



## CHAIN OF CUSTODY Module

Version No. 4

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**NOTE:** Although this document may be translated into various languages for the convenience of users, the English version remains the definitive reference document in the event of any dispute.



# Contents

Legal Compliance of Participating Companies .....	2
VIVE Complaints and Appeals .....	3
VIVE Ownership .....	3
VIVE Contact.....	3
COC 1  Traceability and Mass Balance.....	4
COC 1 1  Chain of Custody Mass Balance Methodology.....	4
COC 1 2  Assignment of Mass Balance Data.....	4
COC 1 3  Mass Balance Transfers and Physical Boundaries.....	5
COC 1 4  Mass Balance Time Boundaries.....	6
COC 1 5  Traceability of Mass Balance Products.....	6
COC 2  Governance.....	7
COC 2 1  Company Policies.....	7
COC 2 2  Business Integrity.....	8
COC 2 3  Records.....	9
COC 2 4  Management Structures.....	9
COC 3  Use of Third Parties .....	11
COC 3 1  Service Provider Due Diligence and Performance .....	11



## What is VIVE?

VIVE is a voluntary Continuous Improvement Sustainability Programme for ingredient supply chains that enables sustainability performance to be measured and improvement objectives to be set and tracked. VIVE has been developed based on a broad experience of programmes operating within global industries reliant on agricultural products and takes into account the internationally recognised sustainability and human rights principles established by the various agencies of the United Nations. The VIVE programme is designed to be able to operate along the whole supply chain from producer to industrial end-user and comprehensively covers the key environmental, social and governance aspects of sustainability. The content and best practice is further informed by our stakeholder including buyers (end users), traders and participants themselves.

VIVE is able to act as an 'umbrella' programme, benchmarked against other sustainability initiatives. This provides the potential for one VIVE assessment to meet the requirements of several programmes at once, thus reducing 'audit fatigue'. VIVE recognises that participants will be at different stages in their sustainability improvement journey when they join the programme and similarly, they, or their customers, will have different immediate sustainability priorities. The VIVE programme enables constructive dialogue between supply chain partners by improvement transparency through verifying implementation of best practice as well as identifying areas for improvement.

Participants in the programme self-assess their sustainability status by completing an online self-assessment within the VIVE Online System. Whilst participants retain the obligation to ensure all information provided is accurate and complete (see below), participants' responses and supporting evidence will be reviewed, including through on-site third-party independent assessments, to see whether the evidence submitted and seen reasonably supports the responses given. The programme operates on a three-year improvement cycle. Reports are produced after each on-site assessment. For a summary of the rules governing the operation of the VIVE programme, participants are referred to the VIVE Programme Manual. Participants are reminded that, in taking part in the VIVE programme, they warrant that the answers and supporting evidence that they provide are an accurate reflection of the current situation. Although an independent on-site assessment is an integral part of the VIVE programme, it remains the responsibility of the participating companies to ensure, that all responses and evidence entered into the online system and otherwise provided are true, accurate, not misleading and have no material omissions.

VIVE seeks to bring end users assurance that their minimum requirements have been met for sustainable production on farms and facilities. Where applicable, VIVE may also cover participant, trader and end user legal obligation for due diligence or product conformance to sustainable practices. Where end user minimum requirements have not been achieved by participants, they will enter into remediation. Participants who fail to engage with remediation or fail to adequately implement the conditions of their remediation will not be eligible for any VIVE Claim level acknowledgement.

## Legal Compliance of Participating Companies

Although the VIVE programme represents 'good practice', compliance with the VIVE Criteria does not in itself absolve a participating company from, or diminish, obligations that may be incumbent upon the participating company as a result of any client, statutory, or regulatory requirements. In addition to the requirements of the VIVE programme, participants must ensure that all products they supply meet the current legislative requirements of both the country in



which the participating company is operating and the countries to which they supply products. Where a participant is subject to legal action by a Competent Authority or other Enforcement Agency in relation to matters that directly affect compliance with the requirements of VIVE and the integrity of the programme, the participating company must advise VIVE of this at the earliest possible opportunity.

#### VIVE Complaints and Appeals

Please contact [VIVESupport@absustain.com](mailto:VIVESupport@absustain.com) to access the full VIVE Complaints and Appeals procedure.

#### VIVE Ownership

VIVE is jointly owned and operated by Czarnikow Group Ltd and AB Sustain (a division of AB Agri Ltd)

#### VIVE Contact

If you wish to contact VIVE please send an e-mail to: [VIVESupport@absustain.com](mailto:VIVESupport@absustain.com)



# COC1|1| Traceability and Mass Balance

When segregation of VIVE products is not feasible, the Company must adopt the VIVE Mass Balance approach whenever bulk VIVE product is comingled with non-VIVE products.

The VIVE Mass Balance requires that VIVE products are kept administratively separate from non-VIVE products, while the physical products may be combined within the defined rules laid out in this Pillar.

## COC1|1| Chain of Custody Mass Balance Methodology

The Mass Balance methodology used within VIVE allows VIVE product to be physically comingled with non-VIVE products meeting the same specification within a given Supply Chain Step but requires continued administrative separation of the VIVE tonnage to ensure there is no over-claiming of the tonnage assigned to VIVE.

Indicator	Indicator Description	Verifier
COC1 1 1	Does the Company accurately utilise the VIVE Mass Balance Methodology?	Y, N

## COC1|2| Assignment of Mass Balance Data

CRITERIA: The Company must comply with the VIVE Mass Balance rules in relation to assignment of data.

- It is acceptable to retain administrative balances of VIVE products after the physical goods have been despatched, while awaiting a sale (i.e., a long administrative position may be held)
- It is not acceptable to despatch products from a facility under the VIVE brand until adequate physical stocks of VIVE product have been received at the same facility to cover this quantity (i.e., a short administrative position is not acceptable)

Any claimed VIVE mass balance sold must be covered in full by valid (e.g. in date and to the same specification) VIVE products produced or purchased

All trades must be registered with VIVE to ensure that mass balance additions and subtractions are accounted for

Indicator	Indicator Description	Verifier
COC1 2 1	Does the Company ensure it only maintains a long administrative position and does not run a short administrative position?	Y, N
COC1 2 2	Are VIVE claimed products sold by the Company of a valid status?	Y, N



COC1 2 3	Are trades and amendments to the VIVE Mass Balance registered with VIVE?	Y, N
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## COC1|3| Mass Balance Transfers and Physical Boundaries

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CRITERIA: The Company must maintain a physical trade flow of VIVE products where viable

Where more than one VIVE Mass Balance commodity is in the system of a given Company it is not acceptable to transfer the VIVE data from one type of commodity to another. For example: VIVE data for molasses cannot be transferred to sugar.

VIVE physical trades or a VIVE Mass Balance transfer trades may not be backdated under any circumstances. For a VIVE physical trade, the VIVE volume should be agreed at time of shipment and the relevant documents should be issued.

### VIVE Mass Balance Transfer

A volume of VIVE Mass Balance can be transferred / traded between two separate VIVE participants without an accompanying physical transaction in the following circumstances:

- 1) If a Company owns two VIVE product supplying facilities in the same geographical market, where both have achieved VIVE Claim Level for the same verified commodity, the participant can apply to directly transfer their VIVE Mass Balance between the two facilities. Each Mass Balance Transfer request will need to be approved by the VIVE team in writing. For sugar products, this point 1) is applicable for the movement of both VIVE raw sugar and white sugar Mass Balance.
- 2) If it can be demonstrated that a physical flow of VIVE raw sugar between a VIVE participants facility and any of its intermediaries or secondary processors is not commercially or logistically viable, the Company may apply to the VIVE programme to trade a volume of VIVE Mass Balance, without a physical flow attached. Any receiver of such a VIVE Mass Balance Transfer must be a participant of the VIVE programme and achieved VIVE Claim Level through assessment against the relevant VIVE Module. For a VIVE Claim to be accepted, each requested VIVE Mass Balance Transfer under this point 2) must be approved by the VIVE team in writing. In the event of a Company facility completing a VIVE Mass Balance Transfer the balance held by the participant must be reduced to reflect this in the participants available mass balance. For sugar products, this point 2) can only be used to transfer a Mass Balance of VIVE raw sugar and cannot be used to transfer a Mass Balance of VIVE white sugar. This VIVE Mass Balance Transfer applies from a primary producer to a secondary processor, for example, the transfer of VIVE raw sugar from a mill to a refinery, however, cannot be used to transfer a Mass Balance of VIVE white or refined sugar to an industrial consumer.

All Mass Balance Transfers will be confirmed by the issuing of a Mass Balance Transfer Certificate, issued exclusively by the VIVE team.

A VIVE raw sugar trade is confirmed by the either of the following documents:

- 1) A VIVE Purchase Confirmation Certificate for a physical VIVE raw sugar trade, including the VIVE reference number and total volume of VIVE sugar traded.

OR



2) A VIVE Mass Balance Transfer Certificate when a physical flow of VIVE raw sugar has not been undertaken. The Mass Balance Transfer Certificate will confirm the new VIVE reference number for the volume of VIVE product exchanged.

A VIVE white sugar trade is confirmed with the following document:

1) A VIVE Purchase Confirmation Certificate for a physical VIVE white sugar trade, including the VIVE reference number and total volume of VIVE sugar traded. For each sale, the document will clearly state the volume of physical VIVE sugar that the supplying participant received through a physical transaction (Physical VIVE Mass Balance) and the volume of VIVE sugar received by a Mass Balance Transfer (VIVE Mass Balance Transfer).

All participants are expected to keep an administrative record for the following:

- Physical VIVE Mass Balance – volume of VIVE Claim Level product awarded during a VIVE assessment or received via a physical VIVE cargo.
- Mass Balance Transfer – the volume of VIVE Claim Level product sold or received via a Mass Balance Transfer to or from another participant.

Participants can only complete a VIVE Mass Balance transfer trade if they have available VIVE Mass Balance at the time of request.

Indicator	Indicator Description	Verifier
COC1 3 1	Does the Company apply VIVE Mass Balance Physical Boundaries inline with the guidance of this Criteria?	Y, N
COC1 3 2	Does the Company apply VIVE Mass Balance Transfer inline with the guidance of this Criteria?	Y, N
COC1 3 3	Does the Company ensure each VIVE Mass Balance is operated only for a defined commodity and that no data is transferred from one commodity to another?	Y, N

#### COC1|4| Mass Balance Time Boundaries

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CRITERIA: The Company must limit the administrative life of any VIVE Mass Balance product to three years or in accordance with the expiration date associated with volumes held or traded.

Any administrative Mass Balances left after this period must be deleted.

Indicator	Indicator Description	Verifier
COC1 4 1	Does the Company ensure the administrative life of any Mass Balance product is limited to three years?	Y, N

#### COC1|5| Traceability of Mass Balance Products

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CRITERIA: The Company must be able to demonstrate purchase and sales are documented and correspond accurately to the VIVE mass balance allocated to the Company.

The Company must be able to demonstrate traceability for all crops in an unprocessed, semi processed or processed state received at its facilities, whether or not they are destined for the VIVE programme. This will require the ability to produce a traceability trail for each delivery back



to the point in the supply chain where a previous Mass Balance occurred and/or the VIVE status of the product can be verified.

Upon request, the Company must be able to provide a traceability trail back to previous supplier and forward to buyers. To facilitate this, the Company must:

- Record the names and addresses of suppliers and buyers of incoming and outgoing products
- Record the types and quantities of incoming and outgoing products
- Record the numbers of the batches or lots received and issued
- Identify the transport means and unique identification references of the transport for all outgoing products

Indicator	Indicator Description	Verifier
COC 1 5 1 1	Does the Company have a process to record details of all incoming products?	Y, N
COC 1 5 2 1	Does the Company have a process to record details of all outgoing products?	Y, N

## COC|2| Governance

The Company should embed in its business practices the processes necessary for the successful implementation of VIVE and the maintenance of the Programme’s integrity and credibility.

The Pillars of VIVE will only deliver continuous improvements towards sustainable sugar production effectively if they are built on the sound foundations of robust Governance. The Guiding Principles included within Governance apply to all of the Guiding Principles within this module.

### COC|2|1| Company Policies

CRITERIA: The Company should have Policies that are aligned to the relevant Criteria of VIVE.

The Company should assess whether its existing policies sufficiently encompass the Criteria of VIVE or whether additional policy statements are required.

Where the Company is part of a group, any Group policy should be suitable for local use and adapted as necessary.

The Company Policies that commit to the effective implementation of the VIVE Criteria should:

- Be Company and country specific
- Commit to compliance with all relevant national and local regulations
- Be signed by a member of the Company senior management
- Be subject to regular review (at least annually)

Indicator	Indicator Description	Verifier
COC 2 1 1 1	Are Company Policies, company and country specific?	Y, N





COC 2 1 2	Do Company Policies commit to compliance with all relevant national and local regulations?	Y, N
COC 2 1 3	Are Company Policies signed off by a member of the Company Senior Management?	Y, N
COC 2 1 4	Are Company Policies subject to regular review?	Y, N

## COC|2|2| Business Integrity

CRITERIA: The Company should conduct its business with integrity, respecting relevant laws and prohibiting bribes and fraudulent practices.

The Company's controls should encompass all the areas listed below:

- Compliance with all applicable laws, rules, regulations and requirements related to business integrity
- Prohibition of bribes or other types of 'facilitation' payments
- Entertainment and gifts
- Human rights
- Respect in the workplace
- Competition and anti-trust
- Conflicts of interest
- Money laundering
- The accuracy and veracity of any records of practices, procedures and legal compliance

The Company should have a mechanism available to allow employees to report suspected misconduct related to Business Integrity. This mechanism should be secure, anonymous and protect employees from any repercussions.

Relevant Company controls should be audited by competent and qualified assessors, independent of the business unit being audited. The findings should be reported to senior management and any shortcomings should be identified and addressed.

Indicator	Indicator Description	Verifier
COC 2 2 1	Does the Company have effective controls in place to ensure compliance with all applicable laws, rules, regulations and requirements related to Business Integrity?	Y, N
COC 2 2 2	Does the Company have effective controls in place to prohibit bribes or other types of 'facilitation' payments?	Y, N
COC 2 2 3	Does the Company have effective controls in place regarding entertainment and gifts?	Y, N
COC 2 2 4	Does the Company have effective controls in place regarding human rights?	Y, N
COC 2 2 5	Does the Company have effective controls in place regarding respect in the workplace?	Y, N
COC 2 2 6	Does the Company have effective controls in place regarding competition and anti-trust?	Y, N
COC 2 2 7	Does the Company have effective controls in place to manage conflicts of interest?	Y, N
COC 2 2 8	Does the Company have specific controls in place regarding money laundering?	Y, N



COC 2 2 9	Does the Company have effective controls in place to ensure the accuracy and veracity of any records of practices, procedures and legal compliance	Y, N
COC 2 2 10	Does the Company have a secure, anonymous mechanism available to allow employees to report suspected misconduct related to Business Integrity without any repercussions?	Y, N
COC 2 2 11	Are Company controls relating to Business Integrity subject to audit by competent and qualified assessors, independent of the business unit being audited?	Y, N

### COC|2|3| Records

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CRITERIA: The Company ensures that all Records required by the VIVE Programme are maintained correctly.

Records may be kept in either hard or soft (electronic) format but should meet the following:

- All Records required by the VIVE Programme are kept for a minimum of three years, or longer if required by legislation
- Where applicable, all data protection regulations relevant to Company and third party's records should be adhered to
- Records are sorted and filed in such a way that information is complete and easily retrievable
- Records are legible
- Records are subject to internal/external verification, with findings reported to quality management and any necessary corrective actions recorded and implemented

Indicator	Indicator Description	Verifier
COC 2 3 1	Are all records required by the VIVE Programme kept for a minimum of three years (or longer if required by legislation)?	Y, N
COC 2 3 2	Are records sorted and filed in such a way that information is complete and easily retrievable?	Y, N
COC 2 3 3	Are records subject to internal/external verification, with findings reported to quality management?	Y, N

### COC|2|4| Management Structures

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CRITERIA: The Company should be able to demonstrate management structures that will ensure VIVE is implemented effectively.

The Company should be able to demonstrate a management structure and sufficient, suitably trained personnel to ensure that the Criteria of VIVE are implemented.

There is no requirement to use the VIVE brand but where other systems or existing structures are utilised it is a requirement that the Criteria of VIVE are encompassed.

Depending on the Company structure, individuals may hold more than one role and have other duties besides their involvement in the implementation of VIVE. In all cases, however, adequate resources should be made available to ensure the implementation is effective.



Where the Company outsources activities to independent third parties (e.g. storage, transport, etc.) it should ensure that such independent third parties comply with all Criteria within this module relevant to those activities.

Any organisational structure used to implement VIVE should be documented

Indicator	Indicator Description	Verifier
COC 2 4 1	Can the Company demonstrate a management structure and sufficient, suitably trained personnel to ensure that VIVE is implemented effectively?	Y, N



# COC|3| Use of Third Parties

The Company should ensure that when it outsources services to third parties, the relevant Guiding Principles of the VIVE Chain of Custody module continue to be applied at all steps of the supply chain for which it is responsible.

## COC|3|1| Service Provider Due Diligence and Performance

CRITERIA: The Company should develop and document procedures for ensuring that any providers of services to the Company (including transport, storage, handling and packing) that may have direct influence over the status and integrity of VIVE products are approved and controlled.

The Company should construct processes to evaluate the legitimacy and integrity of supply chain partners. This may include but is not limited to:

- Collection of General Information such as Company name, address, contact details etc.
- Financial Information such as insolvency status
- Reputational risks such as any pending or on-going litigation or other factors which may bring disrepute to the supplier.
- Regulatory review including any necessary licences or authorisation for the tasks or activities conducted by the supplier
- Policy review

The Company should record the performance of its Service Providers against the services provided and in relation to any noncompliance with Company Policy or Business Integrity

Indicator	Indicator Description	Verifier
COC 3 1 1	Does the Company have a Service Providers Due Diligence process?	Y, N
COC 3 1 2	Does the Company's Due Diligence process include the collection of General Information?	Y, N
COC 3 1 3	Does the Company's Due Diligence process include the collection of Financial Information?	Y, N
COC 3 1 4	Does the Company's Due Diligence process include the collection of Reputational Risk data?	Y, N
COC 3 1 5	Does the Company's Due Diligence process include the review of Regulatory abidance?	Y, N
COC 3 1 6	Does the Company's Due Diligence process include the review of Policy?	Y, N
COC 3 1 7	Does the Company record the performance of its Service Providers?	Y, N