Chain of Custody Policy

July, 2015

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Sustainable Agriculture Network Secretariat at:

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0. Introduction

0.1. The Sustainable Agriculture Network

The Sustainable Agriculture Network (SAN) is a coalition of independent nonprofit conservation organisations that promote the social and environmental sustainability of agricultural activities. Chain of Custody (CoC) standard and policy development and review are coordinated by the SAN Secretariat. Accredited Certification Bodies certify farms, group administrators, cattle production systems and Participating Operators (POs) that conform to the SAN's standards and policies.

0.2. The Rainforest Alliance

The Rainforest Alliance is an international nonprofit organisation working to conserve biodiversity and ensure sustainable livelihoods. Farms that meet the SAN's comprehensive standards for sustainability, as well as POs that comply with SAN and Rainforest Alliance policies, are eligible for a license to use the Rainforest Alliance Certified™ seal and/or make Rainforest Alliance Certified claims for products grown on Rainforest Alliance Certified farms.

0.3. The Chain of Custody Policy

There are two ways to obtain Chain of Custody approval, Chain of Custody Certification which is issued by an Accredited Certification Body and Chain of Custody Endorsement which is issued by the Rainforest Alliance. This document contains the scope of the CoC certification and endorsement, including how to maintain the Participating Operator's (PO) status for making Rainforest Alliance Certified claims. The new CoC system is based on risk categories that will lead to different assurance tasks.

1. CoC Scope and General Conditions

a) The scope of the CoC system begins with the first entity taking possession of a product from a Rainforest Alliance Certified farm or group administrator, and ends with the entity that is packaging the final product for sale to end consumer. The following entities are exempted from the CoC system:

   i. Entities purchasing a finished labelled product ready for sale to the end consumer;
   ii. Entities providing transportation services;

iii. Entities making only corporate claims, for example within their sustainability or CSR report, regarding purchase of product from Rainforest Alliance Certified farms.

b) The CoC system applies to:

i. Any entity that takes physical and/or legal possession of a product originating from Rainforest Alliance Certified farms and makes a promotional, on-package or sales claim regarding the certified status of these products; and

ii. Any entity that acts as a contractor handling product originating from Rainforest Alliance Certified farms that will be sold with a promotional, on-package or sales claim regarding the certified status of these products.

c) The scope of the PO's CoC certificate or endorsement includes the sites, products, and processes or activities performed that may potentially affect the integrity of certified products.

d) Only products that are covered by a CoC certificate or endorsement, as defined in c above, may carry the Rainforest Alliance Certified seal or claim/s.

e) The PO shall conform to the CoC Standard and Policy (and any annexes thereto or guidance provided), and the Rainforest Alliance policies regarding licensing agreements and the trademarks and traceability system.

f) When a CoC certificate or endorsement (see sections 2.1 and 2.2) is cancelled or expires the PO will lose its right to claim products as Rainforest Alliance Certified, with the exception of the sell-off period described in section 6.

g) POs may be subject to special circumstances that limit their ability to be audited. These cases will be analysed and decided upon by the respective SAN accredited Certification Body, which may consult the Rainforest Alliance[1] and the SAN Secretariat for guidance.

h) In exceptional circumstances exclusions, exceptions and/or considerations to this policy will be analysed and decided upon by the Rainforest Alliance and the SAN.

i) If the SAN and Rainforest Alliance choose to provide any additional requirements or guidelines related to specific crops, they will be added as an annex to this document.

2. CoC approvals – types and process

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[1] Note: References to Rainforest Alliance in this Policy do not refer to RA-Cert, the division within Rainforest Alliance that provides auditing and certification services as an accredited certification body.

a) POs that fall into the scope described in this policy shall contact Rainforest Alliance (agcoc@ra.org) to receive and fill out the SAN/Rainforest Alliance Chain of Custody Risk Assessment (CRA).

b) Each site of a multi-site PO (see section 4) shall submit an individual CRA to determine if certification or an endorsement is required. Once an entity has completed the CRA and submitted it to Rainforest Alliance along with any relevant supporting documentation, the Rainforest Alliance will review it, cross-checking with available information from the Certification Body (CB) and other relevant sources to determine the risk category of the PO. The Rainforest Alliance reserves the right to request any additional information required to evaluate the PO's CRA application.

c) Rainforest Alliance will communicate to the PO its risk category and the assurance tasks to be undertaken in order to achieve the CoC approval that corresponds to its risk category. Results of the CRA will be made available to the PO to review and learn from, or to appeal Rainforest Alliance's decision.

d) POs that are appealing Rainforest Alliance's decision on the risk category shall submit the appeal within one month of receiving the decision. Rainforest Alliance and the SAN will then review the appeal and provide a decision to the PO. If CoC certification is required, the PO shall obtain certification, with an Accredited CB, within 12 months of receiving the decision of the appeal. Failure to meet these timelines would result in sanctions and/or cancellation as set forth in Section 6.

e) POs who are not in compliance with Rainforest Alliance licensing agreements and the requirements for the trademarks and traceability system will have one month from the date that the CRA decision is communicated to achieve compliance with these systems or risk sanctions and/or cancellation.

f) Depending on its risk category, POs may achieve CoC approval through a:

    i.   CoC endorsement: very low risk category, or

    ii.   CoC certificate: low, medium, and high risk categories.

Table A. Assurance tasks associated with each risk category.

RISK CATEGORY	Certification Audit	1st Annual Audit	2nd Annual Audit
Very low risk	No audit		
Low risk	On-site audit	No audit	No audit
Medium risk	On-site audit	Desk audit	No audit

RISK CATEGORY	Certification Audit	1st Annual Audit	2nd Annual Audit
High risk	On-site audit	On-site audit	Desk audit

g) A PO holding a valid CoC certificate or endorsement shall immediately notify Rainforest Alliance (agcoc@ra.org) and its CB, where applicable, if it makes any changes to its CoC scope or to its system (i.e. adding a new product or process) that would result in a different response to one or more of the CRA questions and complete a new or additional CRA to determine whether the risk category has changed. If the PO was endorsed and now requires CoC certification, certification shall be obtained within 12 months of the notice of change in risk category. Failure to meet these timelines will result in sanctions and/or cancellation.

h) POs that are approved for the SAN/Rainforest Alliance CoC system by a certificate or endorsement will be listed on the SAN's public database.

i) Complaints related to the performance of certified POs will be handled by each CB according to its procedures. Complaints related to the performance of endorsed POs will be received by the Rainforest Alliance according to the following procedures:

    i. Acknowledgement of the complaint will be sent within 2 weeks of receiving the complaint.

    ii. Complaints will be investigated only if they are based on verifiable evidence.

    iii. SAN/Rainforest Alliance will send a response to the complaint within 90 days of receiving the complaint.

    iv. The results of a complaint investigation may include a change to the PO's risk category.

2.1. CoC Endorsement

a) POs in the "very low risk" category as per the results of the CRA will be reviewed and if confirmed to be in compliance with the Rainforest Alliance trademarks and traceability system will be issued a CoC endorsement by the Rainforest Alliance. An endorsement agreement will be signed by both parties.

b) Prior to being awarded a CoC endorsement, POs shall be in compliance with Rainforest Alliance license agreements and trademarks and traceability system requirements.

c) The PO may start or continue to sell products making the claim that they come from Rainforest Alliance Certified sources throughout the CRA evaluation and review process.

d) The CoC endorsement is effective as of the date of issuance by the Rainforest Alliance and it is valid for three years, subject to the PO completing a new CRA annually. Rainforest Alliance may

cancel an endorsement if the new CRA is not completed at least 30 days before each anniversary date.

e) Rainforest Alliance reserves the right to authorise a research audit (including an on-site audit) of any of the CoC endorsed POs by an accredited CB and revoke the CoC endorsement if necessary.

f) POs who do not meet the above requirements will be deactivated from the Rainforest Alliance online Marketplace and will be unable to claim products as Rainforest Alliance Certified™ both on and off product.

2.2. CoC Certificate

a) POs that fall in the low, medium or high risk categories as per the results of the CRA shall apply for CoC certification with a CB within one month of receiving the CRA results, and shall be issued a CoC certificate by a CB within 12 months of receiving the CRA results.

b) In order to obtain CoC certification, a PO shall:

    i.   Apply for certification with an accredited CB;

    ii.   Comply with the requirements of the SAN/Rainforest Alliance CoC Standard and Policy;

    iii.   Undergo a certification audit performed by an accredited CB;

    iv.   Sign a Certification Agreement with an accredited CB; and

    v.   Comply with all administrative processes defined by the accredited CB, SAN, and the Rainforest Alliance.

c) During the review and application process, the PO may start or continue to offer products from Rainforest Alliance Certified farms making Rainforest Alliance Certified claims, subject to approval in Marketplace.

d) The CoC certificate is effective as of the date of issuance by the CB and is valid for three years.

e) A certified PO may choose to ask the Rainforest Alliance for an annual review of the CRA if it thinks that its risk category has changed. If the result of the updated CRA is a change to the very low risk category, the current certificate will be cancelled and the PO shall follow the requirements highlighted in section 2.1. If the result of the updated CRA is a change in the risk category but still requires CoC certification, the current certificate will be maintained and the PO shall comply with the assurance task that corresponds to its new risk category.

f) In order to maintain the status of CoC certification, the PO shall:

    i.   Undergo the assurance activities that correspond to its risk category, as per Table A;

    ii.   Undergo any other audit justified by the CB, the Accreditation Body, the SAN or the Rainforest Alliance; and

    iii.   Comply with the accredited CB's Certification Agreement.

g) POs who do not meet the above requirements will be deactivated from the Rainforest Alliance online Marketplace and will be unable to claim products as Rainforest Alliance Certified^{TM} both on and off product.

3.   Audit Types

3.1.   Certification Audit

a)   Occurs at the start of each three-year certification cycle. Certified POs shall apply for the next certification audit at least 6 months prior to the expiration of the current certificate to ensure there is no gap between certification cycles.

b)   Evaluates conformity with all applicable criteria of the CoC standard.

3.2.   Annual Audit

a)   Annual audits, when required according to section 2.f, shall be conducted between three months before and three months after the anniversary date of the certificate.

b)   Annual audits evaluate all applicable criteria and corrective actions of any open minor nonconformities from the previous audit, if applicable.

3.3.   Verification Audit

a)   Verification audits are required to evaluate corrective actions addressing non-conformities identified during previous audit(s).

b)   POs may undergo desk verification audits whenever it is possible to demonstrate conformity through documentation and remote interviews.

c)   If a verification audit is scheduled, the PO may start or continue to sell products making the claim that they come from Rainforest Alliance Certified sources.

3.4.   Research Audit

a)   Research audits may be carried out by Rainforest Alliance or the CB in response to a claim or complaint about the performance of a certified or endorsed PO with the potential to result in a major nonconformity.

b)   Research audits may be conducted at any time during the certification cycle or the validity of the endorsement. Should the CB decide to inform the PO in advance, notice shall occur no more than five working days in advance.

c)   Research audits may take place off-site when it is possible to demonstrate conformity through documentation and remote interviews.

d) The cost of a research audit will be charged to the PO, if:

    i. The complaint is confirmed; or,

    ii. Major nonconformities are found during the audit.

3.5. Non-programmed audit

a) Non-programmed audits are carried out by the CB as a method of supervision with respect to the certified PO's conformity with the applicable SAN/Rainforest Alliance CoC standards and policies, for the purpose of maintaining the credibility of the scheme.

b) Non-programmed audits may be conducted at any time during the certification cycle. Should the CB decide to inform the PO in advance, notice shall occur no more than five working days in advance.

c) Non-programmed audits may take place off-site when it is possible to demonstrate conformity through documentation and remote interviews.

4. Types of Participating Operators

a) POs can be divided into two categories for the purposes of SAN/Rainforest Alliance CoC system:

    i. Single Participating Operator: An entity that administers only one production and/or processing facility, but may administer one or more offices. The CoC certificate or endorsement is issued for a single PO.

    ii. Multi-site Participating Operator: An entity that administers two or more sites.

b) There are two different types of multi-site POs:

    i. POs whose sites are located within a single country.

    ii. POs whose sites are located in multiple countries. Global multi-site certificates may be granted when the following criteria are met:

- All sites are under a common ownership structure.
- All sites operate under the same integrated management system that has authority and responsibilities beyond those related solely to certification.

c) Expansion of multi-site certificate:

    i. At any time in the audit cycle, a PO may request a change to the certification scope in order to increase or decrease the number of sites.

    ii. In order for a multi-site PO to increase its number of sites, it shall submit an individual CRA for each site it wishes to include.

iii.   If the result is very low risk, the site will receive an endorsement. If the result is low, medium or high risk, those sites may be included in the existing certificate under the following conditions:

- The PO may increase the number of sites in their certificate up to 25% without the need for an additional audit. If the PO wishes to increase the number of sites by more than 25%, then a verification audit is required, multi-site sampling rates apply.
- Prior to including any site in the certificate scope, these new sites shall be inspected internally and found to be in conformity with the CoC Policy and Standard.

5.   Conformance evaluation

a)   Audit findings are classified as conformities or nonconformities, according to the SAN Accreditation Requirements for Certification Bodies.

b)   Nonconformities may be closed by the auditor prior to report finalization, if evidence showing the nonconformity has been corrected is evaluated within two weeks after the closing meeting. If additional costs are incurred through the evaluation of this evidence, these costs shall be covered by the PO.

c)   An observation is a comment intended to highlight potential improvements to the PO's CoC system.

5.1. Major nonconformities (MNC)

a)   A major nonconformity (MNC) is issued when there is:

i.   Evidence of nonconformity that poses a material risk to certified product integrity due to mixing with uncertified product, over-selling of certified volumes, significant system gaps, or seal use violation.

ii.   A nonconformity with criterion 1.3 of the CoC standard that poses a substantial risk to the SAN/Rainforest Alliance CoC system or reflects badly on the name of the SAN and/or Rainforest Alliance, in the sole opinion of the SAN or Rainforest Alliance, as the case may be.

iii.   Upgrading of a minor nonconformity that was not closed within the designated timeline.

b)   If one or more MNCs are issued as a result of a certification audit, CoC certification will not be approved.

i.   The PO shall undergo a verification audit within four months of the certification decision.

    ii.   If during the verification audit the PO demonstrates corrective actions sufficient to close the MNCs, a certificate may be issued. Otherwise, CoC certification will not be approved.

c)   If one or more MNCs are issued as a result of an annual audit, CoC certification may be cancelled.

    i.   The PO shall undergo a verification audit within four months of the certification decision.

    ii.   If during the verification audit, the PO demonstrates corrective actions sufficient to close the MNCs, the certificate may be maintained. Otherwise, the certificate will be cancelled.

5.2. Minor nonconformities (mnc)

a)   A minor nonconformity (mnc) is issued when there is:

    i.   Evidence of nonconformity that does not pose a material risk to certified product integrity due to mixing with uncertified product, over-selling of certified volumes, significant system gaps, or seal use violation.

    ii.   A nonconformity with criterion 1.3 of the CoC standard that does not pose a substantial risk to the SAN/Rainforest Alliance CoC system or reflect badly on the name of the SAN and/or Rainforest Alliance.

b)   Although mncs generally do not prevent certificate issuance or maintenance, there may be cases when a large number of mncs indicate that the overall management system is too weak to issue or maintain the certificate. In such cases, presence of a cumulative impact of multiple mncs indicates risk for a general system breakdown which constitutes a major nonconformance whereby each mnc issued is classified as an MNC.

c)   If any open mnc(s) remain following the certification or annual audits, the PO should demonstrate corrective actions sufficient to resolve each mnc within 15 months of the certification decision.

    i.   At any audit, a CB may, but is not required to, upgrade a mnc from a previous audit to a MNC if the PO has not demonstrated corrective actions sufficient to resolve the mnc. In addition, at a certification audit, a CB shall upgrade any open mnc(s) to MNC(s) if the PO has not demonstrated corrective actions sufficient to resolve the open mnc(s) issued during the previous certification cycle.

6. Cancellation and sanctions

6.1. Cancellation of a CoC certificate or endorsement and POs without a CoC status

A PO's CoC certificate or endorsement shall be cancelled, and a PO that has not yet received CoC certificate or endorsement (a PO without CoC status), shall be subject to sanctions for any of the following reasons:

a) (i) A PO fails to submit a new CRA on time before the end of the three-year cycle, (ii) an endorsed PO does not submit a new CRA annually before the anniversary date of the endorsement or (iii) a PO without CoC status does not complete an initial or annual CRA.

b) A PO without CoC status does not obtain CoC certification or endorsement within the established timeframes.

c) The PO does not undergo the corresponding audits in the certification cycle within the established timeframes, unless the CB authorises an extension based on a force majeure situation.

d) A PO is found to make false claims or declarations, or to deliberately provide inaccurate information.

e) A PO deliberately obstructs or hinders an audit.

f) A PO has participated in fraudulent or unethical activities that may tarnish the reputation of the certification program.

g) A PO fails to comply with any aspect of the SAN/Rainforest Alliance CoC system.

6.2. Cancellation process and sanctions

a) A certificate shall be deemed "cancelled" as of the effective date of cancellation stated in the written notification from the accredited CB (the "cancellation date") to the PO. An endorsement shall be deemed "cancelled" as of the date of the written notification from Rainforest Alliance to the PO. The PO may also request voluntary cancellation of its endorsement from Rainforest Alliance and voluntary cancellation of its certificate from the CB, in which case a certification or endorsement is deemed "cancelled" as of the date of the PO's written request.

b) Sanctions for a PO without CoC status shall include all of the applicable consequences of cancellation set forth in this Section 6.2(c), (d), (e), and (f).

c) As of the cancellation date, no further sale or transfer of ownership of certified product may be claimed or recognised as Rainforest Alliance Certified. Should the PO have additional volumes of Rainforest Alliance Certified product it wishes to sell, the PO shall confirm a sell-off period with the Rainforest Alliance. The sell-off period begins on the cancellation date and continues for up to 6 months from the cancellation date. A PO may sell Rainforest Alliance Certified product in stock under the following conditions:

i. The PO shall notify Rainforest Alliance within 10 business days after the cancellation date to request a sell-off period.

ii. The PO shall work with the Rainforest Alliance and the CB, where appropriate, to confirm the volume of product that is processed and packaged and is available for sale;

iii. If, according to Rainforest Alliance records, a PO has additional volumes of certified product available for sale after all packaged product is accounted for, Rainforest Alliance will authorise the PO to use packaging that has already been printed (or print or purchase a limited amount of additional packaging) sufficient to allow the PO to sell the remaining certified product during the sell-off period. However, in no event may such additional product be sold beyond the final day of the sell-off period.

iv. The PO will cooperate with Rainforest Alliance, and where appropriate the CB, to provide evidence that, prior to and during the sell-off period, the labelled product was processed and packaged in accordance with all SAN/Rainforest Alliance CoC system requirements;

v. Rainforest Alliance will provide to the PO a written notice setting forth the type of product subject to the sell-off period, the volume of such product available for sale and confirming the length of the sell-off period.

vi. A sell-off period will not be authorised or will be revoked in instances where the PO has participated in fraudulent or unethical activities that may tarnish the reputation of the certification program.

d) As of the cancellation date, and including during the sell-off period, the PO will immediately cease to make any off-pack claims that imply that it complies with the CoC standards and policies and immediately cease to make use of Rainforest Alliance claims or trademarks in any physical or electronic promotional material or media, in brochures or on web pages, signs or other type of documentation (other than approved annual reports or sustainability reports dated for years prior to cancellation); and

e) Other than as set forth in Section 6(c)(iii) above and agreed to in writing with Rainforest Alliance, as of the cancellation date, and including during the sell-off period, a PO may not create or cause to be created any new products, packaging or off-product promotional materials marked as Rainforest Alliance Certified.

f) Following cancellation, and accounting for the sell-off period, the PO shall be deactivated in all applicable SAN/Rainforest Alliance systems.

6.3. Reactivation

a) POs whose certificate or endorsement has been cancelled may reapply for the certificate or endorsement at any time.

b) POs who have no CoC status and have been sanctioned by Rainforest Alliance shall obtain compliance with Rainforest Alliance licensing agreements and the requirements for the trademarks and traceability system prior to selling and/or promoting products as originating from Rainforest Alliance certified farms.

c) Unless within the previously approved sell-off period, no product may be sold with Rainforest Alliance Certified claims before a new CoC certificate or endorsement is issued or sanctions have been lifted.

d) In order to be reactivated, a PO shall:

    i. Submit a new CRA to determine the corresponding assurance tasks to be undertaken.

    ii. Close any existing MNCs or mncs that were open in the 12 months prior to cancellation and were not closed when the previous certificate was cancelled.