UTZ GUIDANCE DOCUMENT

RISK ASSESSMENT FOR INDIVIDUAL AND MULTI-SITE CERTIFICATION (VERSION 1.0, DECEMBER 2017)

Guidance on how to carry out a risk assessment, as required in the UTZ Certified Core Code of Conduct for individual and multi-site certification (version 1.1). For group and multi-group certification, please refer to this guidance document.

This guidance document is part of a set of documents designed to assist with implementation of specific topics within the UTZ Core Code of Conduct. This document is intended for use by producers and those supporting them in the certification process.

Helping to focus Code implementation on producers’ specific situation

Enabling producers to achieve sustainable farming in the most efficient way

Focus on subjects of all 4 blocks

Risk Assessment Tool
UTZ AND RISK ASSESSMENT

Risk assessment is an important part of the UTZ Code of Conduct as it provides a practical way for producers to focus on the issues that could prevent them from reaching the goals of UTZ certification: better crop (quantity, quality), better income, better environment, better life. It enables producers to achieve sustainable farming worldwide in the most efficient way.

The aim of this document is to:

- Make sure that UTZ and its members have a common understanding of how to carry out a risk assessment and why this matters.
- Provide a practical tool for carrying out risk assessment
- Inform producers and those supporting them on what documentation is required for risk assessment.

This guidance provides a general method for risk assessment. Other guidance documents such as those on child labour and climate change refer to risk management and give specific advice for risk assessments on those issues.

This guidance is written for producers that need to comply with the individual code. UTZ recommends that trainers and technical assistants to UTZ certified producers also use this guidance when training or supporting producers to carry out a risk assessment.

**BOX 1**

**WHAT DOES THE CODE OF CONDUCT SAY?**

A risk assessment is carried out for all blocks of the UTZ Core Code of Conduct and Commodity Modules and considers all control points, A risk assessment will help you to become more aware of the risks that threaten reaching the UTZ goals. It also helps you to comply with the requirements in the UTZ Code of Conduct

I.A.11:
A risk assessment is carried out to identify possible risks in production and processing related to:
- Block A) Management
- Block B) Farming Practices
- Block C) Working Conditions
- Block D) Environment

I.A.12:
A three-year farm management plan is prepared, and includes actions to address all relevant issues from the risk assessment. Actions are implemented and documented.

**Text to translate:**

- UTZ requires:
- UTZ contributes to:
  - Better crop
  - Better income
  - Better environment
  - Better life
  - Better care for next generations
  - Better care for nature
  - Better working conditions
  - Better farming methods
  - Better farming better future

**UTZ CONTRIBUTES TO:**

- Better crop
- Better income
- Better environment
- Better life
- Better care for next generations
- Better care for nature
- Better working conditions
- Better farming methods
- Better farming better future
Risk assessment is part of risk management, an ongoing cycle of risk assessment, prevention and monitoring which should be carried out every year. This will help the producer to improve practices and results over time, moving towards the UTZ goals of Better Crop (quantity, quality), Better Income, Better Environment, Better Life.

The total process for risk management is explained in the IMS Guidance document (for Group certification, page 16-17).
WHAT TO HAVE IN PLACE

<table>
<thead>
<tr>
<th>YEAR 1</th>
<th>YEAR 2</th>
<th>YEAR 3</th>
<th>YEAR 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conduct a risk assessment for issues related to production and processing.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The risk assessment has to be conducted annually for all blocks and considering all control points of the UTZ Core Code of Conduct and applicable Commodity Modules.

TO CARRY OUT A RISK ASSESSMENT YOU WILL NEED TO:

1. **Identify a team to conduct the risk assessment**
   The management has overall responsibility for making sure the assessment is carried out and followed up. However, UTZ strongly advises that a team of people is put together to carry out the risk assessment. This team should include:
   - Management staff
   - Key persons, who can provide valuable input on farming practices in the community. Both female and male key persons should be included because they are likely to have different knowledge and contribute different views on issues.
   - An external consultant could help to guide the process, if needed.

2. **Use the Risk Assessment Tool (explained below) to identify risks relating to:**
   - Control points in the Code of Conduct where a risk assessment is required and that are relevant for your company.
   - Key issues and control points that need special attention for your farm (e.g. where the crop is grown close to a protected nature area)
   - The subjects indicated with orange bars in all blocks of the code. Think about issues relating to the subjects that could hinder achieving the objectives of UTZ - Better Crop, Better Income, Better Environment, Better Life.

For example, for Block A the subjects are:
   - Production area identification
   - Record keeping
   - Responsible persons
   - Self-assessment
   - Risk management and management plan
   - Training and awareness raising
   - Traceability
   - Premiums and transparency
   - Yield optimization
IN PRACTICE: HOW TO USE THE RISK ASSESSMENT TOOL TO PLAN YOUR ACTIVITIES

You can take the following steps to carry out your risk assessment. The template in Annex 1 can help you do this.

STEP 1 CHOOSE THE SUBJECT
The subjects are described in the Code of Conduct. Here we use the CP I.C. 100 on Personal Protective Equipment (PPE) as an example.

<table>
<thead>
<tr>
<th>CP #</th>
<th>Control Point</th>
<th>Year</th>
<th>Clarification for Compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pesticide Handling</td>
<td>1 2 3 4</td>
<td>PPE and protective clothing that is damaged beyond repair or that is intended for single use only is safely disposed of. There are safety measures in place to prevent human exposure and environmental contamination during the cleaning of PPE’s and protective clothing.</td>
</tr>
<tr>
<td>I.C.100</td>
<td>Workers who handle pesticides use personal protective equipment (PPE) and protective clothing that is prescribed for the pesticide used and its method of application. The PPE and protective clothing are in good condition. After use, PPE and protective clothing are cleaned, dried, and safely stored, away from pesticides and in a well-ventilated area.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

STEP 2 IDENTIFY POTENTIAL PROBLEMS:
In this step you identify potential issues related to pesticide handling. Ask yourself – what could prevent you from achieving the UTZ objectives? Sometimes there are several things that could go wrong. All of these should be identified and recorded. See Annex 1 for some examples.

Example: A potential problem could be that the personal protective equipment (PPE) is not stored safely. For example, it can occur that a pair of gloves is not stored in a PPE specific place after being used for spraying pesticide. It therefore becomes accessible to other workers. The gloves could later be used for any other purpose, such as harvesting products.

HOW TO DECIDE ON RISK LEVELS – ANONYMOUS VOTING
It is important that the opinion of all the members of the team, is taken into account when deciding on risk levels. Make sure the team consists of a diverse group of people, and includes women. Anonymous voting may be a fair way to allow everyone to give their opinion.
STEP 3 ANALYZE THE LEVEL OF RISK:
You should look at:

a. the negative effect that you want to avoid (the hazard)
b. its severity and
c. the likelihood that it will happen and the frequency.

a. The negative effect
In the example above, there are two hazards. First, a health safety hazard for the worker that uses the gloves while not knowing that they were previously used to spray pesticides. The second hazard relates to food safety: the gloves used to spray pesticides are later used during harvest or other processes, and come in contact with the product.

b. The severity:
When there is a hazard, the severity can range from an insignificant impact to a severe threat.

Example above: Depending on the type and concentration of the pesticide, the severity of using the gloves which were not stored properly is considered high for the workers’ health and even higher for food safety.

c. The likelihood:
Example above: After talking to the workers, you found out that this has already occurred during the previous harvest, so the likelihood of occurrence should be considered as “known to occur”.

STEP 4 EVALUATE THE IMPORTANCE OF THE RISK
The severity of the negative effect and the likelihood of its occurrence are assessed to provide an overall result for the importance of the risk.

The level of importance can be high, medium or low, allowing for a bit more flexibility, a scale of five levels and a color code can be applied. Deciding on the risk level is a matter of judgment for your team.

In the table below the combinations and results are shown:

<table>
<thead>
<tr>
<th>Likelihood of occurrence</th>
<th>Insignificant impact</th>
<th>Minor impact</th>
<th>Moderate impact</th>
<th>Major impact</th>
<th>Severe threat</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common occurrence</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Known to occur</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Unacceptable risk levels</td>
</tr>
<tr>
<td>Could occur</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not expected to occur</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unlikely to occur</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 1. Risk assessment
Example above: the issue can be considered as having an unacceptable risk level. The likelihood is that it is ‘known to occur’ and if it happens, it means a ‘severe threat’ for the safety of the employees and food safety. Combining these two, the conclusion is that the risk level is ‘unacceptable’.

**HOW TO REDUCE OR ELIMINATE RISKS**

After the risks have been evaluated you can prioritize which risks need to be addressed. This should include all high level risks.

For the most important risks, you should identify preventive measures that can reduce or eliminate the risk. These preventive measures become part of the planned activities in your Farm Management Plan.

Example above: Preventive measure - To make sure that the Protective Protection Equipment such as gloves are used, cleaned and stored in the same way by all workers. The gloves used to spray pesticide have a specific colour to differentiate them from the ones used for harvesting and other purposes. A secondary measure could be to appoint a responsible person to verify that the equipment is correctly cleaned and stored after being used by the spraying team.

You should always identify what the measure will involve, when it will be implemented, who is carrying out the activity, how will it be financed and who has overall responsibility.

**MONITORING THE EFFECTIVENESS OF PREVENTIVE MEASURES**

The effectiveness of the preventive measures has to be monitored. This is explained in the Guidance for IMS (for Group certification).

**RECORD KEEPING - WHAT DOCUMENTATION IS NEEDED FOR RISK ASSESSMENT**

The procedures for risk assessment (including monitoring) are part of the Farm Management Plan and must be documented.

You should keep the following records for your risk assessment:

- **A record** of which risks were assessed and the results of the assessment. It is recommended that you use the template in Annex 1 to record this. An auditor may ask to see this as evidence that an assessment has been carried out.
- **Details** of the preventive actions you have planned and how these are integrated into the Farm Management Plan. This should include time scales and should identify the staff responsible and the budget allocated.
- **Results** of any monitoring to assess the effectiveness of the preventive measures you have implemented. This can be documented separately and should be used as input in the next round of risk assessment and preventive actions.

**GOOD TO KNOW**

Often the word mitigation is used in relation to risk management.

Mitigation = Reducing or eliminating the negative impact.
## ANNEX 1: EXAMPLE OF A RISK ASSESSMENT

<table>
<thead>
<tr>
<th>Subject in the Code</th>
<th>Identification of hazard: what can go wrong</th>
<th>Negative effect that we want to avoid</th>
<th>Severity of negative impact</th>
<th>Likelihood of occurrence</th>
<th>Level of risk</th>
<th>Preventive actions including: who is responsible for managing the risk and when</th>
</tr>
</thead>
<tbody>
<tr>
<td>Record keeping of pesticide application (Block B)</td>
<td>Farm workers do not keep records of pesticide applications</td>
<td>That the product has higher than allowed MRL levels for the pesticide used</td>
<td>HIGH</td>
<td>HIGH</td>
<td>HIGH</td>
<td>Develop records &amp; explain the use to the workers. Have weekly checks of records. Responsible: farm manager. The farm manager needs to have a record book and is responsible to record all applications of pesticides as they occur. The records need to be according to the requirements of the Code (I.B.48)</td>
</tr>
<tr>
<td>Soil &amp; fertility management (Block B)</td>
<td>Soil erosion can occur with current soil management practices</td>
<td>Soil is eroded after heavy rains and important nutrients are lost through leaching.</td>
<td>HIGH</td>
<td>MEDIUM</td>
<td>MEDIUM</td>
<td>Ensure land is better covered, especially when clearing or replanting. Plant more cover crops along borders and use mulch when planting new lands. Responsible: farm manager</td>
</tr>
<tr>
<td>Climate change (Block D)- Temperature is rising</td>
<td>Increase in pest incidents</td>
<td>Decrease in yield Might be 50%</td>
<td>HIGH (Yield might decrease by 50%)</td>
<td>MEDIUM (will not happen every year, but will happen often)</td>
<td>HIGH</td>
<td>Buy more pest resistant species when planting new lands. Responsible: buyer</td>
</tr>
<tr>
<td>Climate change (Block D)- Less rainfall, drought</td>
<td>Water shortage</td>
<td>Decrease in yield (only 5% yield decrease)</td>
<td>MEDIUM</td>
<td>HIGH</td>
<td>MEDIUM</td>
<td>Plant more shade trees</td>
</tr>
</tbody>
</table>