</li> <li>c) Verification that inputs received are of equal or "stronger" traceability level than the level the SCA is certified for.</li> <li>d) Ensuring a transaction ID is available for all purchases of UTZ certified product traded in the GIP. This ID is generated in the GIP with every transaction of UTZ certified product.</li> </ul>	
8	<p>Documentation relating to the sale of UTZ certified product includes a reference to "UTZ" and to the corresponding traceability level.</p> <p>For products traded in the GIP, sales invoices issued for UTZ certified product have a corresponding GIP transaction ID.</p>	
9	<p>SCAs who trade multi-certified product have available all purchase and sales documentation of product traded under other certification schemes. When a multi-certified volume is sold under a non-UTZ certification scheme, the volume is "removed" from the SCA's GIP stock, and cannot be double sold.</p>	
<p><b>GIP</b>  <b>(Note: 10-15 are not yet applicable to SCAs who have never had a license, as transactions and stock activities can only be performed once the first license is granted. These CPs are also only applicable to pure products as non-pure products or half-finished products are not registered in the GIP.)</b></p>		
10	<p>The SCA manages a trading stock in the GIP for all UTZ certified products and traceability levels required to be traded in the GIP. The SCA must perform all transactions and stock activities applicable to their product and activities*.</p> <p>Transactions and stock activities include:</p> <ul style="list-style-type: none"> <li>- sales announcement,</li> <li>- purchase announcement,</li> <li>- buyer confirmation,</li> <li>- trace,</li> <li>- remove,</li> <li>- convert,</li> <li>- mix,</li> <li>- downgrade.</li> </ul> <p>Retroactive claims are also registered in the GIP.</p>	
11	<p>First buyers who have on-behalf user rights for the GIP account of a producer/producer group inform their supplier of all purchase announcements (including the volume) performed, and provide them with the confirmation of the transaction generated in the GIP within 2 weeks after confirming the transaction.</p>	
12	<p>SCAs who provide warehouse services to producers/producer groups manage a warehouse stock in the GIP. The warehouse stock is updated at least once every three months.</p> <p>SCAs who provide warehouse services to other SCAs clearly record the volume stored for other SCAs on documentation outside of the GIP.</p> <p>The physical stock warehoused by the SCA matches the warehouse stock in the GIP.</p>	IP SG
13	<p>The SCA's trading stock is updated at least once every three months. The objective is that the volume available in the trading stock of the SCA in the GIP matches the physical stock of UTZ certified product in their facilities.</p>	IP SG
14	<p>The SCA's trading stock is updated at least once every three months.</p>	MB

CP#	Control Point	TL
15	All GIP sales or purchase announcements and buyer confirmations must represent one or multiple physical deliveries. The information registered in the GIP transaction which corresponds to the product (volume, quality, etc.) is the same as the information reflected in the documentation accompanying the physical delivery.	
<b>UTZ premium</b> <b>(Note: 16 &amp; 17 only apply to first buyers)</b>		
16	The producer/producer group and first buyer agree upon a procedure for payment (covering amount and timing) of the UTZ premium on all product claimed (or retroactively claimed) as UTZ certified. The UTZ premium is net of any deductions for repayment of pre-financed goods or services Proof of payment and of acknowledgement from the producer/producer group of the reception of the UTZ premium is available.	
17	The UTZ premium is indicated in the sales or purchase announcement in the GIP.	
<b>Annual overview of volumes and credit account</b>		
18	<p>The SCA makes an overview of the total annual volume purchased and sold of UTZ certified product. The overview includes:</p> <ul style="list-style-type: none"> <li>- stock remaining from the previous year;</li> <li>- inputs received;</li> <li>- inputs still in stock;</li> <li>- outputs still in stock;</li> <li>- outputs sold.</li> </ul> <p>If all products traded by the SCA are purchased and sold in the GIP (the SCA trades only pure products), the annual overview can be extracted from the GIP.</p> <p>The volume sold does not exceed the volume purchased.</p>	IP SG
19	<p>The SCA makes an overview of the total annual volume purchased and sold of UTZ certified product. The overview includes:</p> <ul style="list-style-type: none"> <li>- stock remaining from the previous year;</li> <li>- inputs received;</li> <li>- outputs sold.</li> </ul> <p>If all products traded by the SCA are purchased and sold in the GIP (the SCA trades only pure products), the annual overview can be extracted from the GIP.</p> <p>If the SCA purchases and/or sells non-pure UTZ certified product, the annual overview is reflected in a credit account. The credit account must provide sufficient information to calculate and verify the UTZ credit balance (UTZ product purchased minus UTZ product sold) of UTZ products used for processing, taking into account the rules regarding MB credit exchange*. The SCA has a functioning system to monitor and update the credit balance.</p> <p>The credit account must include:</p> <ul style="list-style-type: none"> <li>- balance remaining from the previous year;</li> <li>- volume of UTZ product purchased;</li> <li>- pure product content (% and/or kg or MT) in UTZ product purchased;</li> <li>- quantity of UTZ product sold;</li> <li>- pure product content in UTZ product sold (% and/or kg or MT);</li> <li>- « recipe » (volume of UTZ product used per unit of UTZ product sold).</li> </ul> <p>To facilitate verification, the credit account can also include:</p> <ul style="list-style-type: none"> <li>- purchase/delivery dates, sales dates;</li> <li>- shipment references (order number, invoice number, etc.);</li> <li>- GIP transaction IDs corresponding to each purchase of pure UTZ certified product;</li> </ul>	MB

	<ul style="list-style-type: none"> <li>- GIP unique traceability number corresponding to product traced;</li> <li>- conversion rates.</li> </ul> <p>SCAs do not need to maintain a credit account if they purchase only UTZ certified product for their entire production, and are able to provide proof of this.</p> <p>MB rules and limitations regarding mixing, 100% volume coverage, and credit exchange are respected.*</p>	
CP#	Control Point	TL
20	If volumes of UTZ product have been over claimed (i.e. the SCA has sold more UTZ product than they have purchased), there is proof (i.e. a purchase order) with an expected delivery within two months of UTZ certified product which fully compensates for the negative credit balance.	MB
Product Separation and Identification		
21	The SCA operates a system which ensures that UTZ certified product is not mixed with non-UTZ certified product (including during transportation and storage), unless otherwise specified in the product annexes.*	IP SG
22	The supply chain actor enables visible identification of UTZ certified product. This can be done (with or without the UTZ certified logo) by making references on signs, or with tags/labels on bags/pallets.	IP SG
Product Claims		
UTZ certified claims (Note: 23-25 apply only to consumer-end manufacturers)		
23	The SCA maintains an updated list of all consumer-end products sold with the UTZ certified logo, which can be indicated either by name, SKU, or grouping of products and SKUs.	
24	The SCA operates a system which ensures that each lot of consumer-end product to be sold with the UTZ certified claim complies with the latest version of the UTZ Certified Labeling and Trademark Policy.	
25	Prior to print, the SCA has a valid label approval for all consumer-end products sold with the UTZ Certified logo.	

# Chain of Custody Cocoa Annex

## Version 1.2 January 2018

### 1. Introduction to the Chain of Custody Cocoa Annex

The Chain of Custody Cocoa Annex is used along with the Chain of Custody Standard by all cocoa supply chain actors who trade and/or process UTZ certified cocoa products. The Cocoa Annex does not include requirements in the form of control points, however does stipulate rules and limitations that must be respected in order to trade and/or process UTZ certified cocoa products.

### 2. Contacting UTZ

Companies with questions or feedback about Chain of Custody certification can direct their inquiries to: [membersupport@utz.org](mailto:membersupport@utz.org)

CBs with questions, feedback, or communication about members (e.g. suspension, cancelation of the certificate and/or license) can direct their inquiries to: [cocoacertification@utz.org](mailto:cocoacertification@utz.org)

Members and CBs with technical problems or questions related to the GIP can direct their inquiries to: [techsupport@utz.org](mailto:techsupport@utz.org)

### 3. Definitions

<b>Chocolate in bulk</b>	Chocolate, as wholesale product, input for business to business or consumer-end product manufacturing. Often in the form of buttons/drops. This product is not traded in the GIP.
<b>Chocolate ingredients</b>	Ingredients used for the production of chocolate in bulk. Includes cocoa liquor, butter, powder, and non-cocoa ingredients used to produce chocolate in bulk.
<b>Cocoa credit</b>	A cocoa credit corresponds to a volume of cocoa product traded at the mass balance traceability level. Credits are typically calculated in terms of pure cocoa content (cocoa liquor, butter, or powder equivalent) or in terms of cocoa bean equivalent.
<b>Cocoa cake</b>	Synonymous with cocoa powder. Cocoa cake is ground to obtain an equal weight of cocoa powder.
<b>Cocoa mass</b>	Synonymous with cocoa liquor.
<b>Cocoa nibs</b>	The cocoa bean (roasted or unroasted) separated from the husk and broken into smaller pieces.
<b>Cocoa semi-finished product</b>	Products which contain cocoa ingredients but are not consumer-end products.
<b>Compound in bulk</b>	A confectionery product made from a combination of cocoa, vegetable fat, and sweeteners. This product is not traded in the GIP.
<b>Compound ingredients</b>	Any of the ingredients (cocoa, vegetable fat, sweeteners) used to produce compound in bulk.
<b>Non-pure cocoa product</b>	Product containing cocoa as well as one or more non-cocoa ingredient or product. Non-pure cocoa products are not traded in the GIP, but the traceability of these products is ensured by maintaining a credit account.
<b>Pure cocoa product</b>	Cocoa product that does not contain any non-cocoa ingredient or product. Pure cocoa products are traded in the GIP. Pure cocoa products include cocoa beans, cocoa nibs, cocoa liquor, cocoa butter, and cocoa powder.

#### 4. Physical handling activities

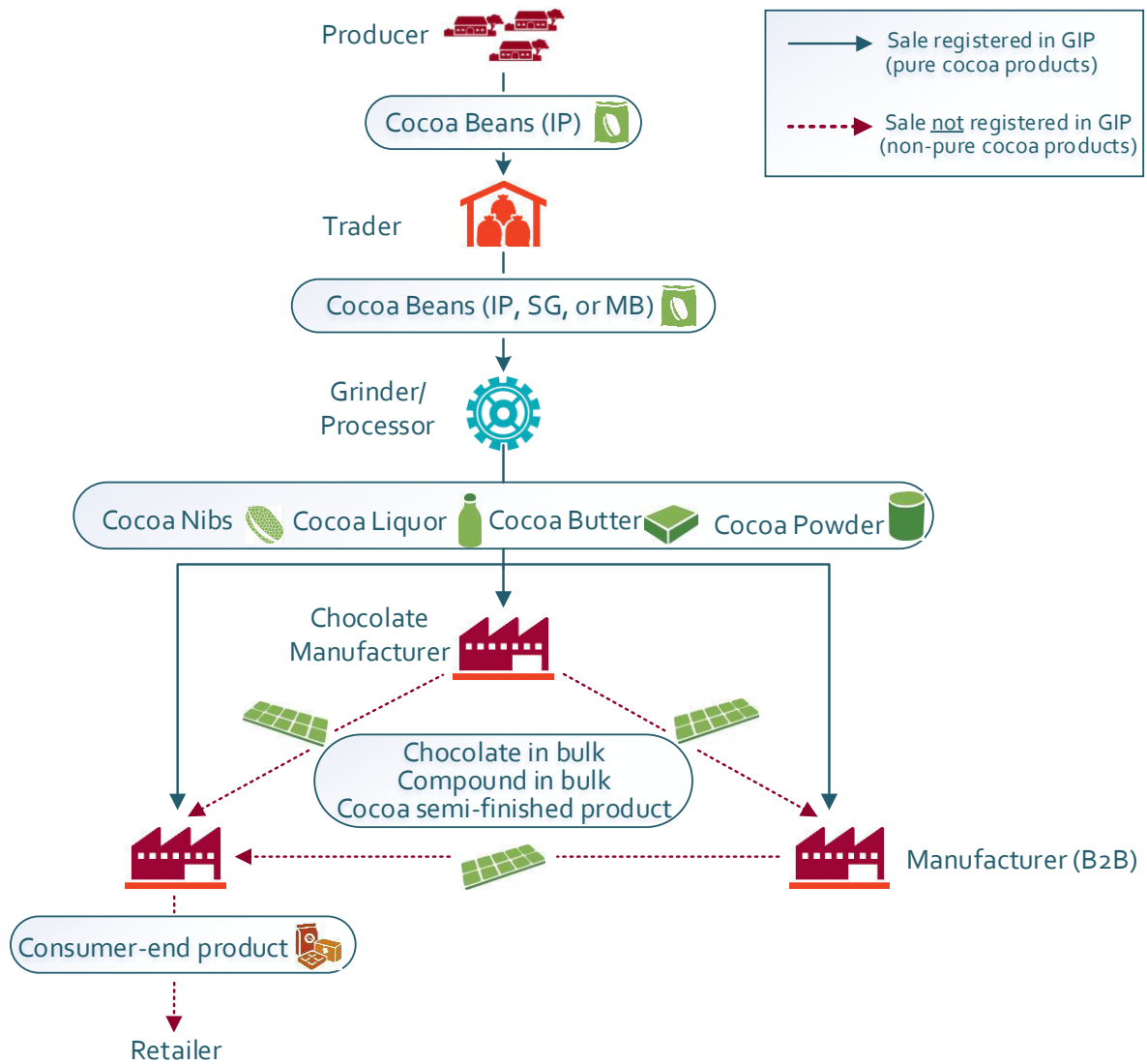
Physical handling activities for cocoa include:

- cleaning, sorting, drying, or mixing,
- bagging, re-bagging, or bulking,
- melting, refining, or deodorizing,
- processing (winnowing, grinding, or pressing),
- chocolate manufacturing,
- compound manufacturing,
- manufacturing of cocoa extract,
- consumer-end product manufacturing,

of UTZ certified cocoa or UTZ certified cocoa products. Only activities carried out on un-bagged, un-packaged, or un-sealed products are considered physical handling activities. For instance, warehouses who do not perform any re-bagging and only handle bagged, sealed, or packaged products are not considered as actors who perform physical handling activities.

## 5. Supply Chain

The following diagram represents a simplified version of the UTZ cocoa supply chain, including the main actors and products traded in the GIP and outside of the GIP within the cocoa supply chain.



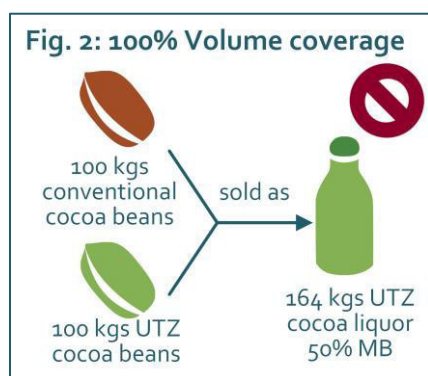
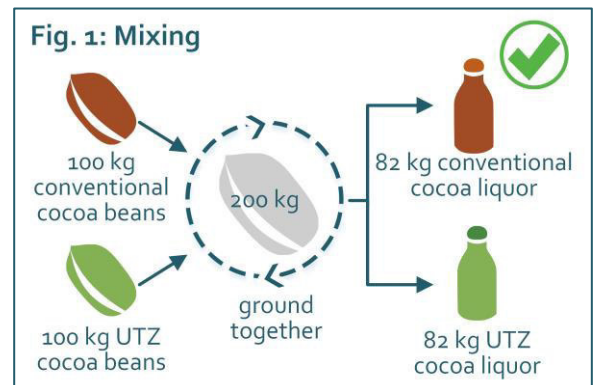


## 6. Mass balance

The following chapter describes mass balance (MB) in further detail, including rules and limitations which apply to MB cocoa products.

### Mixing

At any stage in the supply chain where the Chain of Custody Standard is applied, UTZ cocoa can be mixed with conventional cocoa, as long as the volume of UTZ cocoa in the outputs sold with an UTZ MB claim does not exceed the volume of UTZ cocoa purchased (considering conversion rates) (Figure 1).

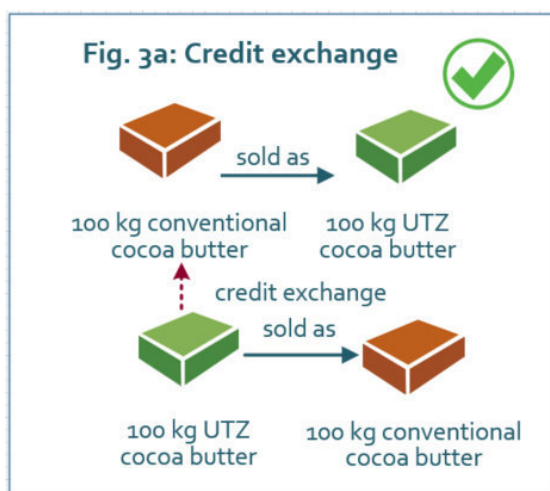


### 100% Volume coverage

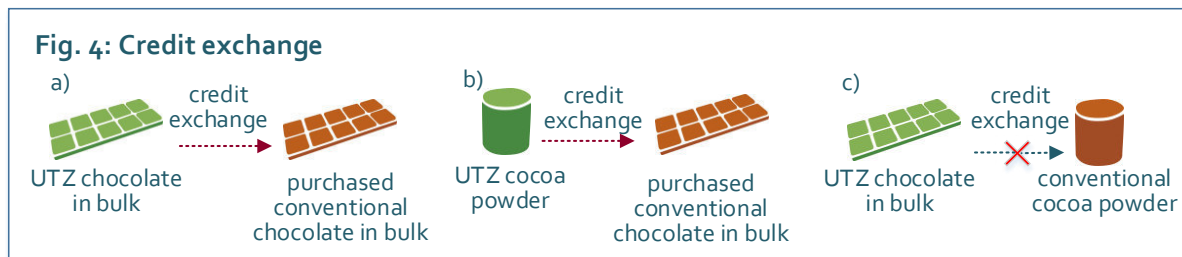
There is no minimum percentage content of UTZ cocoa produced by UTZ certified producers that must be in an UTZ MB cocoa product. However, for any product sold as UTZ MB, 100% of the cocoa content needed for this product must be covered with purchases of UTZ certified cocoa. 100% of the volume of cocoa in a product sold as UTZ MB must be deducted from the SCA's credit account or sold/traced from the SCA's GIP stock. A product cannot be sold as anything less than 100% UTZ MB (Figure 2).

### Credit exchange

Credit exchange is only possible for the same product or in forward direction of physical processing, meaning that UTZ credits can be exchanged from a purchased UTZ cocoa product to the same or subsequent purchased conventional cocoa products (e.g. UTZ butter to conventional butter or UTZ beans to conventional liquor, UTZ beans to conventional butter) (Figure 3a and 3b).



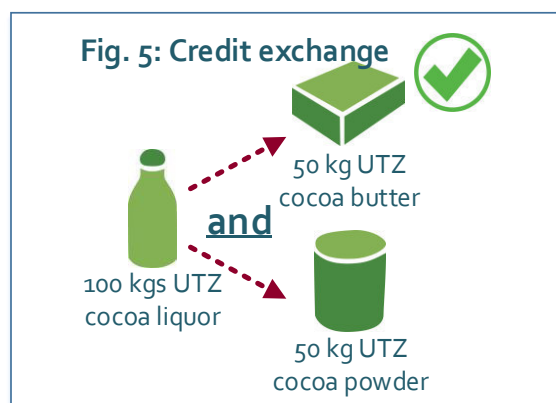
Credit exchange in backwards direction (from cocoa liquor to cocoa nibs, cocoa butter to cocoa liquor, from chocolate to butter, etc.) is **not allowed**. This also implies that the credit exchange between cocoa butter and cocoa powder (and vice versa) is **not allowed**. Credit exchange from UTZ non-pure cocoa products (chocolate) to conventional pure cocoa products is **not allowed** either as this constitutes a MB backwards conversion (Figure 4). Figure 4 also illustrates that the credit exchange from UTZ (non-)pure product to conventional non-pure product is **allowed**, as long as the non-pure product is purchased.



In order to demonstrate compliance, the credit account must indicate the credit balance for each pure product and non-pure products separately. In addition, UTZ products should be traced from the UTZ traceability system in their latest stage before they are being mixed with non-cocoa ingredients or being packaged into a final consumer-end product, reflecting the product physically used.

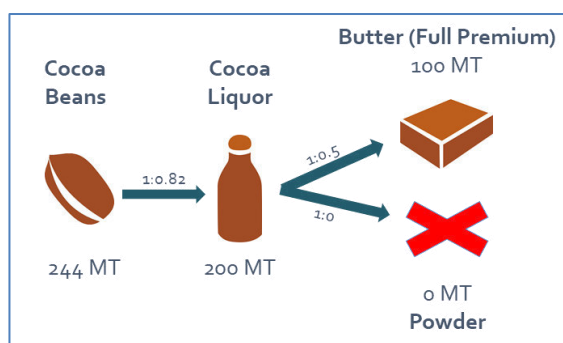
### Conversion ratio for cocoa liquor processing

As of January 1st 2018, the conversion ratio from cocoa liquor to cocoa liquor derivatives (cocoa powder and cocoa butter) is 1:0.5:0.5 and fully replaces the conversion of 1:1, meaning that 100 kg of cocoa liquor will be converted into an equal amount of 50 kg cocoa butter and 50 kg cocoa powder.



### Full Premium cocoa butter and powder

These products differ from the existing cocoa butter and cocoa powder products due to the conversion ratio applied. Instead of using the 1:0.5:0.5 conversion ratio, the Full Premium products are obtained using a 1:0.5 ratio, as in 100 MT cocoa liquor = 50 MT cocoa butter Full Premium or 50 MT cocoa powder Full Premium. The remaining 50 MT of output product (butter or powder, depending on the conversion chosen) is removed from the traceability system. In this way, no claim can be made on the removed product (the physical volume of the removed by-product is sold as conventional).



Credit exchange from cocoa nibs to cocoa liquor will still be 1:1.

## 7. Conversion rates

The following table presents the conversion rates set in the UTZ traceability system for the main processing activities within the UTZ cocoa supply chain:

Process	Traceability Level	Input product	Output product	Type of conversion rate	Conversion rate*
Grinding	IP, SG, MB	Cocoa beans	Cocoa nibs or liquor	Fixed	0.82
Grinding	IP, SG, MB	Cocoa nibs	Cocoa liquor	Fixed	1:1
Pressing	IP, SG	Cocoa liquor	Cocoa powder	Bandwidth	1:0.51-0.55
Pressing	IP, SG	Cocoa liquor	Cocoa butter	Bandwidth	1:0.44-0.49
Pressing	MB	Cocoa liquor	Cocoa powder and cocoa butter	Fixed	1:0.5:0.5
Pressing	MB	Cocoa liquor	Cocoa butter Full Premium	Fixed	1:0.5
Pressing	MB	Cocoa liquor	Cocoa powder Full Premium	Fixed	1:0.5

\*Conversion rates are based on industry accepted standards and averages.

## 8. Minimum % requirements

The following table presents the minimum % requirements of UTZ cocoa product that must be included in order to claim a cocoa product as UTZ.

Product	Traceability level	Min. % content of UTZ cocoa
Cocoa beans & Nibs	IP, SG	100%
	MB	100% (volume coverage)
Cocoa liquor, Cocoa butter, Cocoa powder	IP, SG	90%
	MB	100% (volume coverage)
Cocoa content of non-pure cocoa product	IP, SG	90%
	MB	100% (volume coverage)

## 9. GIP Transactions and Stock Activities

The following are the transactions and stock activities that a SCA must register for volumes of pure cocoa products (cocoa beans, cocoa nibs, cocoa liquor, cocoa butter, or cocoa powder), depending on the activities the SCA performs with UTZ certified cocoa. Further explanation and examples on using the GIP can be found in the Quick Start Guide and the Quick Start Guide Cocoa Annex, located in the Downloads area<sup>3</sup> of the GIP.

Transactions and stock activities can only be performed on pure cocoa products as non-pure cocoa products are not registered in the GIP.

### Sales/Sell announcement

When a producer/producer group or SCA sells a pure cocoa product to another SCA, they perform a *sales/sell announcement*.

### Purchase announcement

When a first buyer purchases pure cocoa products from a producer/producer group, and they have received authorization to register transactions in the GIP on behalf of the producer/producer group, the first buyer performs a *purchase announcement*. An on-behalf user authorization form signed by both parties is required to perform this transaction.

### Downgrade

When a SCA lowers the traceability level (from IP to SG or MB, or from SG to MB) of a volume of pure cocoa product in their stock, they perform the transaction *downgrade*.

### Convert

#### IP/SG

When cocoa beans are processed into cocoa liquor, or cocoa liquor is processed into cocoa butter and powder the SCA performs the stock activity *convert*.

#### MB

When credits are exchanged between mass balance beans, nibs, liquor, butter, or powder, the SCA performs the stock activity *convert*.

### Remove

#### IP/SG

The SCA performs the stock activity *remove* when pure cocoa product is

- spoiled (due to mold, pest, fire, etc.) – hence cannot be used – ,
- sold as conventional or
- purchased as multi-certified and sold under another certification scheme that is not UTZ .

*Note: the pure cocoa product could also be downgraded to MB, in which case the following section applies.*

#### MB

If pure cocoa product is purchased as multi-certified, and sold under a certification scheme that is not UTZ, the SCA must perform the stock activity *remove*.

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<sup>3</sup> <https://www.goodinsideportal.org/web/utz/document-upload>

## Trace

Tracing marks the end of the online traceability system for UTZ cocoa products. This action is performed when pure cocoa products are mixed with non-pure ingredients or used in consumer-end products. Tracing is critical for correct administration of volumes and ensures an accurate traceability system.

### IP/SG/MB

- When pure cocoa product is sold as a consumer-end product with UTZ claim, the SCA performs the stock activity *trace*.
- When pure cocoa product is mixed with non-cocoa ingredients and claimed as UTZ the SCA performs the stock activity *trace*.

*Please note:* Companies that operate under a non-claiming exemption are not allowed to accumulate credits and perform the stock activity *trace* for any volume that was purchased as UTZ and is used for production.

# Chain of Custody Coffee Annex

## version 1.1 December 2015

### 1. Introduction to the Chain of Custody Coffee Annex

The Chain of Custody Coffee Annex is used along with the Chain of Custody Standard by all coffee supply chain actors who trade and/or process UTZ certified coffee products. The Coffee Annex does not include requirements in the form of control points, however does stipulate rules and limitations that must be respected in order to trade and/or process UTZ certified coffee products.

### 2. Contacting UTZ Certified

Companies with questions or feedback about Chain of Custody certification can direct their inquiries to: [coffee@utzcertified.org](mailto:coffee@utzcertified.org)

CBs with questions, feedback, or communication about members (e.g. suspension, cancelation of the certificate and/or license) can direct their inquiries to: [coffeecertification@utzcertified.org](mailto:coffeecertification@utzcertified.org)

Members and CBs with technical problems or questions related to the GIP can direct their inquiries to: [coffee@support.utzcertified.org](mailto:coffee@support.utzcertified.org)

### 3. Physical handling activities

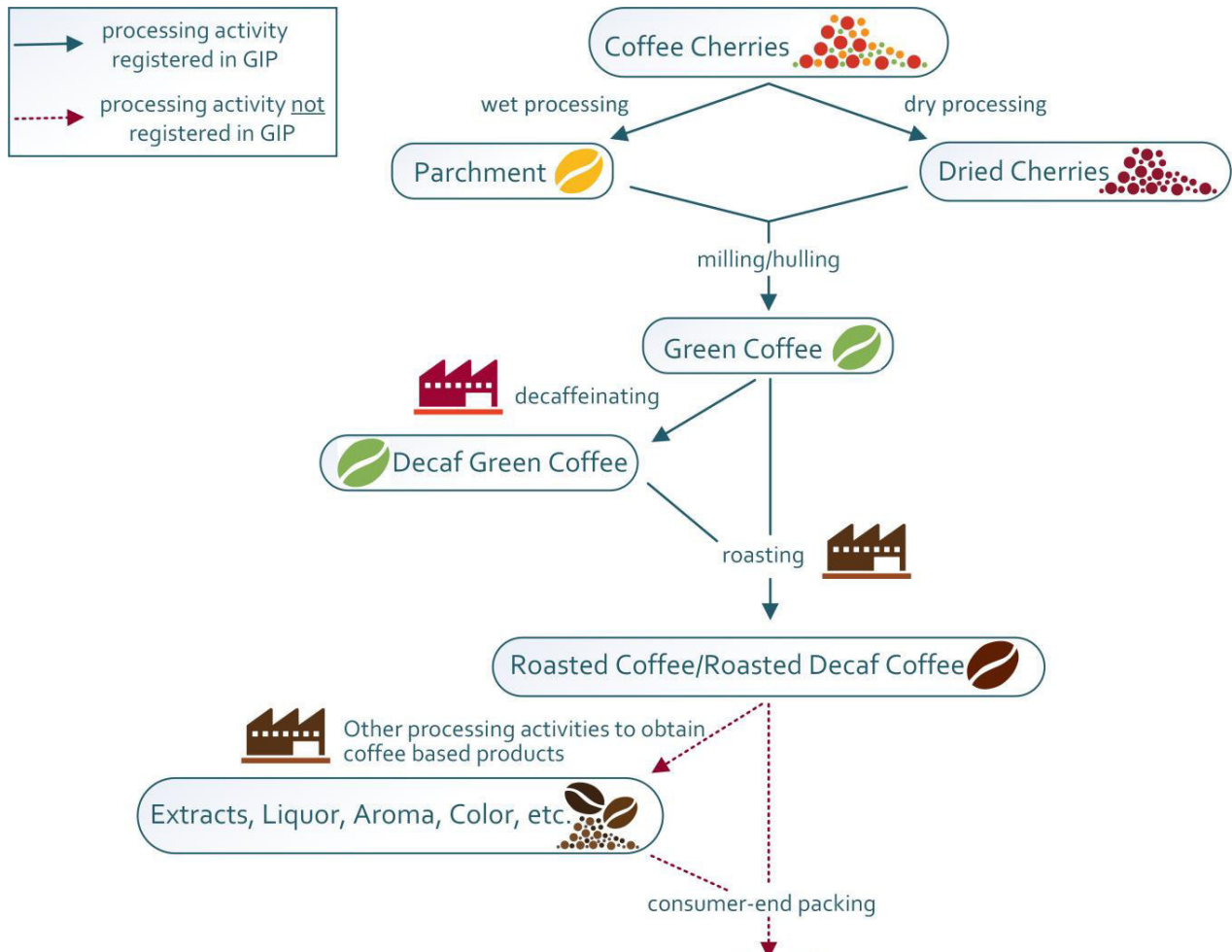
Physical handling activities for coffee include:

- wet (fully washed or semi-washed) and/or dry processing
- milling/hulling
- bagging/bulking green coffee
- sorting and grading
- blending of green coffee
- decaffeinating
- roasting
- soluble processing
- manufacturing of coffee-based products (e.g. extract, aroma, color, liquor, etc.)
- packing

of UTZ certified coffee or UTZ certified coffee-based products. Only activities carried out on un-bagged, un-packaged, or un-sealed products are considered physical handling activities. For instance, warehouses who do not perform any re-bagging and only handle bagged, sealed, or packaged products are not considered as actors who perform physical handling activities. Sampling (e.g. for quality control) is not considered physical handling.

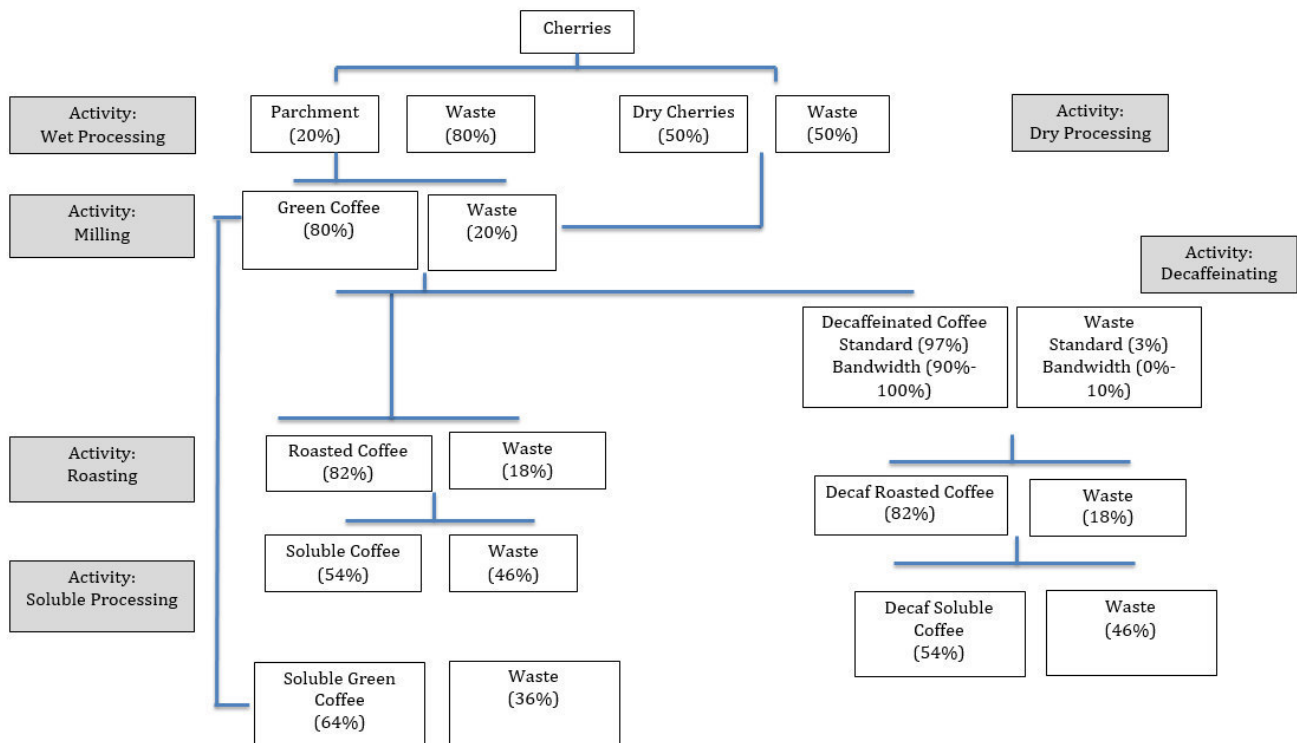
## 4. Supply Chain

The following diagram represents a simplified version of the UTZ coffee supply chain, including the main products and processing activities registered in the GIP and outside of the GIP:



## 5. Conversion rates

The following diagram presents the conversion rates\* set in the GIP for the main processing activities within the UTZ coffee supply chain.



\*Conversion rates are based on industry accepted standards and averages.

## 6. Minimum % requirements

The SCA operates a system which ensures that UTZ certified coffee is not mixed with non-UTZ certified coffee, including during transportation and storage. Manufacturers of consumer-end products ensure that the coffee content of labeled products consists of at least 90% UTZ certified coffee.

## 7. GIP Transactions and Stock Activities

The following are transactions and stock activities that a SCA may have to register depending on the activities the SCA performs with UTZ certified coffee. Further explanation and examples on using the GIP can be found in the Quick Start Guide, located in the Downloads area<sup>3</sup> of the GIP.

### Sales announcement

When a producer/producer group or SCA sells coffee to another SCA, they perform a *sales announcement*.

<sup>3</sup> <https://www.goodinsideportal.org/web/utz/document-upload>



### Purchase announcement

When a first buyer purchases coffee from a producer/producer group, and they have received authorization to register transactions in the GIP on behalf of the producer/producer group, the first buyer performs a *purchase announcement*. An on-behalf user authorization form signed by both parties is required to perform this transaction.

### Downgrade

When a member lowers the traceability level (from IP to SG) of a volume of coffee in their stock, they perform the transaction *downgrade*.

### Convert

When coffee is transformed into a different coffee product (for example: cherries to parchment, green coffee to decaffeinated green coffee; green coffee to roasted coffee, etc.), the SCA performs the stock transaction *convert*.

### Mix

When a SCA mixes coffee (at IP level) from different producers/producer groups they perform the stock activity *mix*. The mixed volume will retain information about the producers' names and their respective volumes included in the mix.

### Trace

- When coffee is packaged and sold as a consumer-end product (with or without an UTZ Certified claim), the SCA performs the stock transaction *trace*.
- When coffee is manufactured into coffee extract, aroma, color, liquor, or any other coffee-based product, the SCA performs the stock transaction *trace*.

Tracing triggers the generation of an invoice for the UTZ Certified program fee.

### Remove

The Remove function may be used only by traders and mills when:

- Volume of coffee has been damaged or lost
- Volume of coffee is purchased as UTZ certified or multi-certified, and is sold either as conventional coffee, or under a certification scheme that is not UTZ Certified.

The Remove function may only be used under special circumstances by manufacturers of half-finished, consumer-end, or food service products:

- To correct discrepancies between volumes announced in GIP and real volume received after GIP transactions have been confirmed.
- To correct discrepancies between qualities purchased and qualities received after GIP transactions have been confirmed.

### Sell via Auction

The Sell via Auction function reflects the sale of an UTZ certified product via a physical auction.

### Products not registered in the GIP

Coffee extract, aroma, color, liquor, and any other coffee-based product are not traded in the GIP. SCAs who purchase these products must still maintain physical and administrative traceability of the certified product, and comply with all relevant control points of the UTZ Chain of Custody Standard.

# Chain of Custody Hazelnut Annex

## version 1.1 December 2015

### 1. Introduction to the Chain of Custody Hazelnut Annex

The Chain of Custody Hazelnut Annex is used along with the Chain of Custody Standard by all hazelnut supply chain actors who trade and/or process UTZ certified hazelnut products. The Hazelnut Annex does not include requirements in the form of control points, however does stipulate rules and limitations that must be respected in order to trade and/or process UTZ certified hazelnut products.

### 2. Contacting UTZ Certified

Companies with questions or feedback about Chain of Custody certification can direct their inquiries to: [hazelnut@utzcertified.org](mailto:hazelnut@utzcertified.org)

CBs with questions, feedback, or communication about members (e.g. suspension, cancelation of the certificate and/or license) can direct their inquiries to: [hazelnutcertification@utzcertified.org](mailto:hazelnutcertification@utzcertified.org)

Members and CBs with technical problems or questions related to the GIP can direct their inquiries to: [hazelnut@support.utzcertified.org](mailto:hazelnut@support.utzcertified.org)

### 3. Definitions

<b>Blanched hazelnut kernel</b>	Hazelnut kernel separated from the skin and partly whitened
<b>Cracking</b>	The process of removing the shell of the nut
<b>De-husking</b>	The process of separating the nut from the husk
<b>Hazelnut credit</b>	A hazelnut credit corresponds to a volume of hazelnut product traded at the mass balance traceability level. Credits are calculated in terms of pure hazelnut product.
<b>Hazelnut kernel</b>	(Natural) hazelnut kernel of the nut free from the shell
<b>Hazelnut paste</b>	A viscose semi-product obtained by crushing roasted hazelnut
<b>In-shell hazelnut</b>	In-shell nut free from husk
<b>Non-pure hazelnut product</b>	Product containing hazelnut as well as one or more non-hazelnut ingredients or products. Non-pure hazelnut products are not traded in the GIP, but the traceability of these products is ensured by maintaining a credit account.
<b>Processed hazelnut</b>	Processed hazelnut kernel (roasted or natural) or pure consumer-end hazelnut product obtained after blanching, chopping, slicing, grinding and other processing activities. Processed hazelnut includes: chopped, sliced, diced, blanched, ground, and crushed hazelnut, amongst others.
<b>Pure hazelnut product</b>	Hazelnut product that does not contain any non-hazelnut ingredient or product. Pure hazelnut products are traded in the GIP. Pure hazelnut products include in-shell hazelnut, natural hazelnut kernel, roasted hazelnut kernel, and processed hazelnut.
<b>Roasted hazelnut kernel</b>	Product obtained by roasting natural hazelnut kernel

### 4. Physical handling activities

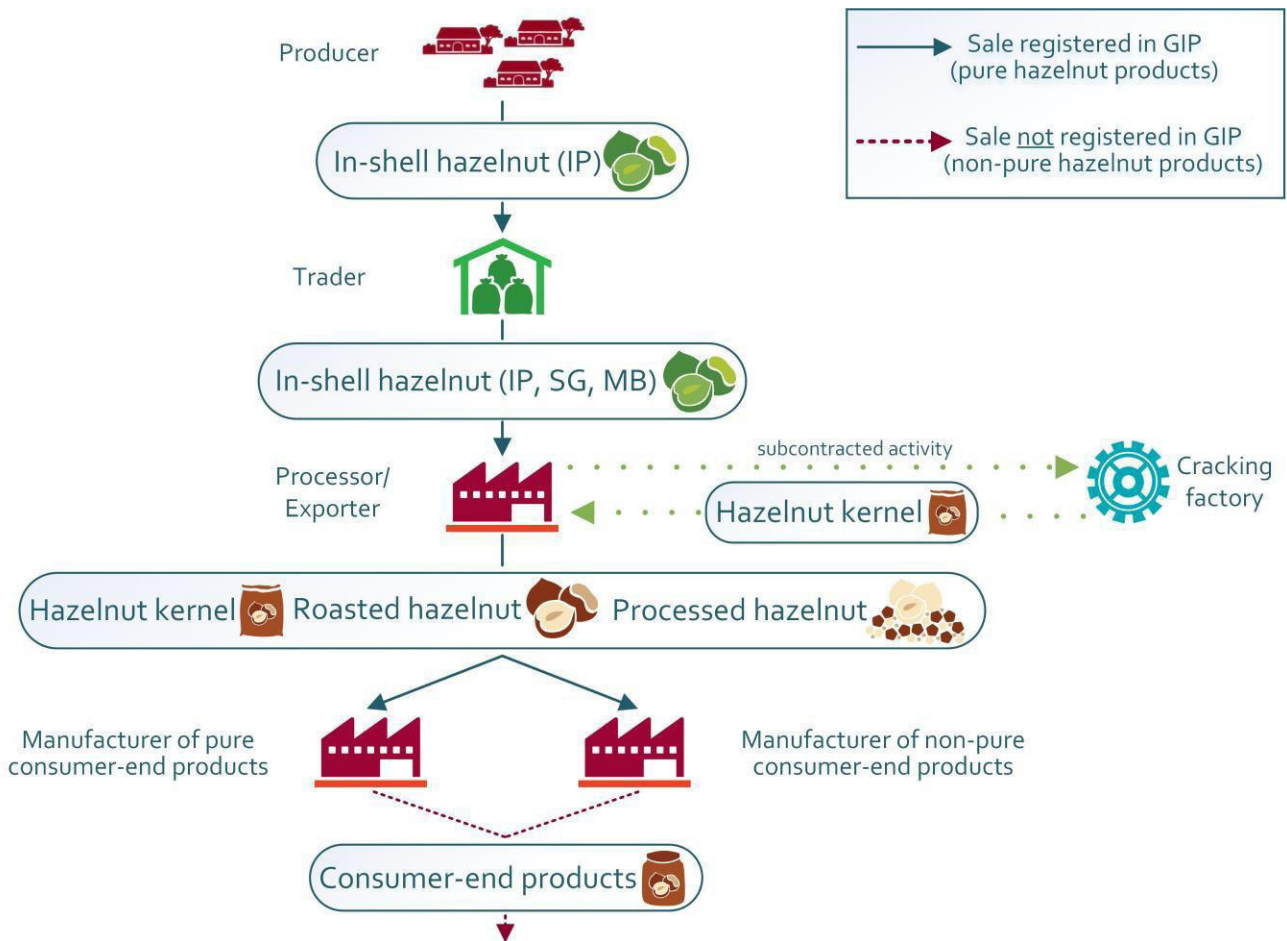
Physical handling activities for hazelnut include:

- cleaning, sorting, drying
- bagging, re-bagging, or bulking
- cracking
- sorting, grading
- roasting
- processing (chopping, grinding, slicing, dicing, crushing),
- consumer-end product manufacturing,

of UTZ certified hazelnut or UTZ certified hazelnut products. Only activities carried out on un-bagged, un-packaged, or un-sealed products are considered physical handling activities. For instance, warehouses who do not perform any re-bagging and only handle bagged, sealed, or packaged products are not considered as actors who perform physical handling activities.

## 5. Supply Chain

The following diagram represents a simplified and generalized version of the UTZ hazelnut supply chain, including the main actors and products traded in the GIP and outside of the GIP within the hazelnut supply chain.

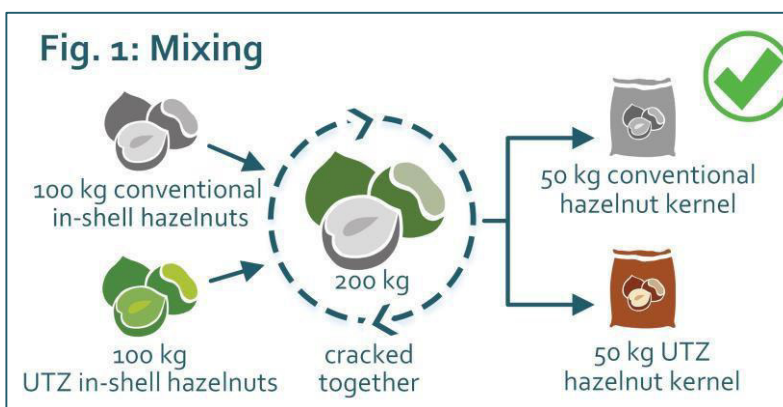


## 6. Mass balance

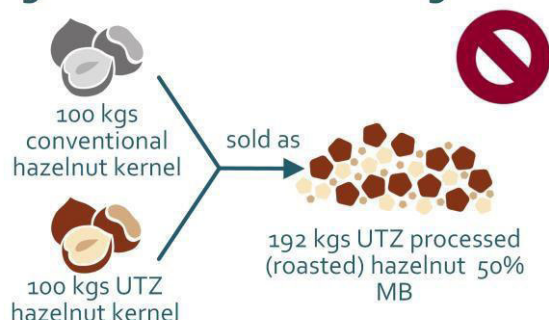
The following chapter describes mass balance (MB) in further detail, including rules and limitations which apply to mass balance hazelnut products.

### Mixing

At any stage in the supply chain where the Chain of Custody Standard is applied, UTZ hazelnut can be mixed with conventional hazelnut, as long as the volume of UTZ hazelnut in the outputs sold with an UTZ Certified MB claim does not exceed the volume of UTZ hazelnut purchased (considering conversion rates) (Figure 1).



### Fig. 2: 100% volume coverage



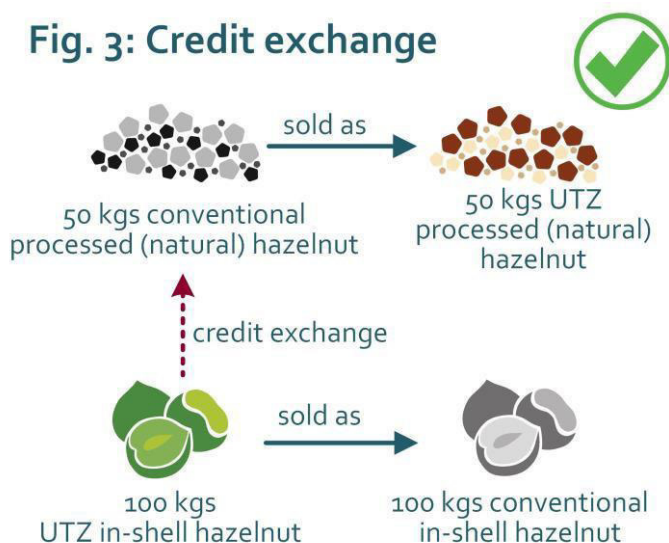
### 100% Volume coverage

There is no minimum percentage content of UTZ hazelnut produced by UTZ certified producers that must be in an UTZ MB hazelnut product. However, for any product sold as UTZ MB, 100% of the hazelnut content needed for this product must be covered with purchases of UTZ certified hazelnut. One hundred percent of the volume of hazelnut in a product sold as UTZ MB must be deducted from the SCA's credit account or sold/traced from the SCA's GIP stock. A product cannot be sold as anything less than 100% UTZ MB (Figure 2).

### Credit exchange

UTZ credits can be exchanged from an UTZ hazelnut product to a conventional hazelnut product (e.g. UTZ hazelnut kernel to conventional hazelnut kernel or UTZ roasted hazelnut kernel to conventional processed hazelnut), taking into account the applicable conversion rates (Figure 3).

### Fig. 3: Credit exchange



## 7. Conversion rates

The following table presents the conversion rates set in the GIP for the main processing activities within the UTZ hazelnut supply chain:

Level	Transaction in GIP	Input product	Certified activity	Output product	Conversion rate*	Traceability level
<b>PROD CH</b> Producer/ Producer Group	YES (convert into pure product)	N/A	N/A	In shell hazelnut	N/A	IP
<b>SCA CH</b> (e.g. processor)	YES (convert into pure product)	In shell hazelnut	<b>Cracking</b>	Hazelnut kernel	<b>1 : 0,50</b> (with bandwidth 0,45 – 0,56)	IP/ SG
					<b>1 : 0,50</b>	<b>MB</b>
<b>SCA CH</b> (e.g. processor)	YES (convert into pure product)	Hazelnut kernel	<b>Roasting</b>	Roasted hazelnut kernel	<b>1 : 0,96</b> (with bandwidth 0,95 – 0,97)	IP/ SG
					<b>1 : 0,96</b>	<b>MB</b>
<b>SCA CH</b> (e.g. processor)	YES (convert into pure product)	Hazelnut kernel	<b>Processing</b>	Processed hazelnut kernel (e.g. blanched, chopped, sliced, etc.)	<b>1 : 1</b>	IP/ SG / MB
<b>SCA CH</b> (e.g. manufacturer)	YES (convert into pure product)	Roasted hazelnut kernel	<b>Processing</b>	Roasted processed hazelnut (e.g. blanched, chopped, sliced, etc.)	<b>1 : 1</b>	IP/ SG / MB
<b>SCA CH</b> (e.g. manufacturer)	<b>NO</b> (convert into non-pure product)	Any of the above	<b>Consumer-end hazelnut product manufacturing</b>	Consumer-end hazelnut product ( <b>non- pure</b> )	<b>1 : 1</b>	IP/ SG / MB

\*Conversion rates are based on industry accepted standards and averages.

## 8. Minimum % requirements

Any IP and SG hazelnut product must contain at least 90% UTZ hazelnut or hazelnut product.  
Any MB hazelnut product must comply with 100% volume coverage of UTZ hazelnut.

## 9. GIP Transactions and Stock Activities

The following are the transactions and stock activities that a SCA may have to register on volumes of pure hazelnut products (in-shell hazelnut, hazelnut kernel, roasted hazelnut kernel, processed hazelnut, or roasted processed hazelnut), depending on the activities the SCA performs with UTZ certified hazelnut. Further explanation and examples on using the GIP can be found in the Quick Start Guide located in the Downloads area<sup>3</sup> of the GIP.

Transactions and stock activities can only be performed on pure hazelnut products as non-pure hazelnut products are not registered in the GIP.

### Sales announcement

When a producer/producer group or SCA sells a pure hazelnut product to another SCA, they perform a *sales announcement*.

### Purchase announcement

When a first buyer purchases pure hazelnut products from a producer/producer group, and they have received authorization to register transactions in the GIP on behalf of the producer/producer group, the first buyer performs a *purchase announcement*. An on-behalf user authorization form signed by both parties is required to perform this transaction.

### Downgrade

When a SCA lowers the traceability level (from IP to SG or MB, or from SG to MB) of a volume of pure hazelnut product in their stock, they perform the transaction *downgrade*.

### Mix

When a SCA mixes hazelnuts (at IP level) from different producers/producer groups they perform the stock activity *mix*. The mixed volume will retain information about the producers' names and their respective volumes included in the mix.

### Convert

#### IP/SG

When in-shell hazelnuts are processed into hazelnut kernel, or hazelnut kernel is processed into e.g. roasted hazelnut kernel, or another type of hazelnut product, the SCA performs the stock activity *convert*.

#### MB

When credits are exchanged between mass balance in-shell hazelnuts, hazelnut kernel, roasted hazelnut kernel, processed hazelnuts or roasted processed hazelnuts, the SCA performs the stock activity *convert*.

### Remove

#### IP/SG

- When pure hazelnut product purchased as UTZ certified is sold as conventional, the SCA performs the stock activity *remove*. *Note: the pure hazelnut product could also be downgraded to MB, in which case removing is not necessary.*
- When pure hazelnut product is lost, damaged, or cannot be used, the SCA performs the stock activity *remove*. *Note: the pure hazelnut product could also be downgraded to MB, in which case removing is not necessary.*

#### IP/SG/MB

If pure hazelnut product is purchased as multi-certified, and sold under a certification scheme that is not UTZ, the SCA must perform the stock activity *remove*.

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<sup>3</sup> <https://www.goodinsideportal.org/web/utz/document-upload>

## Trace

### IP/SG/MB

- When pure hazelnut product is sold as a consumer-end product and claimed as UTZ certified, the SCA performs the stock activity *trace*.
- When pure hazelnut product is mixed with non-hazelnut ingredients and claimed as UTZ certified, the SCA performs the stock activity *trace*.

Tracing marks the end of the online traceability system for UTZ cocoa products. This action is critical for correct administration of volumes and ensures an accurate traceability system.

### MB

- When credits from pure hazelnut products are used to claim conventional non-pure hazelnut products as UTZ certified, the SCA performs the stock activity *trace*.

# UTZ HAZELNUT

## UPDATED CONVERSION RATES APPLICABLE FOR CERTIFICATE HOLDERS OF THE UTZ HAZELNUT PROGRAM

*UPDATE TO THE CHAIN OF CUSTODY + HAZELNUT ANNEX  
Version 1.1 December 2015*



**RAINFOREST  
ALLIANCE**





## BACKGROUND

The UTZ hazelnut program has set conversion rates from in-shell hazelnuts into various processed hazelnut products reflecting as much as possible the reality of the processing activities. To better reflect reality of the processing process and taking into consideration regional differences we are updating the conversion rates for the activities 'cracking' and 'roasting'.

## UPDATED CONVERSION RATES

From 1<sup>st</sup> of August the conversion rates in the UTZ Hazelnut Program are as follows:

Level	Transaction in the traceability system	Input product	Certified activity	Output product	Old conversion rate (until 31 <sup>st</sup> July 2020)	Traceability level	Updated conversion rate (from 1 <sup>st</sup> August 2020)
<b>PROD CH</b> (Producer, Producer Group)	YES (convert into pure product)	N/A	N/A	In shell hazelnut	N/A	IP	N/A
<b>SCA CH</b> (e.g. processor)	YES (convert into pure product)	In shell hazelnut	<b>Cracking</b>	Hazelnut kernel	<b>1 : 0,50</b> <b>1 : 0,50</b> (with bandwidth 0,45 – 0,56)	<b>MB</b> <b>IP/ SG</b>	<b>1 : 0,50</b> <b>1 : 0,50</b> (with bandwidth: 0,35 – 0,56)
<b>SCA CH</b> (e.g. processor)	YES (convert into pure product)	Hazelnut kernel	<b>Roasting</b>	Roasted hazelnut kernel	<b>1 : 0,96</b> <b>1 : 0,96</b> (with bandwidth 0,95 – 0,97)	<b>MB</b> <b>IP/ SG</b>	<b>1 : 0,94</b> <b>1 : 0,92</b>
<b>SCA CH</b> (e.g. processor)	YES (convert into pure product)	Hazelnut kernel	<b>Processing</b>	Processed hazelnut kernel (e.g. blanched, chopped, sliced, etc.)	<b>1 : 1</b>	<b>IP/ SG / MB</b>	<b>1 : 1</b>
<b>SCA CH</b> (e.g. manufacturer)	YES (convert into pure product)	Roasted hazelnut kernel	<b>Processing</b>	Roasted processed hazelnut (e.g. blanched, chopped, sliced, etc.)	<b>1 : 1</b>	<b>IP/ SG / MB</b>	<b>1 : 1</b>



<b>SCA CH</b> (e.g. manufacturer)	<b>NO</b> (convert into non-pure product)	Any of the above	<b>Consumer -end hazelnut product manufacturing</b>	Consumer-end hazelnut product <b>(non-pure)</b>	<b>1 : 1</b>	<b>IP/ SG / MB</b>	<b>1 : 1</b>
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## SCOPE

This document is an addition to the currently applicable Certification Documents. It is therefore applicable to all Certification Bodies and Certificate Holders working under the UTZ Hazelnut Program. The document is applicable from the 1st August 2020 and is only going to be replaced once the new Rainforest Alliance's certification program is launched (i.e. beginning 2021).

## WAY FORWARD

The updated conversion rates will be active in MultiTrace from 1<sup>st</sup> of August 2020 onwards.

# Chain of Custody Tea Annex

## version 1.1 December 2015

### 1. Introduction to the Chain of Custody Tea Annex

The Chain of Custody Tea Annex is used along with the Chain of Custody Standard by all tea supply chain actors who trade and/or process UTZ certified tea products. The Tea Annex does not include requirements in the form of control points, however does stipulate rules and limitations that must be respected in order to trade and/or process UTZ certified tea products.

### 2. Contacting UTZ Certified

Companies with questions or feedback about Chain of Custody certification can direct their inquiries to: [tea@utzcertified.org](mailto:tea@utzcertified.org)

CBs with questions, feedback, or communication about members (e.g. suspension, cancelation of the certificate and/or license) can direct their inquiries to: [teacertification@utzcertified.org](mailto:teacertification@utzcertified.org)

Members and CBs with technical problems or questions related to the GIP can direct their inquiries to: [tea@support.utzcertified.org](mailto:tea@support.utzcertified.org)

### 3. Definitions

<b>Made tea</b>	Container term to describe the dry tea product that is obtained through a range of different fresh leaves processing activities. Within GIP the different types of Made tea are: green tea, CTC black tea, orthodox black tea, STP (LTP) black tea, yellow tea, white tea, oolong tea, pu'er raw tea and pu'er ripe tea,
<b>Tea Extract</b>	The concentrated form of tea. Extracts can be in the form of powder, liquid, frozen concentrate and concentrated paste.

### 4. Physical handling activities

Physical handling activities for tea include:

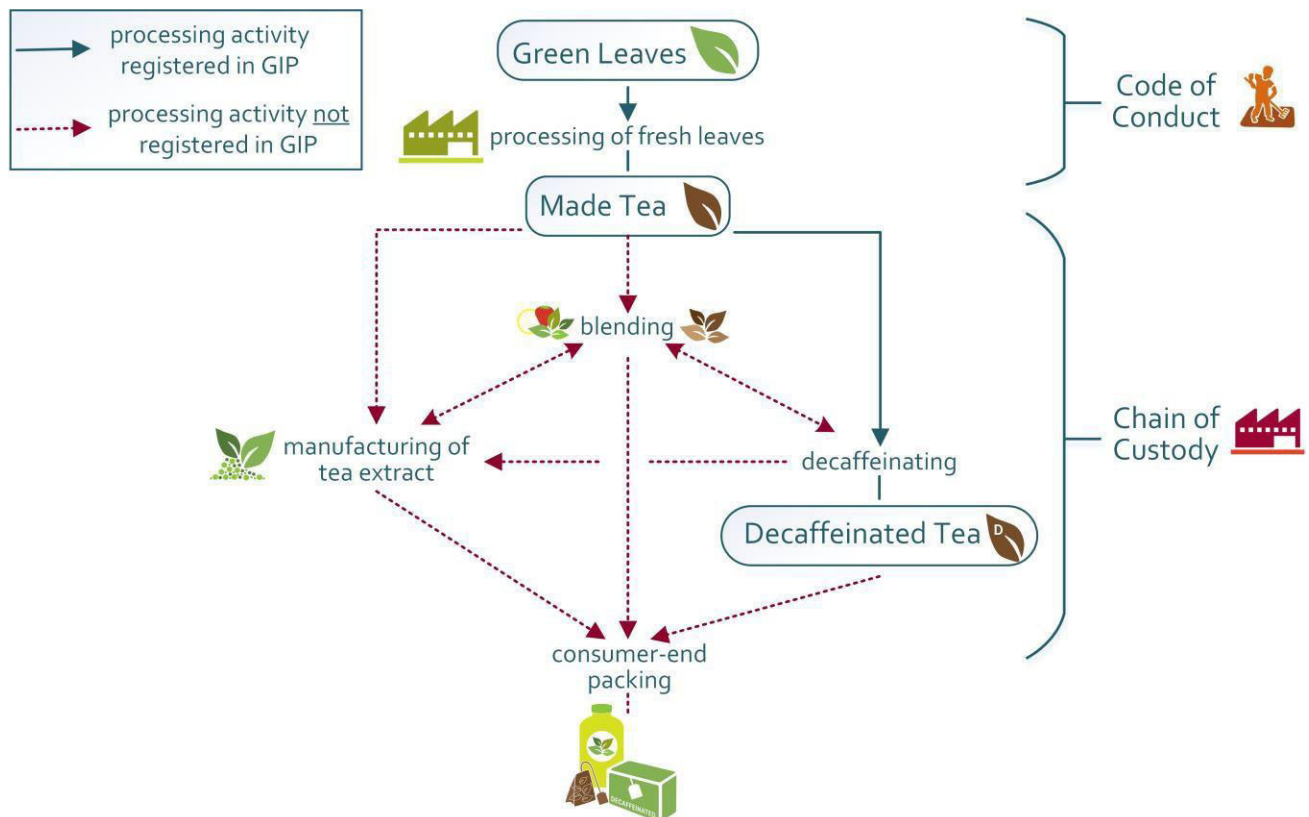
- bagging/bulking/re-bagging
- blending<sup>3</sup>
- decaffeinating
- manufacturing of tea-based products (e.g. tea extract)
- manufacturing of consumer-end products (e.g. tea ready-to-drink beverages)
- packing

of UTZ certified tea (made tea) or UTZ certified tea-based products. Only activities carried out on un-bagged, un-packaged, or un-sealed UTZ certified products are considered physical handling activities.

<sup>3</sup> Blending takes place at different stages in the supply chain, and also includes pre-blending and consumer-end blending.

## 5. Supply Chain

The following diagram represents a simplified version of the UTZ tea supply chain, including the main products and processing activities registered in the GIP and outside of the GIP.



## 6. Conversion rates

The following table summarizes the conversion rates for the main processing activities within the UTZ tea supply chain:

Process	Traceability Level	Input product	Output product	Conversion rate*	Applicable to (Country)
Decaffeinating	IP, SG	Black Tea, Green Tea, Oolong Tea	Decaffeinated Black Tea	0.90	All countries

\*Conversion rates are based on industry accepted standards and averages.

## 7. Minimum % requirements

The SCA operates a system which ensures that UTZ certified tea is not mixed with non-UTZ certified tea, including during transportation and storage. During blending, UTZ certified tea may be mixed with non-UTZ tea as long as the product claim specifies the percentage of UTZ certified content in the product, and the labeled products meet the requirements set forth in the UTZ Labeling and Trademark Policy.

## 8. Transactions and Stock activities

The following are the stock activities and transactions that a SCA may have to register on volumes of made tea, depending on the activities the SCA performs with UTZ certified made tea. Further explanation and examples on using the GIP can be found in the Quick Start Guide, located in the Downloads area<sup>4</sup> of the GIP.

### Sales announcement

When a producer/producer group or SCA sells made tea to another SCA, they perform a *sales announcement*.

### Purchase announcement

When a first buyer purchases made tea from a producer/producer group, and they have received authorization to register transactions in the GIP on behalf of the producer/producer group, the first buyer performs a *purchase announcement*. An on-behalf user authorization form signed by both parties is required to perform this transaction.

### Downgrade

When a member lowers the traceability level (from IP to SG) of a volume of made tea in their stock, they perform the transaction *downgrade*.

### Mix

When a SCA mixes made tea (at IP level) from different producers/producer groups they perform the stock activity *mix*. The mixed volume will retain information about the producers' names and their respective volumes included in the mix.

### Convert

When made tea is processed into decaffeinated tea the SCA performs the stock transaction *convert*.

### Trace

- When made tea is packaged and sold as a consumer-end product (with or without an UTZ Certified claim), the SCA performs the stock transaction *trace*.
- When made tea is manufactured into tea extract, liquor, or any other tea-based product, the SCA performs the stock transaction *trace*.

Tracing triggers the generation of an invoice for the UTZ Certified program fee.

### Remove

The Remove function may be used only by traders when:

- Volume of made tea has been damaged or lost
- Volume of made tea is purchased as UTZ certified or multi-certified, and is sold either as conventional made tea, or under a certification scheme that is not UTZ Certified.

The Remove function may only be used under special circumstances by manufacturers of half-finished, consumer-end, or food service products:

- To correct discrepancies between volumes announced in GIP and real volume received after GIP transactions have been confirmed.
- To correct discrepancies between qualities purchased and qualities received after GIP transactions have been confirmed.

### Sell via Auction

The Sell via Auction function reflects the sale of an UTZ certified product via a physical auction.

### Products not registered in the GIP

Tea extract, aroma, liquor, and any other tea-based product are not traded in the GIP. SCAs who purchase these products must still maintain physical and administrative traceability of the certified product, and comply with all relevant control points of the UTZ Chain of Custody Standard.

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<sup>4</sup> <https://www.goodinsideportal.org/web/utz/document-upload>

# Chain of Custody Herbs Annex

## version 1.1 December 2015

### 1. Introduction to Chain of Custody Herbs Annex

The Chain of Custody Herbs Annex is used along with the Chain of Custody Standard by all herbs supply chain actors who wish to trade and/or process UTZ certified herbs products. The Herbs Annex does not include requirements in the form of control points, however does stipulate rules and limitations that must be respected in order to trade and/or process UTZ certified herbs products.

**The Chain of Custody Standard applies to actors that do not produce the product themselves and which comply with the 3 requirements as stipulated in the Certification Protocol (ownership, physical handling and claiming).**

### 2. Background of the UEBT/UTZ Certified Herbal Tea program

The herbs in the UTZ Tea Program have been certified by means of the collaboration between UTZ Certified and the Union for Ethical BioTrade (UEBT). The partnership is based on the recognition by UTZ Certified of the Ethical BioTrade Standard and the UEBT Certification Protocol, and where needed supplemented with UTZ requirements regarding good agricultural practices, management, assurance, traceability, communication and labeling.

The result is an efficient, scalable and cost-effective certification system that is fully recognized by UTZ Certified and is suitable for the particularities of the herbal tea sector.

The herbal ingredients that can be certified are all plants and parts of plants (e.g. leaves, fruits, flowers, seeds, bark, roots) used for making **herbal and fruit teas** (infusions) both from cultivation or wild collection.

For further reading please consult “**Program Guidance for UEBT/UTZ Certified Herbal Tea**”.

### 3. Contacting UTZ Certified

Companies with questions or feedback about Chain of Custody certification can direct their inquiries to: [tea@utzcertified.org](mailto:tea@utzcertified.org)

CBs with questions, feedback, or communication about members (e.g. suspension, cancelation of the certificate and/or license) can direct their inquiries to:

[teacertification@utzcertified.org](mailto:teacertification@utzcertified.org)

Members and CBs with technical problems or questions related to the GIP can direct their inquiries to:

[tea@support.utzcertified.org](mailto:tea@support.utzcertified.org)

### 4. Definitions

Herbs	All ingredients used for herbal tea and include: herbs, flowers, dried fruits, roots, sprouts, leafs, bulbs, seeds, bark, buds, twigs, peel, petals.
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### 5. Physical handling activities

Physically handling activities for herbs include:

- bagging, bulking, or re-bagging,
- blending<sup>3</sup>

<sup>3</sup> Blending takes place at different stages in the supply chain, and also includes pre-blending and consumer-end blending.

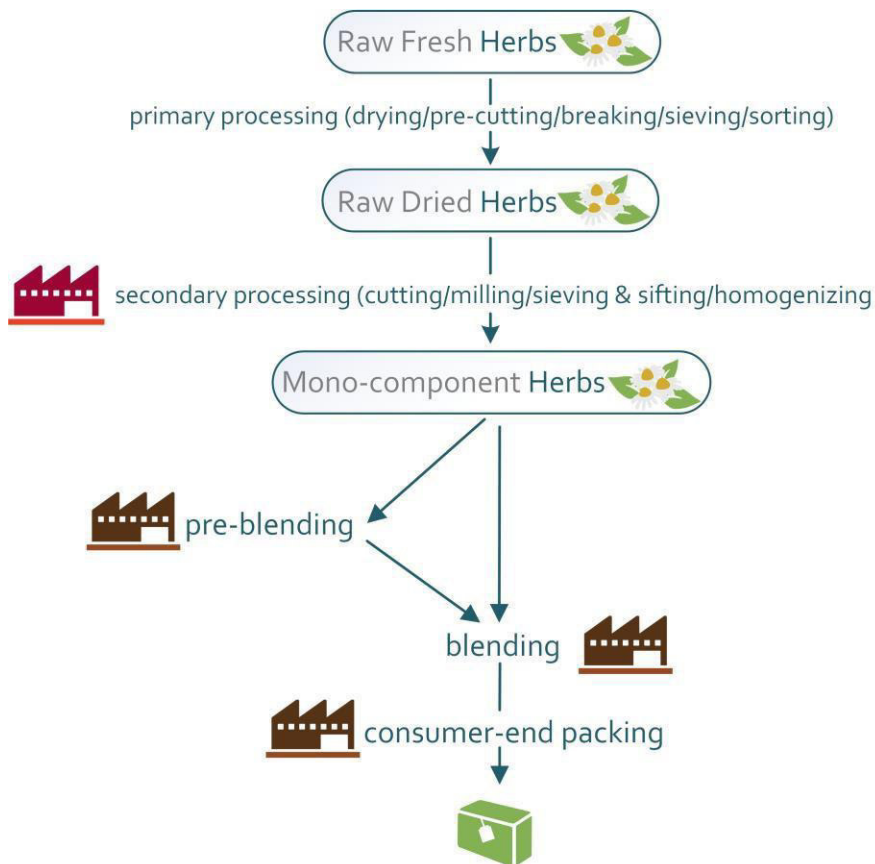
- manufacturing of herbal-based products (e.g. herbal extract)
- manufacturing of consumer-end product (e.g. beverages)
- packing/ consumer-end packing

of UTZ certified herbs (mono-component herbs or blended herbs). Only activities carried out on un-bagged, un-packaged, or un-sealed products are considered physical handling activities.

## 6. Supply Chain

The following flow chart represents a simplified herbs supply chain, including the main products and processing activities.

*Note: The descriptions "raw fresh" "raw dried" and "mono-component" have been included as they describe the products in the herbs supply chain. However, in the GIP the title of the product traded is always "Herbs".*



## 7. Minimum % requirements

In order to claim herbs as UTZ, the SCA operates a system which ensures that UTZ certified herbs are not mixed with non-UTZ certified herbs, including during transportation and storage. During blending, UTZ certified herbs may be mixed with non-UTZ herbs as long as the product claim specifies the percentage of UTZ certified content in the product, and the labeled products meet the requirements set forth in the UTZ Labeling and Trademark Policy.

## 8. GIP Transactions and Stock Activities

The following are transactions and stock activities that a SCA may have to perform depending on their activities with UTZ certified herbs. Further explanation and examples on using the GIP can be found in the Quick Start Guide, located in the Downloads area<sup>4</sup> of the GIP.

Extract, liquor, or any other herbs-based product is not traded in the GIP.

### Sales announcement

When a producer/producer group or SCA sells herbs to another SCA, they perform a *sales announcement*.

### Purchase announcement

When a first buyer purchases herbs from a producer/producer group, and they have received authorization to register transactions in the GIP on behalf of the producer/producer group, the first buyer performs a *purchase announcement*. An on-behalf user authorization form signed by both parties is required to perform this transaction.

### Downgrade

When a member lowers the traceability level (from IP to SG) of a volume of herbs in their stock, they perform the transaction *downgrade*.

### Mix

When a SCA mixes herbs (at IP level) from different producers/producer groups they perform the stock activity *mix*. The mixed volume will retain information about the producers' names and their respective volumes included in the mix.

### Trace

- When herbs are packaged and sold as a consumer-end product (with or without an UTZ Certified claim), the SCA performs the stock activity *trace*.
- When herbs are manufactured into herbal extract, liquor, or any other herbs-based product, the SCA performs the stock transaction *trace*.

### Remove

The Remove function allows an SCA to reduce the volume of their trading stock. Once the volume is removed, it cannot be claimed as UTZ certified anymore.

The Remove function may be used only by traders when:

- Volume has been damaged or lost
- Volume of UTZ herbs product is purchased as UTZ certified or multi-certified, and is sold either as conventional herbs, or under a certification scheme that is not UTZ Certified.

The Remove function may only be used under special circumstances by manufacturers of half-finished, consumer-end, or food service products:

- To correct discrepancies between volumes announced in GIP and real volume received after GIP transactions have been confirmed.
- To correct discrepancies between qualities purchased and qualities received after GIP transactions have been confirmed.

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<sup>4</sup> <https://www.goodinsideportal.org/web/utz/document-upload>



### Products not registered in the GIP

Herbal extract and any other herbs-based product are not traded in the GIP. SCAs who purchase these products must still maintain physical and administrative traceability of the certified product and comply with all relevant control points of the UTZ Chain of Custody Standard.