



Soy Export Sustainability, LLC

Governance Structure

**SOYBEAN SUSTAINABILITY ASSURANCE PROTOCOL/
RENEWABLE ENERGY DIRECTIVE**

SSAP/RED

(‘SSAP/RED Protocol ’)

Document to be used by SSAP/RED system users

May 2021

Table of Contents

1. Introduction.....	3
2. Scope	3
3. Mission and role of SES.....	3
4. Self-Assessment and internal audit	4
Farmers	4
First Gathering Points (FGPs).....	4
Traders.....	5
5. Verification Process	6
6. Scheme Documents and Public Consultation	9
7. Transition period.....	10
8. Transparency and disclosure of information	10
9. Reporting to the European Commission.....	11
10.Support of the European Commission and competent authorities of EU Member States.....	12
11.Complaint Procedure	12
12.Non-conformities, observations and consequences.....	16
13.Transparency on other voluntary scheme participation by economic operators	18
14.Approval procedure for 3rd Party Certification bodies.....	18

1. Introduction

Soy Export Sustainability, LLC (‘SES’) is a U.S. based standard setting organization operating and managing the Soybean Sustainability Assurance Protocol/RED (‘SSAP/RED’). Any reference in this document to SSAP-RED means a reference to the updated version, revised in accordance with the stipulations of the recast Renewable Energy Directive 2018/2001/EU (‘RED II’) which entered into force in December 2018 and has to be transposed into national law by Member States by 30 June 2021.

The SSAP/RED system covers the cultivation of soybeans in the U.S. and it is designed to be applied through the supply chain, from farmer to soy exporter tracking soybean volumes exchanged under the SSAP/RED. The certification scheme is based on the U.S. national version of the Soy Sustainability Assurance Protocol (‘SSAP’) which only applies for the US market, and therefore requires its users to be registered and fully compliant under the U.S. national SSAP scheme.

The SSAP/RED Protocol describes the regulations, processes and management practices that ensure sustainable soybean cultivation and is centered on four core pillars. The four pillars address biodiversity and carbon stock, land use, health and labor conditions, production control measures, environmental protection measures and continuous improvement of production practices.

SES is responsible for the development, monitoring, and revision of the SSAP/RED while following a continuous improvement process. SES has adopted the Credibility Principles of the ISEAL Alliance to ensure a consistent and reliable implementation of the SSAP/RED. This refers in particular to verification of data, planning and execution of audits, sampling methodology, monitoring and reporting.

Verification of compliance with the SSAP/RED requirements and the issuance of compliance certificates are performed by independent third-party Certification Bodies (CBs) recognized by SES. While compliance with U.S. national SSAP scheme is verified through the USDA Natural Resources Conservation Service (NRCS) audit process, compliance with SSAP/RED is performed independently by the CBs and stands fully apart from the NRCS audit procedure.

2. Scope

This document is considered an implementation framework for the SSAP/RED intended to provide executional structure that promotes consistency for all activities related to the SSAP/RED. The governance structure applies to SES as an organization, and its position in relation with SSAP/RED users, recognized CBs and other stakeholders of SES.

This framework specifies the goal and internal structure of SES while defining the relationship between SES and its stakeholders.

3. Mission and role of SES

It is SES’s aim to promote the sustainable production of U.S. soybeans while adhering to the rules and requirements of the European Union’s **Renewable Energy Directive** (RED) and its pertaining regulations and communications. This will allow international actors of the biofuel industry who are subject to the European RED to also trade with soybeans produced in the U.S.

SES is an independent organization comprised of different stakeholders of the U.S. soy market, including soybean producers and processors, traders, logistics providers as well as NGOs and scientific research institutes. SES operates through a Board of Managers, (Board), an Advisory Committee (Committee) and a Secretary which is responsible for the day to day operations.

The Board consists of seven members with equal voting rights, representing both a diverse set of skills and experiences as well as the different stakeholders. The board is appointed for a period of three years. It is inter alia the responsibility of the Board to

- ensure the integrity of the SSAP/RED Protocol,
- monitor the implementation process,
- guide the continuous improvement process, and
- communicate with stakeholders, including the European Commission.

The Board has the freedom to delegate tasks to the Secretary.

The Board will appoint the Secretary. The Secretary could be comprised of different natural persons or be represented by one single person.

4. Self-Assessment and internal audit

Farmers

The SSAP/RED can only be applied by farmers participating in the U.S. national SSAP program and maintaining the qualification for the program, in the respective year of applying for the SSAP/RED.

The participating farmer will duly execute a self-assessment and fill in the self-declaration and present this document to the requesting First Gathering Point ('FGP'). Subsequently the Certification Body will verify whether the submitted data are correct or not. Therefore, a two staged process will apply.

Initially, the CB will conduct a risk assessment to evaluate the potential level of compliance, i.e. based on available information (satellite imagery starting 1 January 2008, USDA/NRCS data, other publicly available data etc.). The CB evaluates the risk that the farmers within the sourcing region of the FGP are not compliant with the requirements of the SSAP/RED, especially in relation to land use changes and traceability stipulations.

As a second stage, based on the outcome of the risk assessment, the CB will decide on the sampling size and whether it is sufficient to conduct a remote verification or whether on site visits of soy farmers are required.

First Gathering Points (FGPs)

FGPs have the following obligations in order to prove they manage compliance to sustainability requirements of the SSAP/RED:

Before accepting a farmer as an SSAP/RED compliant supplier, the FGP shall check if the farmer provided a self-declaration, signed latest on the date of physical dispatch of the soy and confirm correctness of the declaration, for which satellite imagery starting 1 January 2008 from the USDA and NRCS may be used.

The FGP shall have a monitoring system in place that includes at least one self-assessment (internal audit) per year. This self-assessment shall check if the FGP, the elevators used and the supplying farmers all comply to the SSAP/RED Protocol. The assessment shall include:

Check on availability and validity of contracts and self-declarations;

Check on correct implementation of “SSAP RED Requirements for elevators operating under the scope of certified FGPs”;

Check on availability, correctness and completeness of delivery notes and sustainability declarations, and if reported amounts on these two documents match with each other;

Check if mass-balance calculation rules are followed in line with chapter 3 of the protocol;

Check if all other requirements of their internal management system related to SSAP/RED compliance are implemented accordingly.

Traders

Traders have the following obligations in order to proof they manage compliance to sustainability requirements of the SSAP/RED:

- Before accepting a batch as SSAP/RED compliant the FGP shall check
 - if the supplier (FGP or other trader) had a valid SSAP/RED certificate on the date of physical dispatch of the soy;
 - if the delivery note and the sustainability declaration are available, correct and complete.
- The Trader shall have a monitoring system in place that includes at least one self-assessment (internal audit) per year. This self-assessment shall check if the trader and the storage locations used all comply to the SSAP/RED Protocol. The assessment shall include:
 - Check on availability and validity of contracts and sustainability declarations;
 - Check on availability, correctness and completeness of delivery notes and sustainability declarations, and if reported amounts on these two documents match with each other;
 - Check if mass-balance calculation rules are followed in line with chapter 3 of the protocol;
 - Check if all other requirements of their internal management system related to SSAP/RED compliance are implemented accordingly.

5. Verification Process

The verification process for compliance against the SSAP/RED is focused on companies that buy the soybeans from the farmers and facilitate the export to the EU. These companies are referred to as First Gathering Points (FGPs) and Traders. The procedures in this chapter apply to initial certification audits as well as annual recertification audits, which cover retrospective auditing of claims made under SSAP/RED. FGPs are responsible for compliance against the SSAP/RED Protocol, which includes coordinating the execution of farmers' self-assessment on sustainability requirements, receiving their signed self-declarations and checking on correctness of those. They shall also assure compliance with all the traceability and GHG emission requirements in the protocol. Compliance will be verified by an independent CB. The following steps are required:

- Registration with the SSAP/RED scheme

The first step in the SSAP/RED certification process is the registration of the company with the SSAP/RED scheme. By confirming the Registration with the SSAP/RED scheme, the company automatically accepts and confirms the duties it will have from the moment of being a certified operator. This includes cooperation with requests from EU Member States related to their duty to supervise the operation of EU voluntary schemes and certification bodies as set out under Article 30(9).

The registration process can be started by sending an email to info@ssap-red.org, including the following details:

1. Company full legal entity name
2. Full address
3. Confirming that the name and legal form of the company changed or was the same over the last 12 months
4. Main contact person (email and phone)
5. Desired certification scope (FGP or trader) including expected participating elevators and farmers
6. Confirmation on current or past participation in another RED or RED II voluntary scheme, including reference to that scheme(se) name(s)
7. Confirmation of the selected CB for the initial audit

The registration will be processed by the SSAP/RED Secretary, which will review and cross-check the information. A due diligence assessment will be conducted, especially for companies with limited trading history. Regarding point 6 of the registration, the SSAP/RED Secretary will conduct a cross-check against other voluntary scheme certificate lists with a significant certificate presence in the USA. In case the due diligence does not reveal any major points of concern such as frequently changing name or legal structure of the requesting entity, previous bankruptcy etc., the confirmation of registration is submitted to the contact person of the company and the CB.

- **Risk management/Limited assurance level**

As part of any certification audit, auditors must carry out a risk assessment at the supply chain parts subject to the audit. The result of the risk assessment will be reflected in the audit intensity and influences the sample size as described in the next section on execution of a risk assessment.

It shall be assured that a “limited assurance level” is established during the audit, taking the nature and complexity of the activities of the Certified Main Entity. This implies a reduction of risk to an acceptable level as the basis for a negative form of expression by the auditor (Source: ISAE 3000).

- **Provisions for SSAP/RED initial audits**

Prior to SSAP/RED scheme participation, operators have to pass an initial audit. As per RED II requirements, initial audits for new SSAP/RED system users shall always be onsite.

- **Execution of a risk assessment prior to the audit, taking into account**

1. Information on the location of the suppliers and regional compliance to SSAP/RED sustainability requirements, to be provided by the Certified Main Entity.
2. Quality of the land-use data available.
3. Consideration of farmers’ potential weaknesses through the FGP internal monitoring process or the review of other relevant documented evidence (with consideration to the presence of protected areas designated under U.S. law, forested areas, wetlands or peatlands).
4. If available: reports on previous verifications on SSAP/RED or other assessments related to RED compliance.
5. Compliance level to all points listed in chapter 4 of the SSAP/RED Protocol with specific consideration given to identified non-compliance on previous audits.
6. Other aspects, including quality of the management system (structure and documentation, completeness of records), information relating to the FGP’s internal audits, and other aspects as determined by the auditors.
7. Clarity on ownership structure of participating elevators and implementation on relevant requirements, laid down in “**SSAP/RED Requirements for elevators operating under the scope of certified FGPs**”
8. In case the company wishes to declare actual GHG values, the GHG calculation must be submitted and reviewed by a qualified GHG expert prior to the audit.

The risk assessment shall result in a risk classification:

- **Reduced risk**

The Certified Main Entity has proven to have a supply base that has compliance with the SSAP/RED sustainability requirements, there is a reduced risk to find major or critical major non-conformities. Companies with reduced risk classification are likely to have a shorter onsite audit as the external auditor may rely more on the internal management system of the Certified Main Entity. Traceability data on deliveries from the farmers and inventories of elevators/storage locations may be cross-checked remotely when information can be provided in digital format effectively. In the FGP audit, a square root (rounded up) or 10% (rounded up) of the farmers (whichever is higher) documents need to be checked by the auditor (e.g. delivery documents and self-declarations). Furthermore, the auditor has to confirm that the FGP acceptance and monitoring process for its supplying farmers indeed assures farmer compliance. When necessary the auditor might perform parallel checks for additional assurance. The quantities listed on the documents need to be cross checked with the amount of soy actually supplied and the amount of soy in the mass balance documentation of the FGP. The same procedure applies for a square root (rounded up) of all elevator/storage locations that applies to all Certified Main Entities. The auditor needs to check their inventory lists for a cross check with mass balance books of the Certified Main Entity.

- **Medium risk**

In case the information provided by the Certified Main Entity prior to the audit is not fully clear or complete, or a limited number of points from chapter 4 of the SSAP/RED Protocol could not be checked prior to or at the moment of the onsite audit, this will result in a medium risk classification. The onsite audit of the Certified Main Entity is likely to take longer as clarification on incomplete information from the assessment have to be clarified. Chain of custody data on deliveries from the farmers and inventories of elevators/storage locations need to be cross-checked on-site on those locations on a sample basis but including a full month of deliveries. A square root (rounded up) or 10% (rounded up) of the farmers (whichever is higher) need to be visited to confirm compliance with the sustainability requirements and to cross-check feasibility of the amount of soy production area with delivery documents. Next to that, a cross-check has to be made between amounts of soy supplied versus amount of soy in the mass balance documentation of the FGP. A square root (rounded up) of all elevators need to be visited to confirm inventory administration as a cross check with mass balance books of the Certified Main Entity.

- **High risk**

In case the information provided by the Certified Main Entity prior to the audit is not clear or not available (timely), assurance of compliance to sustainability requirements is limited, and if multiple points of chapter 4 of the SSAP/RED Protocol could not be checked prior to or at the moment of the onsite audit, this will result in a high risk classification. Companies with high risk classification require an onsite audit at the operational location of the Certified Main Entity with a full document check. For companies already certified, documentation of all batches has to be checked, which very likely will result in a significantly longer audit process. Traceability data on deliveries from the farmers and inventories of elevators/storage locations need to be cross-checked on-site on those locations. A square root (rounded up) multiplied by a factor of at least 2 or 15% (rounded up) of the farmers (whichever is higher) need to be visited to confirm compliance with the sustainability requirements and to cross-check feasibility of the amount of soy production area with delivery documents. Next to that, a cross-check has to be made between amounts of soybean supplied versus amount of soybean in the mass balance documentation of the FGP. A square root multiplied by 2 (rounded up) of all elevators/storage locations need to be visited to confirm inventory administration as a cross check with mass balance books of the Certified Main Entity.

- **Sampling procedure**

For all above risk classifications, remote or onsite sampling in the supply chain is required to cross-check accuracy of documentation available at the Certified Main Entity. Depending on the risk classification, sampling can be done remote or onsite, and sample size is square root or 10% whichever is higher or square root multiplied by 2 or 15% whichever is higher. SSAP/RED selection of sample audits is mainly based on a risk based approach, on which further guidance can be found in chapter 4 of the Protocol. However, when selecting the farmer/elevator locations, the following aspects have to be taken into account:

- At least 25% of the chosen sample must be selected randomly
- The selection must vary from year to year

Table 1 gives further clarification. When the results of the risk assessment result in compliance doubts for specific farmers or storage locations, samples shall be chosen with a risk based approach to be able to confirm compliance on soy production and/or handling from the specific sites where risks were identified. For the reduced risk classification, remote sampling can be selected randomly.

Table 1: Sample method per risk classification

Risk classification	Sample size locations	Remote or onsite	Sample size delivery documents
Reduced risk	Square root	Remote	Square root
Medium risk	Square root	Onsite	Square root + full month
High risk	Square root*2	Onsite	Full check of all documents

- **Assessment of highly biodiverse grassland**

In order to determine whether land is (or in case of conversion was) natural highly biodiverse grassland, the lead auditor must judge whether an assessment of highly biodiverse grassland is necessary, based on the identified regional or individual risk. If aforementioned assessment is required, this must be conducted by a qualified independent specialist who may be additional to the audit team. The assessment and result must then be reviewed as part of the audit.

- **Execution of the audit**

After a successful initial audit, the Certified Main Entity receives a SSAP/RED scope certificate, which provides the right to export soy with a SSAP/RED compliant claim. The scope certificate will have a validity of one year. Annual re-certification audits will take place to monitor compliance with the SSAP/RED requirements. When compliance is proven, the certificate will be renewed for another year. In order to remain an active SSAP/RED system user, the re-certification audit will have to take place prior to the expiry of the existing certificate, also allowing for enough time to follow up on potential non-conformities. Chapter 9 of this document gives further explanation in the case of occurrence of non-conformities. The re-certification audits are conducted retrospectively, reviewing if activities during the most recent certificate validity period have been executed in compliance with all SSAP/RED requirements. During the onsite audit at the Certified Main Entity, the auditor will check if the management system meets the requirements and all requirements are implemented correctly. The auditor needs at a minimum confirmation that all supplying farmers have a filed self-declaration, and that all applicable deliveries have sustainability documents. Checking completeness of the documents will be done based on the above explained sampling procedure.

- **Issuance of the SSAP/RED scope certificate**

After a successful audit and internal review process from the CB, a SSAP/RED scope certificate will be issued. The scope certificate gives the Certified Main Entity the possibility to make claims on outgoing soy batches from the validity start date of the certificate until the expiry date. This means the Certified Main Entity is enabled to issue a sustainability declaration to the receiver proving compliance with SSAP/RED and providing all relevant data for all SSAP/RED compliant batches.

6. Scheme Documents and Public Consultation

The SSAP/RED system consists of scheme documents that contain all general requirements, processes and guidelines applicable. The SSAP/RED Protocol is considered the backbone of

these documents, explaining the requirements and processes such as dealing with sustainability requirements, GHG calculation and claims, compliance and non-conformities. The protocol is supported by the farmers' self-assessment document and the overview of sustainability requirements for Certified Main Entities.

Abovementioned documents are subject to changes that can be incorporated at any time. Changes will always be communicated to all stakeholders by the SES Secretary, which is also open for feedback.

To be able to conduct the audits, the SSAP/RED Protocol is transformed in an audit procedure, consisting of a report template with a checklist where findings of compliance and non-compliance can be included. This checklist will be the base to be able to take certification decisions of scope certificates of Certified Main Entities.

7. Transition period

The revised sustainability and greenhouse gas saving criteria set out in the recast Renewable Energy Directive (Directive (EU) 2018/2001) require an orderly transition from the rules set out under Directive 2009/28/EC.

- As of 1 July 2021 only the revised sustainability and greenhouse gas saving criteria set out in the recast Renewable Energy Directive (Directive (EU) 2018/2001) apply.
- It is the system user's responsibility to ensure its compliance with the revised protocol of the SSAP/RED. The CBs will verify the implementation in the next regular audit. No additional audit will be required at the time of the transition.
- All raw materials and fuels in stock that have been certified as sustainable under a voluntary or national scheme recognised by the Commission under Directive 2009/28/EC may be considered as sustainable and providing accurate information about the greenhouse gas emissions under recast Renewable Energy Directive (Directive (EU) 2018/2001).

8. Transparency and disclosure of information

The SES will furthermore make the following information available on its website:

- Information on the governance structure of the voluntary schemes describing the roles of all relevant bodies, details on the ownership structure, and composition and experience of the Board (or equivalent).
- The list of economic operators that are recognized under the scheme and those who no longer participate. This includes the certificates and/or summary audit reports of economic operators and information on the withdrawal or suspension of certificates.
- The latest version of scheme documents including the guidelines for audits.
- The certification bodies that are permitted to conduct audits, including the entity or national public authority that it was recognized by and is monitoring it.
- Publication of contact details for the scheme (e.g. telephone number, email address and correspondence address).
- The names of the voluntary schemes the scheme is recognizing.

9. Reporting to the European Commission

SES needs to provide annual reporting to the European Commission (EC) on its activities and the status of the SSAP/RED scheme. With reference to the Renewable Energy Directive (Directive (EU) 2018/2001). Requirements on this topic, reporting to the EC includes the following subjects, as required by Directive (EU) 2015/1513:

- a) the independence, modality and frequency of audits, both in relation to what is stated on those aspects in the scheme documentation, at the time the scheme concerned was approved by the Commission, and in relation to industry best practice;
- b) the availability of, and experience and transparency in the application of, methods for identifying and dealing with non-compliance, with particular regard to dealing with situations or allegations of serious wrongdoing on the part of members of the scheme;
- c) transparency, particularly in relation to the accessibility of the scheme, the availability of translations in the applicable languages of the countries and regions from which raw materials originate, the accessibility of a list of certified operators and relevant certificates, and the accessibility of auditor reports;
- d) stakeholder involvement, particularly as regards the consultation of indigenous and local communities prior to decision making during the drafting and reviewing of the scheme as well as during audits and the response given to their contributions;
- e) the overall robustness of the scheme, particularly in light of rules on the accreditation, qualification and independence of auditors and relevant scheme bodies;
- f) market updates of the scheme, the amount of feedstocks and biofuels certified, by country of origin and type, the number of participants;
- g) the ease and effectiveness of implementing a system that tracks the proofs of conformity with the sustainability criteria that the scheme gives to its member(s), such a system intended to serve as a means of preventing fraudulent activity with a view, in particular, to the detection, treatment and follow-up of suspected fraud and other irregularities and where appropriate, the number of cases of fraud or irregularities detected; and in particular:
 - h) options for entities to be authorised to recognise and monitor certification bodies;
 - i) criteria for the recognition or accreditation of certification bodies;
 - j) rules on how the monitoring of the certification bodies is to be conducted;
 - k) ways to facilitate or improve the promotion of best practice

In addition to above requirements, a summary of all complaints received will be submitted (see Chapter 10)

The market data, i.e. the volumes and type of feedstock, will be requested from each system user for the respective reporting period. Therefore, SES will ask each system user to fill in an excel list that asks for the volumes of all material certified, the feedstock type and the name of the system user. During the audit of the following year the volumes will be checked by the certification body and reported to SES to cross check correctness of data.

The information from all above points, together with all aspects of above clause 11e on internal monitoring is compiled into an annual monitoring report by SES. As part of the above reporting requirements, SES will also collect the volume data and feedstock material from each economic operator and report together with the internal information. The internal reporting procedure and its responsibilities, complaints templates etc. is laid down in an internal SES manual. The annual report is submitted to the European Commission by 30 April each year covering the previous calendar year. The received market data will be submitted to the Commission in the format specified on the Commission Voluntary Scheme website (<https://ec.europa.eu/energy/en/topics/renewableenergy/biofuels/voluntary-schemes>).

10. Support of the European Commission and competent authorities of EU Member States

Requests from the European Commission and competent authorities of EU Member States relating to the sustainability and greenhouse gas emissions saving criteria can be brought forward in writing to the SES Secretary through the following email address: ssapred@ussec.org

The SES Secretary will acknowledge the request within 2 working days (e.g. confirming the requesting party of reception of the request). The requested information will be provided within 8 working days after the acknowledgement date, unless the Secretary has justified a longer assessment process (such as requesting response of other involved or affected parties).

The SES Secretary commits to support the European Commission in fulfilling its duties set out in Article 30(8) and Article 30(10). This includes any necessary investigation on whether the SSAP/RED and the involved entities operate according to the rules or whether the sustainability and greenhouse gas emissions saving criteria in relation to a particular consignment are met. The SES Secretary will ensure in contractual arrangements with the participating operators and certification bodies that all relevant data can be made available upon request, such as audit reports and actual GHG calculations.

11. Complaint Procedure

Attention for complaints and its resulting potential conflicts in a certification scheme is an important base for its reliability, continuous improvement mechanism and transparency to its users and stakeholders. Conflict management should always be executed as close to the source of conflict as possible and with participation of the parties involved in and affected by the conflict. Before using this formal procedure, involved parties in a conflict should attempt to find a solution between each other by dialogue. If dialogue between the conflicting parties does not lead to a result, a formal complaint procedure in accordance with the principles specified in this section can be used.

A complaint is defined as the formal listing of a potential violation of rules, principles, governance items resulting from the SSAP-RED certification activities, referring to a decision taken by the Certification Body, the conduct of an audit or a decision taken by SES respectively one of its relevant bodies, and subsequently requesting abatement respectively remedy of the situation causing the conflict.

Conflicts can occur on different levels, respectively between different stakeholders, organisations or individuals in relation to the procedures and decisions under the the SSAP/RED scheme:

- Conflicts between a CB and SSAP/RED certificate holders should generally be resolved between the system user and the CB. (Such conflicts could occur when assessments results are, in the opinion of the CB, not resulting in granting a certificate, or result in withdrawing a certificate).
- Conflicts that arise from decisions and procedures of SES or parties/individuals appointed by SES.
- Conflicts brought up by stakeholders when they are affected by activities performed by SSAP/RED certificate holders, including those related to non-compliances with requirements and obligations of certificate holders, CBs, SES, or other related parties are resolved as described below.

Principles that SES applies for the conflict resolution

SES will apply the following principles for processing a complaint:

- SES will encourage parties to resolve the conflict between themselves first
- Try to resolve conflicts timely
- Gather the underlying facts from the parties involved
- Be as transparent in the decision-making process as sensitive information allows for
- Maintain formal records of the complaints
- Ensure an appeal process is in place
- Act in the best interest of the integrity of the scheme, therefore taking a decision in an unbiased and impartial manner.
- In case a Board member has a conflict of interest he or she will be excluded from the decision making process.

Admission of complaints

Complaints and appeals will only be filed with SES when they meet the following criteria:

- The reason for the complaint or appeal is a substantial and non-negligible risk of non-compliance of an SSAP/RED system user, recognised CB, or addresses gaps in the effectiveness of the SSAP Protocol and/or governance, with clear reference to the parties or documents involved.
- The text of the complaint or appeal is addressed to the SES Secretary.

SES reserves the right to dismiss complaints that do not meet the above criteria.

A detailed description of the complaints' procedure, its scope and evidencing requirements, the handling and appeal process, as well as provision of relevant third-party information is displayed on the SSAP-RED.org website. An internal manual will formally set forth the entire complaints procedure, its mechanics and appeal possibility as well as the internal SES responsibilities.

Complaints submission and processing

Complaints and appeals need to be submitted in writing in English language to the following email address: ssapred@ussec.org or complete online form addressing the SES Secretary and must contain information about

- The name of the organisation, contact person and title/position
 - Additional contact information, including email, phone number and mailing address
 - Information that shows the legitimacy of the organisation
 - Name of the organisation respectively the individual the complaint is raised against
 - Explanation regarding the breach in question
 - Evidencing documentation to substantiate the submitted claim and providing contextual information on its rationale in such a way that a third party can obtain a clear idea and form a judgement on the situation
 - Additional documentation respectively correspondence to evidence the question has been addressed previously to the organisation in question
 - Proposed solution to resolve the conflict.
- In case the complaint is submitted anonymous a reasonable explanation should be given to justify this. This will not exempt the submitting party to substantiate its potential claim with evidencing information and its underlying rationale.

- The SES Secretary will acknowledge the complaint within 10 working days (e.g. confirming the complainant of reception of the complaint). The complaint resolution will be proposed within 20 working days after the acknowledgement date, unless the Secretary has justified a longer assessment process (such as requesting response of other involved or affected parties).
- Complaints and appeals are considered unacceptable under the provisions laid down in this chapter, if they meet one of the following criteria:
 - The above requirements on form and content are not (fully) taken into account. For example, when complaints and appeals are not sufficiently supported by necessary evidence to get a clear idea and form a judgement on the situation.
 - The complaint or appeal aims for adjustments of the recognised SSAP/RED Protocol and related documents.
 - The reason for the complaint or appeal does not clearly relate to SES or to activities conducted within the SSAP/RED voluntary scheme.

Complaints follow-up process

- First it will be assessed whether the complaint is within the scope. In such case the complaint issuer will receive a confirmation email within 10 working days that their complaint has been listed with the Secretary.
 - In case the complaint is not within the scope the issuer will be notified within 10 working days upon submission of the complaint, together with the reasons for rejection.
 - In case there is not sufficient documentary evidence the issuer of the complaint will be notified within 10 working days along with the request to provide further documentary evidence.
 - In case the additional evidence is still not sufficient to substantiate the claim, the complaint will be rejected by SES, also within 10 working days.
 - In case the additional evidence is strong enough to support the claim, the issuer will be informed accordingly within a period of 10 days after submitting the additional evidence. Then the material assessment process will be started by the Secretary.
- When complaints have met previously mentioned criteria, the Secretary will investigate the issue at hand, which includes further review of presented documentary evidence and hearing all parties involved (the party submitting the complaint and the party/parties causing or might have been affected by the complaint – the so called counter-party). Subsequently the Secretary will propose a decision and present to its CEO who will inform the Board of the complaint and the proposed decision. The Board will take a decision within 10 working days, a majority of more than 50% of the present quorum of at least $\frac{3}{4}$ is needed. The meeting does not require to be hosted physically, virtual meeting respectively email circulation is sufficient, in case of a virtual meeting also at least $\frac{3}{4}$ of the members of the Board is required to be present.
- Once the proposed decision has been accepted, or amended and accepted by the Board, the Secretary will communicate the decision to both the issuer of the complaint as well as to the counter-party. :
- In case required, the decision could foresee corrective actions required by the counterparty. Alternatively, the decision could also foresee
 - To inform
- the CB to check the topic in question specifically in the upcoming recertification audit, or to perform an extra onsite surveillance audit to assure the integrity of the SSAP/RED system, or in severe cases, to suspend the scope certificate of the counterpart.
- In case the counterparty does not consent to the decision of the Board the counterparty can submit a counterproposal within a period of 10 working days upon receiving the decision. The counterproposal will be submitted to the Secretary who will confirm within 5 business days whether it accepts the counterproposal or declines for formal or material reasons.
- Upon acceptance of the counterproposal the Secretary will assess its legitimacy, very specifically focusing on the newly introduced aspects and perform an assessment. The Secretary can either decline the counterproposal, accept the counterproposal or propose a new decision.
- The decision will be presented to the CEO who will present the decision to the Board. The Board will take a decision following the same procedure and quorum requirements as stipulated in this chapter above. This decision including any corrective actions will be communicated to the involved parties and can be subject to an appeal. From acceptance of the counterproposal till the communication of the decision the Secretary will act within a period of 10 working days.

- The corrective actions proposed will be timely monitored by the Secretary.

Appeal procedure

The decision from the Board can be appealed by both parties, the issuer of the complaint and the counterparty.

- The appeal is to be submitted within 20 working days from the decision and has to substantiate the reasons for the appeal. The appeal will be grounded on either information that was already previously available, or on newly introduced facts. In case of the latter the appellant has to explain why the new facts should be considered, and why they were not considered in the previous decision.
- The appeal will be presented to the Secretary which will inform the CEO. The CEO will convene a panel within a period of 25 working days with all Board members and three members of the Advisory Committee and inform the appealing parties of the meeting. In case of a conflict of interest the respective Board member or the respective Advisory Committee member will be excluded from the panel and replaced by another member of the Advisory Committee which is not conflicted. A conflicted Board member cannot be replaced.
- The convened panel will take a decision which will be communicated directly after meeting. Written communication can follow within 5 days after the meeting.
- This decision is the final decision, not subject to further appeal. In case the decision foresees corrective actions, these will be monitored by the Secretary.

Documentation

SES keeps a register of all complaints and appeals, including the steps taken for resolving the complaint and will include a summary into the annual report towards the European Commission as per Chapter 8.

12. Non-conformities, observations and consequences

Non-conformity grading

During the SSAP/RED verification process, findings of discrepancy with the requirements can be detected in four grades, as defined below:

- Observations are findings that do not affect the performance yet, but may result in errors that result in a future non-conformity. Follow up is not mandatory, but recommended;
- Minor non-conformities are findings that do not adversely affect the performance, reliability and integrity of compliance with SSAP/RED and which can be corrected without any effect on further incorrectness in the supply chain;
- Major non-conformities are findings that may significantly affect the performance, reliability and integrity of compliance with SSAP/RED, which can no longer be corrected after the assessment and are not critical. This would include errors in claims made on sustainability declarations, which therefore effect correctness of claims downstream in the supply chain without risk that non-sustainable material entered in the supply chain;
- Critical major non-conformities are findings that result in a critical aspects of the scheme, and a clear risk to the integrity of SSAP/RED and the core essence of its requirements that cannot be corrected. Examples could be violation with sustainability requirements of the land where the soy is produced, or proof of intentional fraud by the audited Certified Main Entity.

Non-conformity resolution timelines

- Observations do not necessarily need to be solved as there is no impact on performance detected yet.
- Minor non-conformities need to be resolved within 60 days or before expiry of the scope certificate (if that date is earlier) but without a detailed corrective and preventive action plan, as there was no effect on further incorrectness in the supply chain. Effectiveness on preventing the same error will be checked in next year's audit.
- Major non-conformities need to be resolved within 60 days or before expiry of the scope certificate (if that date is earlier) and including a detailed corrective and preventive action plan. The corrective action plan should include information of the mistake to all effected buyers of the sustainable material, who need to be informed in due course of the correction in order to maximise the possibilities to limit repetition of the mistake downstream in the supply chain. The preventive action plan should include measures to prevent the same error to happen again, for example by updating procedures, the management system and to provide further training of responsible staff. The auditor has to approve both corrective and preventive action plans and measures before the non-conformity can be closed. Depending on speed and accuracy of the resolution of the non-conformity by the Certified Main Entity, the closing decision might include an increase of the risk level for next recertification audit. Effectiveness on preventing the same error will be checked in the next recertification audit. When the system user does not close the non-conformity timely and still has a valid certificate after 60 days, the certificate will be suspended.
- After detecting a critical major non-conformity at a currently certified SSAP/RED system user, their certificate will be suspended until the non-conformity is closed, meaning the company cannot sell any other material with a SSAP/RED sustainability claim. Resolving critical non-conformities has to be done within 30 days after detection. For initial certification audits, critical major non-conformities related to sustainability requirements can only be solved by limiting the sourcing area (e.g. excluding non-compliant farmers). In case of detection of intentional fraud this will result in a suspension period of the company and in the worst case exclusion of further participation in the SSAP/RED scheme. The resolution process needs to be finished within 60 days, otherwise the certificate will be withdrawn with a suspension period. For all other aspects, the resolution procedure is the same as described for major non-conformities.

Non-conformities detected in sample audits

In cases where non-conformities are detected at sample audits (e.g. at farmer audits or elevators operating under the scope of a certified FGP), these have to be indicated in the sample audit report according to the abovementioned grading guidelines and follow up has to be managed in line with the resolution timelines. However, the SSAP/RED system user (certificate holder) is responsible to assure follow-up in line with the SSAP/RED scheme requirements and will be informed as part of the auditing process and by receiving the sample audit reports. The following requirements must be met in this process:

- Any non-conformities graded “critical major”, especially those involving violation with sustainability requirements of the land where the soy is produced, or proof of intentional fraud by the audited company, may only result in excluding that company or the related land area from the SSAP/RED certification scope
- For all non-conformities graded “critical major” and “major” the certified main entity needs to execute a root cause analysis that at least clarifies the following points:

- An explanation on why the NC was not detected at their own internal audit process, including a corrective and preventive action plan with an implementation process to prevent missing such NCs in the future
- An analysis of the extend of the NC and if the NC may have also occurred at other farms/elevators in the group that were not part of the sample audited by the CB

Based on the above process, the CB will determine if the grading of the NC raised initially remains correct, and if it any consequences have to be applied accordingly. NCs graded as Major for a sample audit may be graded as a minor NC for the whole group in case the extend of the NC has proven to be an error occurring at a single entity of the group sampled.

Certificates can only be issued after closure of all non-conformities. In case of major or critical major non-conformities occur with SSAP/RED system users that are already certified, a consequence could be to withdraw the scope certificate. Re-issuing scope certificates can only be done when the finding is fully solved and re-occurrence of the finding is proven to be prevented. In case of critical major non-conformities, a suspension period can be defined up to 5 years depending on severity of the findings. The suspension period is proposed by the CB to the SES Secretary, who makes the final decisions on the suspension period. Re-issuance of the scope certificate is only likely when uncompliant sourcing areas are excluded, or when clear measures have been taken to prevent fraudulence acting.

If an operator participates in EU recognized RED voluntary schemes and is found to be in major non-compliance, prior to re-certification, the SSAP/RED CB who detected these audit findings will share them with all other voluntary schemes in which the operator is participating.

13. Transparency on other voluntary scheme participation by economic operators

The SSAP/RED scheme recognizes importance of transparency with other RED and RED II voluntary schemes, to prevent system users from hopping between schemes with the aim to prevent detection or consequences of major and critical major non-conformities. SSAP/RED automatically approves other schemes recognised by the European Commission for the time that this recognition is valid, and only for their scope of approval. Therefore, SSAP/RED system users are obliged to declare current and past participation in all other voluntary schemes and to share their most recent audit details. In case of failed audits with other schemes, a SSAP/RED scope certificate can only be issued after informing the relevant other voluntary schemes. More specific requirements can be found in chapter 4 of the SSAP/RED Protocol.

14. Approval procedure for 3rd Party Certification bodies

a. Requirements for CBs

The CB must ensure appropriate expertise and experience, both in the relevant fields of activity and for the types of auditing tasks to be executed for SSAP/RED. The CB must be independent of the activities being audited and free of any conflict of interest. To assure this, the CB should be conducting, for instance, in conformity with or according to the principles of:

- ISO/IEC 17065 establishing requirements for product certification, or
- ISO/IEC 17021 establishing requirements for management system certification;
- Standard ISO 19011 establishing guidelines for quality and/or environmental management systems auditing;
- Standard ISO/IEC Guide 60 establishing good practices for conformity assessments;

- Standard ISO 14065 establishing requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition;
- Standard ISO 14064-3 establishing specification with guidance for the validation and verification of greenhouse gas assertions;
- Other voluntary schemes based on RED 2009/28/EC;
- The certification body shall ensure that the certification decision is taken by a technical reviewer that was not part of the audit team.

Chapter 6 of this documents gives guidance to the CB on how to use the SSAP/RED system documents in assuring comprehensive audit execution.

The CB must also ensure having and maintaining a general management system which maintains documents for at least 5 years. This system must include:

- A manual with procedures and definition of responsibilities;
- A mechanism for control of documents and control of records;
- A management review of the management system;
- An internal audit process;
- A set of contractual terms to be used when contracting operators under SSAP/RED that assures information requests are possible for the SSAP/RED scheme and the CB to comply to RED Article 30(9), meaning EU Member States can supervise the operation of certification bodies and certified operators under voluntary schemes;
- Procedures for identification and management of non-conformities;
- Procedures for taking preventive actions to eliminate the causes of potential non-conformities.

b. Auditor requirements and competences

The CB must assure the following requirements to the auditors:

- Independence of the auditor towards the activities to be audited
- Assurance of absence of conflict of interest

The CB must maintain appropriate records of the education, training, skills and experience of each auditor that is working for the CB to execute assessments for SSAP/RED. Prior to the audits, the auditors will receive training specific to the requirements of the RED, and specific scheme requirements of the SSAP/RED Protocol. It is allowed to align these competence records with systems in place for other RED voluntary schemes. Training and competence records have to include:

- Proven understanding and experience in implementing the audit process as specified in ISO 19011;
- Proven training and experiences in agricultural and/or forestry related industries;
- Proven training and experience in auditing;
- Specific reference to training on (changes within) the SSAP/RED Protocol;
- All SSAP/RED auditors are required to adhere to specific auditor trainings and updates from SES.
- Auditors shall be:
 1. Independent of the activity being audited;
 2. Free from conflict of interest
 3. Competent, specifically to the following SSAP/RED scheme criteria:
 - i. Land use criteria: Experience in agriculture, agronomy, ecology, natural science, forestry, silviculture or similar. Note that verifying compliance with the highly biodiverse grasslands criterion partially requires technical knowledge that goes beyond the competences that can be expected from the auditors verifying the claims made by market operators (e.g. assessing

- whether a grassland would remain grassland in the absence of human intervention and maintains the natural species composition and ecological characteristics and processes).
- ii. GHG criteria, relevant for the GHG expert in the audit team: A minimum of two years' experience in biofuels life-cycle assessment, and specific experience in auditing GHG emission calculations following the RED/REDII calculation methodology. Relevant experience in depending on the type of audits to be conducted by the individual auditor. Note that verifying soil organic carbon levels for the purpose of applying the emission saving credit for soil carbon accumulation (esca) requires specific technical knowledge (e.g. soil science).
 - iii. Chain of Custody criteria: Experience in mass balance systems, supply chain logistics, book keeping, traceability, data handling or similar.
 - iv. Group auditing: Experience in conducting group audits.
4. Auditors must receive training and pass an exam (or witness audit) to demonstrate compliance with the training requirements in the technical area(s) that they are active in, prior to conducting audits under the voluntary scheme. Auditors shall undertake refresher training courses to ensure that auditors are competent. The voluntary schemes shall implement a system to monitor the training status of active scheme auditors;
 5. The audit team shall have the appropriate specific skills necessary for conducting the audit related to the scheme's criteria, and in accordance with the audit scope. If there is only one auditor, the auditor shall have the competence to perform the duties of an audit team leader applicable for that audit.

c. Accreditation

Accreditation must be performed by a national accreditation body which is a member of the International Accreditation Forum (IAF), by the bodies referred to in Article 4 of Regulation (EC) No. 765/2008, by bodies having a bilateral agreement with the European co-operation for Accreditation (EA), or by an accreditation body which is a member (full or associate) of ISEAL. To assure the competences of the CB as an organization, the recognition of a CB must be performed by a competent national public authority which are officially responsible for the recognition of CBs in the framework of the RED II.

d. Recognition

CBs must be recognized by a competent national public authority which are officially responsible for the recognition of CBs in the framework of the Renewable Energy Directive 2009/28/EC amended through Directive (EU) 2015/1513 (RED) and Fuel Quality Directive 2009/30/EC amended through Directive (EU) 2015/1513 (FQD)² and according to the regulatory framework of the national transposition of the EU Directives in a Member State. Alternatively, to recognition by a competent national public authority, the CB must be accredited against ISO/IEC 17065 establishing requirements for bodies operating product certification systems, done by an accreditation body as per point (c).

The CB is obliged to inform SES immediately if the accreditation or recognition is suspended, withdrawn or terminated by the accreditation body or by the competent national public authority.

e. Support of SSAP/RED related to the competencies of CBs and Auditors

The SSAP/RED scheme is committed to enhance and support the competencies of CBs and Auditors, especially as the program is developing over the course of program updates and alignments with the RED II and further guidance provided by the European Commission, which the scheme has to adhere to. Therefore, SSAP/RED is responsible to

- Set up training courses for certification bodies, covering all aspects relevant to the scope of the scheme with a focus on the differences with other voluntary schemes that are recognized under RED II. The courses will be provided on a regular basis, depending on the needs of participating CBs and auditors.
- SSAP/RED shall also provide guidance to certification bodies, as required, on aspects that are relevant to the certification process. These may include, for example, updates to the regulatory framework or relevant findings from the voluntary scheme's internal monitoring process.

f. Review/Internal monitoring

SES takes responsibility to review and monitor the process and documents of SSAP/RED certificate holders and CBs executing the audits and issuing the certificates.

This monitoring is undertaken on an annual basis or in case relevant information on potential non-conformities has been brought to the attention of SES by third parties and reflects the geographical coverage, as well as the risk level of the economic operators. Furthermore, it's aim is to cross check the work conducted by external auditors.

The monitoring program consists of the following items:

- I. The monitoring activities include audits, including the time spent on audits, as well as the inspection of a sample of audit reports prepared by each CB. The time spent on audits varies depending on the risk level and the sample size. The auditor should ensure the duration of the audit is reflecting the level of risk according to chapter 5 of this document.
- II. CBs are required to submit all audit reports, and actual value GHG emission calculations to the SES Secretary,
- III. For each participating CB, SES is responsible to review the certification documents of the square root of audited companies on an annual basis. The review will include a consistency check on information in the certification documents, assuring that the answers given indeed confirm compliance of the corresponding requirement and a feasibility check (amount of hectares of soy in the scope vs. volume supplied). In case SES finds any issues or discrepancies, the reports will be pushed back to the CB, which will have to clarify within 15 working days. Delays in answering and/or providing incomplete answers in this timeframe can lead to suspension.
- IV. CBs are required to issue an evaluation report to SES on an annual basis. This report needs to include an internal evaluation of the CB related to all audits and certification decision taken, and should include an overview of all the NCs given to new and existing SSAP/RED certificate holders. SES will use this report and overview of findings as a cross check with their own monitoring of the respective CB.
- V. Registering if CBs use and implement the competence support of the SSAP/RED scheme, as described in section e.
- VI. Complaint registrations and information received from external parties (market data) concerning the integrity of the program is collected by SES.
- VII. SES reserves the right to take action in case monitoring obligations listed in above points I to III are not met. Consequently, SES reserves the right to include internal audits at participating CBs and certificate holders. Results of such internal audits may, in case of proven poor performance, impact the certification status of certificate

holders and the recognition status of the CB. SES reserves the right to suspend or exclude CBs or certificate holders in cases of proven violation of SSAP/RED requirements.

The results of the internal monitoring will be evaluated and acted upon if needed. In case the results of the internal monitoring show the need for further technical guidance towards, or harmonization between the CBs this will be developed and provided by SES.

In the event of non-compliant behavior of a CB cooperating with SES, its auditors or representatives, SES may impose sanctions against the CB or the individuals responsible for the non-conformity. Based on a case by case examination, SES evaluates the type and level of non-conformity and defines the type and level of sanctions. This may ultimately result in a CB's or auditor's temporary disqualification, until evidence can be provided that the identified issue no longer appears.

The information distilled from all above points shall be part of the annual monitoring report by SES. This annual report is submitted by 30 April each year covering the previous calendar year to the European Commission, as described in chapter 7.