SSAP-RED

(Soy Sustainability Assurance Protocol – Renewable Energy Directive)

Annual Report to the European Commission

Period: 01.01.2025 – 31.12.2025

Annual activity report to the European Commission

1. Purpose of the report

This report provides an overview of the implementation of the SSAP-RED voluntary scheme and is submitted to the European Commission in accordance with: IR Articles 5(2,4), 17(7), Annex III, and Article 30(5) of Directive (EU) 2023/2413 (also referred to as RED III). The structure of this report follows the information requirements set out in Annex III of Implementing Regulation (EU) 2022/996. For each information requirement, the report provides two subsections: *"General Information"* describing how the scheme is currently implemented, and *"Period 2025"* outlining any changes or developments to the scheme during the 2025 reporting year that relate to the respective topic.

2. General Remarks for the Reporting Period 2025

The overall activities for the year 2025 are limited, especially since there are no volumes to be reported under the scheme for 2025. However, in 2025, the SSAP-RED standard was included in an evaluation by the European co-operation for Accreditation. Based on their findings, a number of modifications were implemented to ensure compliance with the accreditation requirements. A brief summary of the main changes is provided below:

- Upload missing auditor checklists: The "SSAP RED Auditor Checklist COC" and "SSAP RED Auditor Checklist Farmer" are uploaded to the SSAP-RED website for transparency.
- Clarify non-conformity requirements: Further clarification was provided regarding the handling of minor and major non-conformities in the SSAP-RED governance document.
- Update accreditation requirements: The accreditation section in the SSAP-RED governance document was revised to reflect Implementing Regulation (EU) 2025/196, incorporating the requirement for Certification Bodies to comply with EN ISO/IEC 17029 and removing references to the option of recognition.
- Remove outdated recognition clause in the SSAP-RED governance document: Subsection d. Recognition was deleted, as recognition by a competent authority is no longer included under Implementing Regulation (EU) 2025/196.

These updates are described in more detail in the relevant sections of this report.

3. Reporting According to Annex III of Implementing Regulation (EU) 2022/996

3.1 Rules on the independence, method, and frequency of audits as approved by the Commission upon accreditation of the voluntary scheme and any changes to them over time to reflect Commission guidance, the modified regulatory framework, findings from internal monitoring on the auditing process of certification bodies, and evolving industry best practice; (Annex III(a))

General information

Audits are performed on a yearly basis, according to Section 5 of the SSAP-RED governance document. Audits are based on the self-assessment declaration of the farmers, subsequent on-site visits and documentary review. These self-assessment declarations are collected by the First Gathering Points ('FGPs'). Based on the outcome of the data analysis, the

Certification Body ('CB')/auditor evaluates whether the FGP should be classified as high-, medium-, or low-risk. The risk level refers to the likelihood of finding Non-Compliances with the SSAP-RED criteria. The risk classification will determine whether on-site audits should be performed and the number of samples that will be taken at the farm level. The described process of applying farmer self-assessments and subsequent (potential) site visits by an independent third party is fully in line with current market practices of comparable standards and constitutes an efficient way to monitor the sustainability performance of a larger group of supplying farmers.

The risk assessment is a vital part of the SSAP RED approach and must therefore be conducted correctly. The auditor must be capable of identifying and evaluating the relevant criteria to perform their risk classification assessment. Examples of high-risk areas include locations with high carbon stock, natural parks, and plots with non-permitted land use changes, among others. In the case that none of the plots are in such an area, the risk is classified as low. In the case plots are located in such an area, then additional due diligence needs to be done at a more detailed level in order to be able to potentially minimize the risk.

In addition, building on already existing best practices in the U.S. soy market, it is noteworthy that a prerequisite of participating in the SSAP-RED program is that the farm meets the requirements of the national SSAP program. This participation already indicates a high level of compliance with the applicable national laws and regulations. Furthermore, it also inherently includes compliance assessments by the local governmental authorities, i.e., the NRCS/USDA. The number of yearly compliance assessments is higher compared to the respective number in case a square root methodology was applied. Taking the square root for sampling purposes is the usual methodology applied for certification programs.

The audit frequency is based on a yearly cycle, resulting in the validity period of the scope certificate also being 1 year. This helps SSAP-RED to ensure that system users adhere to the SSAP-RED requirements, as opposed to standards where the certificate has a longer validity period (e.g., 5 years) and therefore has a less rigorous assessment regime.

Further clarifications on the governance and audit framework are reflected in the SSAP-RED governance document, including provisions on auditor independence (Chapter 13) and the method and frequency of audits (Chapter 5).

The management of potential internal conflicts of interest is carried out at the level of SES LLC, which is the operator of SSAP-RED. This is reflected in the SSAP-RED Complaints Procedure, which outlines principles SES applies for conflict resolution, including impartial decision-making, transparency, formal documentation, and the exclusion of individuals with a conflict of interest from decision-making processes. In addition, SES Internal Monitoring Activities include checks on the implementation of conflict of interest policies at the level of the CB.

Period 2025

Nothing to report

3.2 rules and procedures for identifying and dealing with non-compliance by economic operators and members of the scheme; (Annex III (b))

General information

The SSAP-RED protocol foresees in the possibility of identifying non-compliances ('NCs') of the system users vis-à-vis the stipulated requirements of the scheme. Therefore, the protocol has set up an assessment process based on the respective checklists and questionnaires.

Period 2025

In 2025, Chapter 11 (Non-conformities, observations and consequences) of the SSAP-RED Governance document was revised following an issue identified by the European co-operation for Accreditation (EA). The issue concerned a perceived inconsistency between the provision allowing minor non-conformities to be resolved within 12 months and the statement that certificates can only be issued after closure of all non-conformities.

To address this, Clause 11 was clarified to explicitly distinguish between minor and major/critical non-conformities. Minor non-conformities may remain open for up to 12 months and are verified during the next annual audit, whereas major and critical non-conformities must be closed before a certificate can be issued or maintained. The wording regarding certificate issuance was therefore revised to refer specifically to major and critical non-conformities.

3.3 evidence of fulfilling the legal requirements on transparency and publication of information in line with Article 6 IR; (Annex III (c))

General information

The scheme, i.e., the text of the protocol including the pertaining checklists and documents, is publicly available on the SSAP-RED website. Given the scheme has a limited scope, i.e., only applicable for U.S. soy farmers producing in the U.S., there are no foreseen language barriers. The list of certified operators is published on the SSAP-RED website. At present, SSAP-RED does not foresee the possibility of giving public access to the auditor's reports.

The reports are only available to the audited economic operator in question. Also, the governance structure and the respective roles and bodies are fully displayed on the website.

Period 2025

In 2025, the following documents were made publicly available on the SSAP-RED website: "SSAP RED Auditor Checklist COC" and "SSAP RED Auditor Checklist Farmer", in accordance with a request from the European co-operation for Accreditation. Apart from this update, no further changes occurred. All required information remains publicly available; given the scheme's applicability is only to the U.S. market, there is no language barrier to consider.

3.4 Stakeholder involvement, in particular on the consultation of indigenous and local communities prior to decision-making during the drafting and review of the scheme as well as during audits and the response to their contribution; (AnnexIII(d))

General information

The initial drafting of the protocol included a stakeholder consultation of the most relevant stakeholders within the U.S. soybean market, revealing the need to achieve compliance also with EU regulations in order to export soybeans into the EU for biofuel purposes. SSAP-RED only applies to soy production in the U.S. and builds on legal compliance with all national laws and regulations of the United States. We did not encounter a specific need to perform consultations especially addressing indigenous communities. Any issues resulting from the violation of respective protection laws would already have been addressed by the national SSAP program, leading to non-applicability for the respective violating parties. However, in case such violation would still occur the SSAP-RED foresees in a grievance mechanism where such an issue could be addressed.

Period 2025

Nothing to report

3.5 overview of the activities carried out by the voluntary scheme in cooperation with the certification bodies in order to improve the overall certification process and the qualification and independence of auditors and relevant scheme bodies; (Annex III (e))

General information

SSAP-RED is a straight forward program with only one single feedstock, one single geographical region and a limited scope. This results in a lean organizational structure, the proper implementation of the scheme, and allows for swift addressing of market/regulatory needs. The protocol enables soybean farmers to export their product into the EU for biofuel purposes, whilst capitalizing on the already existing compliance with all national laws under SSAP.

The SSAP-RED program is operated by SES LLC, consisting of the Management Board, an Advisory Committee, and the Secretary, to run the day-to-day operations. Up until now, we encountered only one situation where a Board decision was required, and that was related to the extension of the current scope. We deem the structure of the managing entity, SES LLC, to be sufficiently staffed and equipped to operate the SSAP-RED diligently and respond accurately to market and regulatory changes and requirements. We have implemented a clear split/definition of tasks and responsibilities, established a grievance mechanism for internal and external occurrences, and for the proper implementation of the SSAP-RED, we have appointed an independent third party, a Certification Body. This is Control Union Certifications as an internationally recognized, independent Certification Body with extensive knowledge regarding voluntary schemes, both internationally as well as in the U.S. Therefore, Control Union Certification also has the capacity and knowledge in terms of personnel/auditors to perform the audits. As a consequence of Control Union being accredited against ISO 17065 and ISO 17021, their management system is strictly supervised by regulatory authorities and accreditation bodies. That same management system is also applied for the SSAP-RED program.

Period 2025

No volumes to be reported under the scheme for 2025. There are no additional activities to report upon.

3.6 market updates of the scheme, the amount of feedstock, biofuels, bioliquids, biomass fuels, recycled carbon fuels, and renewable fuels of non-biological origin all certified, by country of origin and type, and the number of participants; (Annex III (f))

General information

Given the single crop character and the U.S. being the only country of origin, there is a structurally predefined market and a limited number of parties for which the scheme is attractive, compared to other global multi-feedstock schemes. Export opportunities to countries outside the EU (without any sustainability requirements) have proven to be more attractive for U.S. soybean growers. Therefore, there is currently no certificate holder under the scheme.

In 2022, the scheme introduced the option to calculate GHG emissions based on actual values alongside the option to use default values. On 23 January 2025, the adjustments enabling this approach received a positive technical assessment from the European Commission. As a result, economic operators can calculate emissions using either default values or actual values.

Period 2025

Nothing to report.

3.7 overview of the effectiveness of the implementing system put in place by the governance body of the voluntary scheme in order to track proof of conformity with the sustainability criteria that the scheme gives to its member(s). This shall cover, in particular, how the system effectively prevents fraudulent activities by ensuring timely detection, treatment and follow-up of suspected fraud and other irregularities and where appropriate, the number of cases of fraud or irregularities detected; (AnnexIII(g))

General information

Given the limited scope of SSAP-RED, predominantly addressing the needs of the well-established trading houses in the U.S., we deem the potential risk of fraud to be limited. This is also underpinned by the fact that the SSAP-RED module requires the national SSAP system to be applied, which entails compliance with national laws. This legality check is performed on a yearly basis by the NRCS/USDA. SSAP-RED operates only in a single jurisdiction, applying only a single feedstock, excluding waste streams and processing products. This translates into a well-manageable, short supply chain. Hence, the complexity of monitoring the certified volumes is low.

Period 2025

Nothing to report.

3.8 criteria for the recognition of certification bodies; (AnnexIII(h))

General information

The criteria for recognition of certification bodies are stipulated in chapter 13 of the SSAP-RED Governance document.

Period 2025

In 2025, the requirements for the accreditation of Certification Bodies (CABs) were updated in the SSAP-RED Governance document in line with Commission Implementing Regulation (EU) 2025/196, which amends Commission Implementing Regulation (EU) 2022/996. The option for recognition by a competent authority as an alternative to accreditation was removed. Consequently, subsection d. Recognition in the SSAP-RED Governance document was deleted in its entirety.

In addition, the updated regulation introduces ISO/IEC 17029 as a mandatory standard for certification bodies conducting verification activities, such as greenhouse gas (GHG) savings and land-use change verifications. The requirement for certification bodies to comply with ISO/IEC 17029 and ISO 14065 has therefore been incorporated into the SSAP-RED Governance document. The Certification Body of SSAP-RED remains Control Union Certification. They are experienced in certifying against voluntary schemes as well as agricultural schemes, and have the required ISO standards.

3.9 rules on how the internal monitoring system is conducted and the results of its periodic review, specifically on oversight of the work of certification bodies and their auditors, as well as on the system of handling complaints against economic operators and certification bodies; (Annex III (i))

General information

SSAP-RED has introduced an internal monitoring process regarding the quality of the audits and the GHG emission calculations. Due to the nature of the program, which requires conformity of the economic operator with the national SSAP program, the internal monitoring will primarily focus on the economic operators with major non-conformities.

In terms of external monitoring, we do not see the necessity to set up a specific monitoring process beyond the current process for the CBs. Especially since we don’t have certified volume at the moment. Upon completion of the certification process, the certificate is forwarded by the CB to SES LLC and subsequently, after being checked on its correctness, uploaded to the SSAP-RED website.

In case there was any indication of misconduct or little rigidity for the implementation of the program, SES LLC still reserves the right, according to its Terms of Use, to perform its own integrity assessments and review the audit and certification activities of the CB. In addition, SES LLC has implemented a grievance mechanism to reveal potential shortcomings and subsequently initiate an integrity assessment.

Period 2025

Nothing to report.

3.10 possibilities to facilitate or improve the promotion of best practices; (Annex III (j))

General information

SSAP-RED is based on the requirements of the national SSAP program. This scheme has been operating in the market for several years, which means that best practices in the local market have been adopted, and also apply under the SSAP-RED program. However, in order to adopt further best practices, more aligned with the specific RED II & RED III sustainability (land use) criteria, we have an independent Advisory Board that could provide further advice in this respect. Therefore, the Advisory Board is comprised inter alia of supply chain actors, like farmers, whose experience can help to improve the scheme and its implementation. Also, leveraging on the experience of a Certification Body heavily involved in sustainable, and particularly, RED schemes will contribute to implementing best practices as they have been deployed in other sectors or schemes.

Period 2025

Nothing to report.