



UEBT
SOURCING®
WITH RESPECT

TRACEABILITY IN COMPLEX SUPPLY CHAINS

CASE STUDY | ROSE HIP IN CHILE

ROSE HIP - ROSA CANINA

Traceability is essential to make sure UEBT's Ethical BioTrade Standard is respected in the field and throughout the supply chain.

It enables transparency in the supply chain and provides assurance to the industry and consumers about the origin of a product or ingredient.

Ensuring traceability in complex supply chains involves different challenges. The UEBT standard requires traceability systems that identify:

- Pickers or farmers
- The location of collection or cultivation
- Production volumes
- Prices paid to producers

The information is expected to be tracked up to and until the field operator (pickers or farmers) level.

UEBT defines traceability as:

The ability to identify, track and trace elements of a product from their point of origin and as they move along the supply chain from raw material to finished product.

When must I show compliance with UEBT's traceability requirements?

In the UEBT standard requirements on traceability are considered critical stepwise. This means they are considered essential but additional time for compliance is allowed since many supply chains need time and different steps to organise their traceability systems along the chain.

UEBT certificate holders are expected to comply with these requirements from the second year onwards.

See Criterion 4.4 of the Ethical BioTrade Standard for more information.

What are local suppliers responsible for?

UEBT certificate holders commit to complying with the Ethical BioTrade Standard along their supply chains, including traceability requirements.

To do this, they require their local suppliers (also referred to as **Organisations at Source**) to:

- **Be directly responsible for compliance** with the UEBT requirements related to management systems and operations that are applicable to them.
- **Be directly or indirectly responsible for compliance** with UEBT field level requirements applicable to the sub-suppliers or field operators.



Case Study

ENSURING TRACEABILITY IN ROSE HIP

In the case of Rose hip in Chile, the Organisations at Source responsible for compliance with UEBT traceability requirements in the local supply chain are the companies exporting Rose hip to UEBT certificate holders.

These organisations are required to, in addition to keeping relevant records themselves, ensure that sub-suppliers keep records of their pickers, the area in which each one picks rose hip, the volumes collected by each picker and prices paid.

How Organisations at Source ensure compliance with the UEBT requirements along its supply chains usually depends on how the

supply chains are structured and the existing intermediaries between the Organisations at Source and the Field Operators (the independent Rose hip pickers).

The closer the contact between the Organisations at Source and the rose hip pickers (e.g. the fewer intermediaries exist) the easier it is for those organisations to ensure compliance with traceability requirements up to field operators.

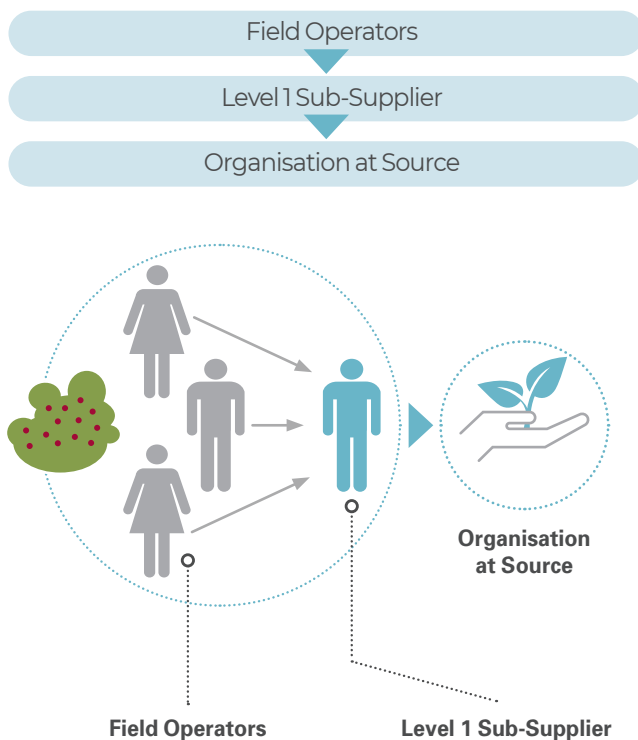
Understanding the challenges for traceability faced in different supply chain structures helps identify measures to overcome them.

Rose hip supply chains in Chile

There are different ways the supply chains are organised in Rose hip in Chile. Two examples are shown in **Example A** and **Example B**.

Example A

Organisation at Source work directly with Sub-Suppliers organizing Field Operators



Field Operators

In these cases, the individual Rose hip pickers (**field operators**) are organised in groups by a person that supplies directly to the **Organisation at Source**.

Level 1 Sub-Supplier

This level 1 Sub-Supplier establishes the conditions and rules under which the Rose hip collection occurs and is usually the one establishing the agreement with the landowner where Rose hip is collected.

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The level 1 Sub-Supplier contacts the Rose hip pickers (field operators) to work for him/her in a specific area for a specific period of time. This person usually picks up the field operators at their homes, brings them to the area in their own transportation vehicles, supervises the collection activity, weighs and pays them for the Rose hip picked (usually a payment for kilograms picked in a specific period of time, such as a day or week) and brings them back home at the end of the day.

In this supply chain structure, the level 1 Sub-Supplier then sells the Rose hip picked under his/her coordination directly to the Organisation at Source.

Ensuring traceability in this structure

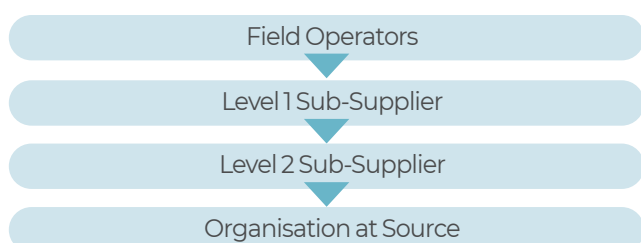
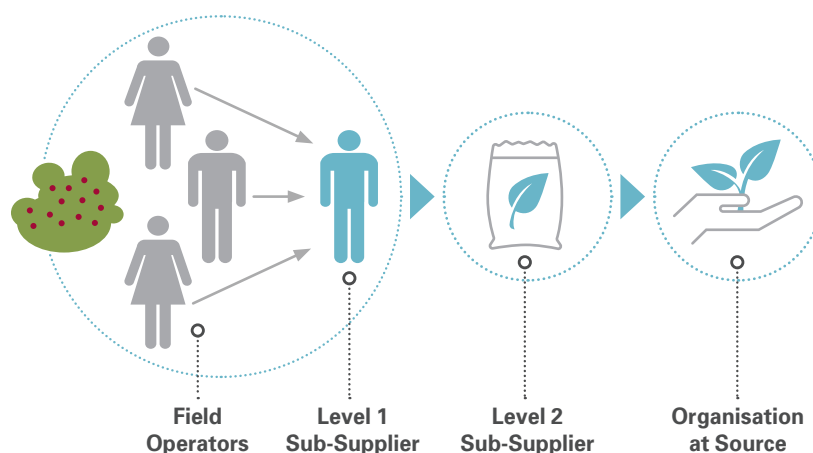
Since the level 1 Sub-Supplier establishes the conditions in which collection occurs and directly organises the work of the field operators and since the Organisation at Source is in direct contact with this Sub-Supplier, then the Organisation at Source has more control over how traceability is implemented.

The Organisation at Source can provide direct guidance and training to its level 1 Sub-Suppliers, as well as monitor their improvements, which means it can move more easily towards compliance with the traceability requirements of UEBT.

In this structure, Organisations at Source should have a written agreement with the level 1 Sub-Supplier, defining roles and responsibilities in this business collaboration which include, among others, who provides trainings, conditions of certification, prices etc.).

Example B

Organisation at Source deals with Intermediaries/different tiers of Sub-Suppliers / Sub-Supplier 2 and not directly with Sub-Supplier



In these cases, the Rose hip pickers are still organised by a Sub-Supplier, but this Sub-Supplier does not sell Rose hip directly to the Organisation at Source but rather to an intermediary which is a level 2 Sub-Supplier.

Once they have collected Rose hip from different sources, the level 2 Sub-Supplier sells the Rose hip to the Organisation at Source.

This type of Sub-Supplier is in general not interested in controlling the conditions under which Rose hip is picked. They are mostly interested in gathering volume and then selling it to larger companies.

Ensuring traceability in this structure

The existence of intermediaries in the supply chain structure usually makes traceability more challenging. Not having direct contact with level 1 Sub-Suppliers or field operators provides the Organisation at Source less control over the conditions in which the collection activities are implemented.

Moreover, level 2 Sub-Suppliers tend to be intermediaries less open to implement traceability requirements. They see little benefit or value in investing in traceability and are more resistant to change. They may be afraid of giving names of their suppliers to competitors or they see traceability as added work. All this resistance makes the implementation of improved practices to achieve certification more challenging.

In this type of structure, the Organisation at Source should have a written agreement with the level 1 or level 2 Sub-Suppliers, defining roles and responsibilities in this business collaboration (defining, among other things: who provides training, conditions of certification, prices, etc.)

Use of intermediaries make certification harder to achieve

In some Rose hip supply chains in Chile, the exporting companies work with intermediaries that buy Rose hip directly from individual pickers working independently.

In this structure there is no actor organising the work of the pickers or monitoring the conditions under which Rose hip is picked. Although this may be a common practice in Chile, compliance with UEBT's certification requirements for traceability under these conditions is not possible, unless special measures and solid systems are put into place.

About Rose hip collection areas

In Chile, Rose hip collection occurs in private areas, where landowners rent their fields in exchange for a percentage in the production or for a fixed price. They allow access their fields to collect the Rose hip from the bushes and may allowed the picked Rose hip to be left in a warehouse on the farm for a certain period. A formal agreement with the landowner is necessary for traceability purposes.

Roadsides in Chile also have Rose Hip bushes, and field operators sometimes pick from these areas. Roadside are under government authority and there is no clear public regulation on the collection of Rose hip. Most companies do not allow this type of collection because the material is normally contaminated and therefore of low quality.

Additional considerations

- The Organisation at Source and other actors need to make sure that there is a clear and formal authorization in writing from the landowner or local authorities responsible for the collection areas.
- The Organisation at Source is required to implement a Local Monitoring System (LMS) to implement internal audits (using internal staff or external consultants) in the different parts of the supply chain to check the level of compliance of such actors against the certification requirements and to make sure that the supply chain is complying with the requirements and implementing a sound traceability system in line with the UEBT standard. For more information on how to implement a LMS, please check the UEBT certification protocol.

Summary of expectations and likely challenges

	Field Operators	Level 1 Sub-Suppliers (SbS1)	Level 2 Sub-Suppliers (SbS2)	Organisation at Source
Description	Independent Rose hip pickers working individually or in groups.	Person organising the work of Rose hip pickers. They establish the conditions under which collection occurs.	Intermediaries. Focused on gathering volume and selling to larger companies.	Local exporting companies responsible for ensuring compliance with UEBT requirements at the local level.
What is expected of them	Pickers must follow the required conditions under which collection occurs.	At a minimum, the SbS1 should have a list of the pickers working for them, with names, volumes, price paid and areas where the volumes were collected.	SbS2 Needs to have a list of SbS1 that are part of their supply chain structure containing volumes/dates produced in each sourcing area. In addition, they need to keep receipts of purchases from SbS1. In addition, this actor needs to comply with UEBT requirements related to traceability for their own operations (i.e. clear identification of certified materials, segregation of certified and non-certified materials, etc.).	At a minimum, The Organisation at Source is required to have a list of the SbS2 and SbS1 that are part of their supply chain structure containing volumes/dates produced in each sourcing area, number of pickers involved, and price paid. In addition, they need to keep receipts of purchases.
Challenges encountered in Rose hip supply chains	Pickers do not register information regarding the area in which they source, prices paid or even volume picked.	SBS 1 may have access to the information but don't necessarily register it.	In general, SbS2 don't have the names of the pickers that have collected the Rose hip nor the areas where they have collected it. They do not see the value to collecting this information and may be reluctant to provide information.	If they have more than one level of sub-suppliers they may feel traceability is impossible to achieve because they don't have control over every actor in the supply chain.
Suggestions for Organisation at Source		Train Sub-Suppliers directly in contact with field operators so they establish conditions to ensure traceability. Provide them with specific tools or guidance to improve their traceability systems.	Explain the concrete benefits of establishing traceability systems. Provide them with specific tools to improve their traceability systems.	Start small. Understand the challenges in their specific supply chain. Check the system regularly.

UEBT001 v2.1

Tips for implementing a good traceability system

- **Start small** and define a reduced scope to start your traceability system. Focus on certain areas or collectors. Once the system is well defined, you can expand the scope.
- **Understand challenges and risks** in the defined scope for your traceability system. These might include whether actors are willing to implement improvements, if there are sub-suppliers to involve, if there is a good level of trust, if there are other channels where the ingredients are sold, etc.
- **Train local actors** on the traceability system so they understand their role. Inform them and explain the benefits of such a system so they will be willing to provide information for the system.
- **Check the system regularly** by developing a local monitoring system to ensure your traceability system is good and reliable.

- **Create a written agreement with sub-suppliers** so that they are fully aligned with the need to implement a traceability system. The agreement should set out their clear responsibilities.

For more guidance and training on traceability systems, please contact UEBT at certification@uebt.org

About UEBT

UEBT is a non-profit association that promotes sourcing with respect. Its mission is to regenerate nature and secure a better future for people through ethical sourcing of ingredients from biodiversity.



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