

**“Source Certified”
Verification of Provenance Certification Program
Food & Food Products**

A Trade Mark Certification Scheme

Certification Rules & Procedures



**SOURCE
CERTIFIED**

FOOD ORIGIN TESTED & VERIFIED

Table of Contents

1. Executive Summary.....	3
2. Context for the Certification Program.....	4
2-1: About Source Certain.....	4
2-2: Market Context.....	4
2-3: Forensic Traceability Technology - Overview.....	5
2-4: Source Certain – Service Overview.....	6
2-5: Service Portfolio.....	6
3. The “Source Certified” Certification Program.....	7
3-1: Reasons for the “Source Certified” Certification Program.....	7
3-2: The “Source Certified” Certification Trade Mark.....	8
3-3: Scope of the “Source Certified” Certification Program (“the Program”).....	8
3-4: Use of the Source Certified Certification Trade Mark.....	8
3-4-1: Source Secure Client Service Agreement.....	8
3-4-2: Licences to use the Source Certified certification trade mark.....	9
3-4-3: Obligations of the certifying body Source Certain.....	10
3-4-4: Obligations of Certified organisations and facilities.....	10
Appendix 1: Illustrative Service Model.....	12

1. Executive Summary

The Source Certified Certification Program leverages newly developed forensic traceability technology to bring certainty and confidence to the food supply chain.

The Certification Program was developed in response to increasingly complex global food supply chains, coupled with growing consumer demand for ethical, safe, and region-specific food products.

Source Certification enables and demonstrates verification of the integrity of a supply chain.

When displayed on product labelling or in marketing materials, the Source Certified certification trade mark indicates that the product has been delivered from its origin to the consumer using a Source Secure supply chain incorporating a scientific testing program for verification of the product's claimed origin. This could be implemented for application to either geographical origin (e.g. wine from a particular region; chocolate from a particular country) or to production methodology (e.g. free range eggs or pork).

Suppliers and brands that carry the Source Certified mark have undergone a rigorous program of forensic testing for their product's supply chain.

2. Context for the Certification Program

2-1: About Source Certain

Source Certain is a trading name of Source Science & Technology Pty Ltd.

Source Certain is a global business commercialising TSW Trace technology and capabilities for food and food products. Source Certain delivers supply chain integrity services to the food sector, enabling its clients to robustly and independently trace food to its point of origin.

The core value of Source Certain is integrity, specifically: enabling, supporting and promoting Verifiable Supply Chain Integrity.

The focus of Source Certain is to:

- Establish and promote supply chain integrity within food and food products markets
- Foster customer and consumer confidence in food brands and markets
- Assist in building the credibility of primary production industries.

2-2: Market Context

Today's food growers, manufacturers and retailers face a number of significant challenges:

- Increasingly complex global food supply-chains call for increasingly robust quality assurance systems to manage the heightened risk of contamination, product recall and associated damage to business and brand reputation;
- To be successful in a crowded and highly competitive market place, food marketers seek to differentiate their brand and products. Avenues for such differentiation include specification of production method (for example, "Free Range") or region of origin (for example, "Made in Australia").

Current approaches to Quality Assurance (QA) and Traceability have not kept pace with the integration and complexity of the global food supply chain. In the absence of a means to validate paper-based traceability and QA systems, the rate and reach of product recalls continues to rise.

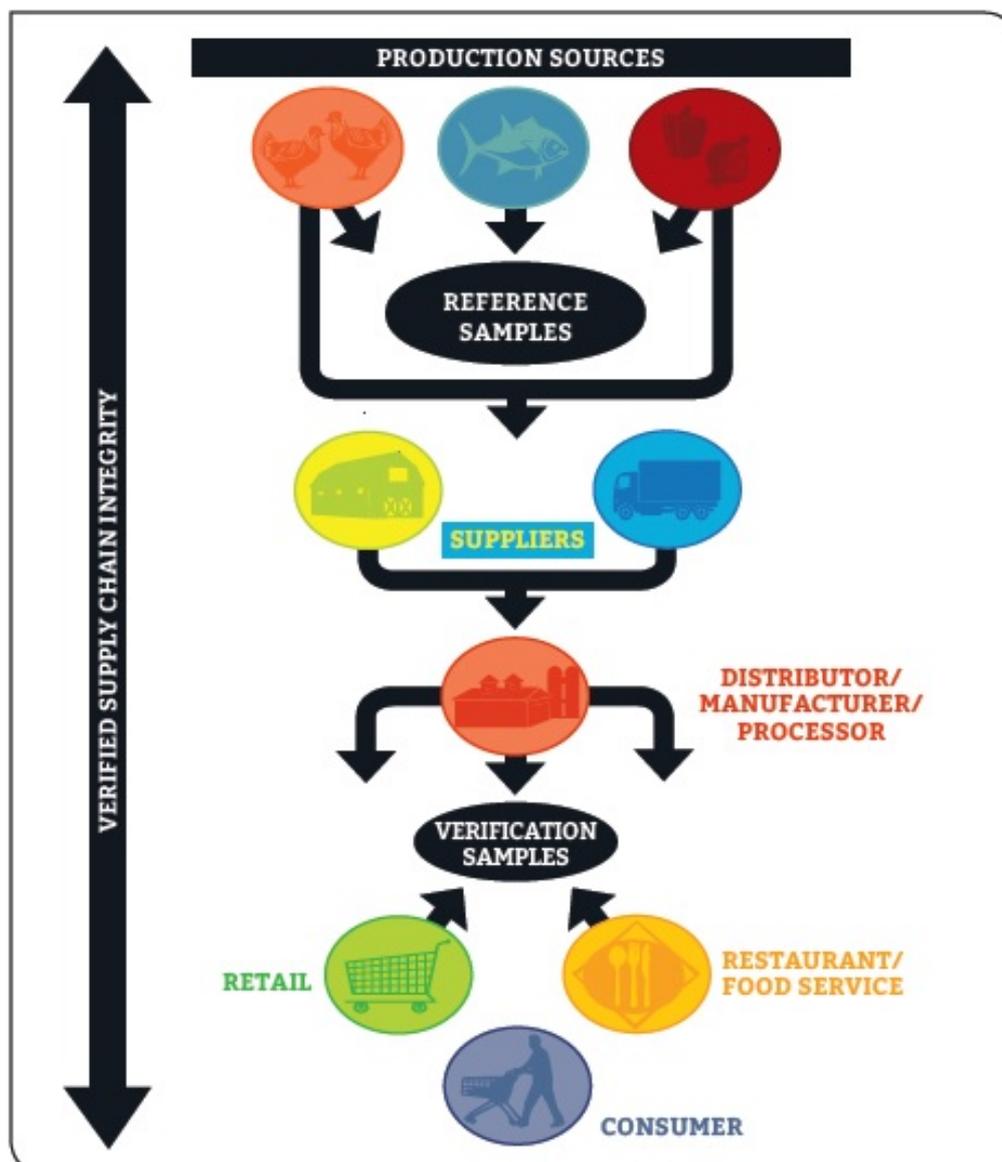
Consumer confidence in labelling is essential for the successful marketing of product differentiated by product method or origin. This confidence is at risk due to emerging cases of product substitution. What is needed to restore and maintain consumer confidence is the ability to verify claims of a product's provenance.

The breakthrough TSW Trace technology utilised by Source Certain delivers what is needed in today's food systems: Verifiable Supply Chain Integrity.

2-3: Forensic Traceability Technology - Overview

Source Certain has exclusive access to TSW Trace forensic testing technology for food and food product markets, enabling the unique trace-elemental fingerprint of agricultural products of a particular origin and/or production system to be profiled. This is achieved by collection of Reference Samples from product-source locations, with a provenance model produced during lab analyses to uniquely identify the source of a product. Once a production source has been profiled, ongoing regular and random audits are undertaken via the collection and analysis of Verification Samples. This verification process confirms whether or not production output matches the established elemental fingerprint.

This process is summarised in the following diagram:



2-4: Source Certain – Service Overview

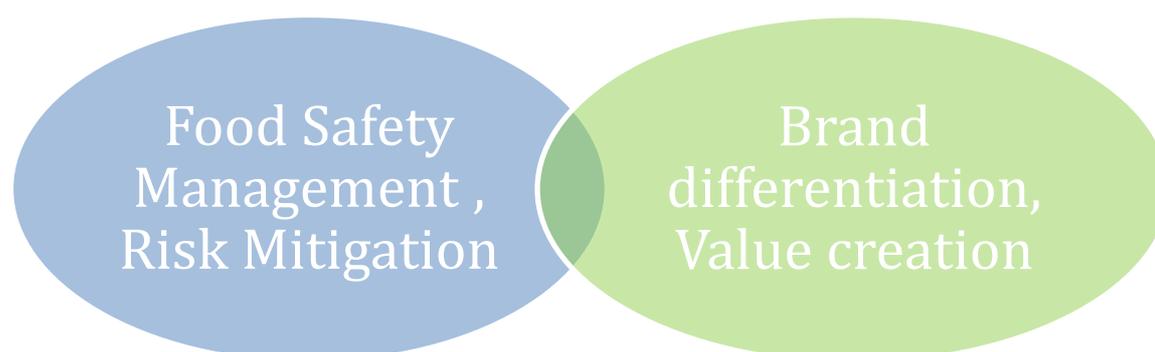
Source Certain's service is underpinned by the ability to determine the relationship between a Verification Sample and the unique fingerprint of a profiled agricultural product regardless of label or associated QA paper trail.

General applications of the technology include:

- Brand and product differentiation via verifiable place of origin and or production-method claims
- Monitoring and validation of the existing paper-based traceability system
- Limiting the risk of product substitution within the supply chain which minimises the potential for false label claims and the associated brand damage, or product contamination and recall.

2-5: Service Portfolio

The Source Certain service portfolio has been structured to meet a range of customer needs falling into two core categories:



Source Check service

- Validation of paper-based QA / QC systems.
- Comprehensive supply chain analysis
- Batch and manufactured product identification and traceability.

Source Secure service

- Enables verifiable marketing claims of product provenance
- Reduced risk of product substitution and effective mechanism for enforcement
- Conditional access to "Source Certified™" certification trade mark

Certification Mark



The Source Certified™ certification mark is available to "Source Secure" customers who have achieved certification status with an ongoing cycle of verification sampling.

3. The “Source Certified” Certification Program

3-1: Reasons for the “Source Certified” Certification Program

The most significant recent global trends within the food industry have included:

- i. Growing consumer demand for “ethical” food, that is, food produced with consideration to the welfare of animals, the environment, and the workers involved in the production process;
- ii. Increasing consumer concern over the safety of food imported from countries without the same stringent quality control systems as Australia, leading to growing domestic and international (e.g. China) demand for food grown and processed in Australia;
- iii. Growing consumer demand for healthy and ‘clean’ foods grown in organic conditions and/or without the use of genetically modified crops; and
- iv. Growing consumer demand for high quality, specialty gourmet food with specific regional origins (for example, in Australia, Kangaroo Island honey, Bruny Island cheese, Barossa Valley wine).

The food industry has responded to these consumer concerns and demands with the introduction of new production and processing methods and standards, supported by certification and labelling programs such as:

- RSPCA’s Approved Farming Scheme
- “Free Range” – various certifying bodies
- Fair Trade Certification
- “Made in Australia” labelling

Evidence of product substitution – that is, product labelled as “Free Range” (for example) being found to come from non-free range production sources – has attracted wide media coverage over recent years. This has resulted in erosion of consumer confidence in certification labelling and significant damage to the brands marketing such product – at both producer and retailer level.

The Source Certified certification program has been introduced to satisfy two key goals:

1. To restore consumer confidence in the labelling claims of participating food producers and retailers; and
2. To enable participating food producers and/or retailers to demonstrate and communicate the robust security of their supply chain to trade customers and end consumers.

3-2: The “Source Certified” Certification Trade Mark

When displayed on product labelling or in marketing materials, the Source Certified certification trade mark indicates that the product has been delivered from its origin to the consumer using a Source Secure supply chain that incorporates a scientific testing program for verification of a product’s claimed origin. This could be implemented for application to either geographical origin (e.g. wine from a particular region; chocolate from a particular country) or to production methodology (e.g. free range).

Suppliers and brands that carry the Source Certified mark have undergone a rigorous program of forensic testing for their product’s supply chain. Production output is then tested on an ongoing basis through a cycle of audits and random sampling. Any variations that arise must be thoroughly investigated and resolved for the supplier to remain “Source Certified”.



3-3: Scope of the “Source Certified” Certification Program (“the Program”)

The Program can cover verification of the supply chain for all participants in the food industry, from producers and processors through to wholesalers and retailers. All categories of food and food products can be included in a Source Certified certification program.

3-4: Use of the Source Certified Certification Trade Mark

The Source Certified certification trade mark can only be used under the following conditions:

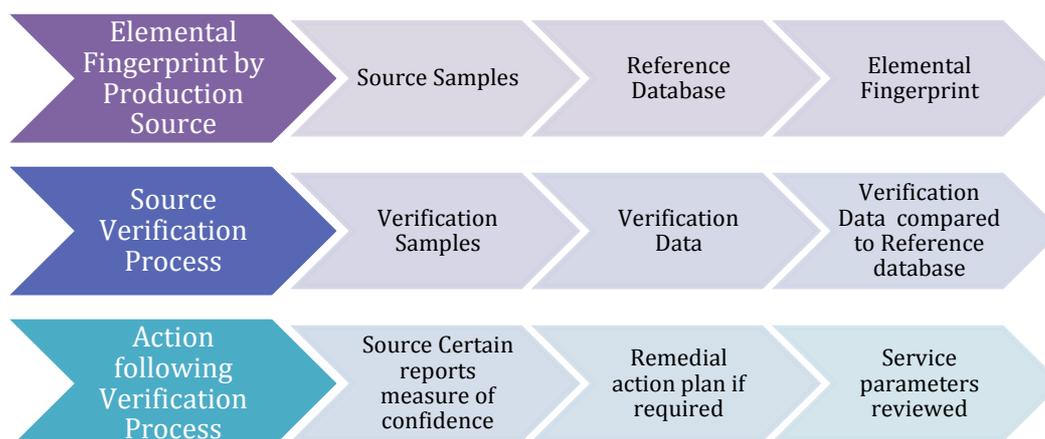
3-4-1: Source Secure Client Service Agreement

A client must have a current Source Secure service agreement in place with Source Certain (Source Science & Technology Pty Ltd) in order to qualify for provisional access to the Source Certified mark. The details of the service agreement will vary by client depending on their business activity (production,

retail), scale of operations, complexity of supply chain, and food/food product category. Required conditions for all client service agreements will include:

- The scope of service will cover 100% of production source locations within a specified supply chain;
- The number of verification tests completed per annum must be equal to or greater than the number of production sources;
- The number of verification tests will be commodity specific, dependant on the risk assessment completed by the Source Certain team and outlined in the service agreement
- Verification tests must be completed on the different segments of the supply chain (e.g. packing facilities, warehouse / distribution centres and retail outlets)
- Service must be in place for all supply chain segments from the production source through to the retail customer. That is, verification must be possible across the whole supply chain.

The process by which the specific terms of the Service Agreement are established in terms of sampling is illustrated in the following diagram.



Appendix 1 provides an illustrative example of the terms and definitions of a Source Secure service agreement.

3-4-2: Licences to use the Source Certified certification trade mark

A licence to use the Source Certified certification mark on product packaging and/or marketing material will be available to Source Certain clients with a current Source Secure service agreement in place, and who have met the Service Conditions specified in that agreement. Clients meeting the minimum requirements will be eligible to apply for a licence to use the Source Certified mark, and will be granted such license upon agreement with the Licensing Conditions pertaining to the Source Certified mark and payment of the associated licensing fee as outlined in the respective Source Secure service agreement.

The Licensing Agreement will set out the conditions applicable to a client's use of the Source Certified mark, including (amongst other terms):

- Approved usage specifications;
- Approval requirements for usage of the mark;
- The Licensing Fee applicable to varying applications of the mark, together with payment terms;
- Reporting requirements regarding usage of the mark;
- Continuation of Source Secure service agreement with Source Certain.
- Outcome of the ongoing Verification Process supports continued use of the Source Certified mark.

3-4-3: Obligations of the certifying body Source Certain

Source Certain is responsible for the administration of the Certification Trade Mark and its Licences. Source Certain shall maintain the Certification Trade Mark and the associated Rules as current, and make these freely and readily available via the Source Certain website www.sourcecertain.com. Source Certain will assist potential licensees seeking certification via the Service Agreement established with such potential licensees.

Source Certain will maintain and publish on its website the names of those producers, processors, wholesalers and retailers who are licensed to apply the Certification Trade Mark.

Source Certain will maintain a register of certified producers and suppliers.

Source Certain shall advise the Trade Marks Office of IP Australia and all licensees of any alteration, amendment, addition or deletion to or from these Rules.

3-4-4: Obligations of Certified organisations and facilities

Each certified organisation has the following obligations:

- i. To meet the requirements specified in both the Service Agreement and Licensing Agreement underpinning usage of the Certification Trade Mark;
- ii. To advise Source Certain of any change in ownership of the Certified organisation or facility;
- iii. Not to assign any benefit of certification or licence without the written consent of Source Certain;
- iv. To pay promptly, or when due, all fees arising under these Rules.
- v. In the event of any Verification fail, to follow the agreed process as detailed in the Service Agreement and to pay the associated costs, broadly structured as follows:
 - Source Certain notifies client of the failed Verification;
 - Examination and explanation provided by client;
 - Corrective action implemented;
 - Follow-up, supplementary Verification process put into action;
 - If Verification is achieved the Certification Trade Mark can be maintained;

- Failure of the second Verification triggers an investigation into the specific chain segment by Source Certain.
- Corrective action implemented.
- Failure of the third Verification requires a public disclosure in line with Source Certain communication approvals and the removal of the Source Certified certification trade mark from packaging and other marketing materials.

Appendix 1: Illustrative Service Model

Illustrative Model: Source Secure service for a Primary Producer

Terms & Definitions of Service:	
Source Certain Customer:	XYZ Eggs Pty Ltd
Subject Product:	XYZ branded Free Range eggs
Source Claim:	"All XYZ Free Range eggs originate from certified Free Range production sources"
Service Objective:	Verification Service for full Supply Chain of XYZ Free Range branded eggs
Reference Database:	Source Samples are gathered and analysed to create & maintain the Reference Database for each Production Source. The unique provenance model for each Production Source is developed from the Reference Database. The Reference Cycle defines the frequency with which Source Samples will be gathered to update the database.
Verification Sample Data:	Verification Samples are collected for each Production Source, downstream in the Supply Segment Verification Sample Data is created from lab analysis of the Verification Samples.
Source Verification Process:	The Source Verification Process compares the Verification Sample Data to the related Reference Database. This is required to support the Source Claim.
Service Parameters:	<ul style="list-style-type: none"> Reference Cycle – frequency with which Source Samples are collected from each Production Source Source Verification Process Cycle – specified period / frequency Client to define the Supply Chain and all associated Supply Segments relevant to the Verification Service. In the case of XYZ Eggs Pty Ltd this includes 2 suppliers and 5 production sources all of which will be covered in Source Sampling and Verification Sampling processes Customised supply chain communication strategy Consumer facing communications (e.g. Licencing of Certification Trade Mark; POS; other) Source Certain staff sampling, visibility and compliance assessment inside a client's supply chain Source Secure program education and training for program implementation Clear, defined consequences for non-compliance and failed verifications

Supply Chain defined:

