



Scope and basic scheme requirements

Version EU 07

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The legally binding basis for certification under the REDcert-EU scheme are exclusively the current versions of the English-language documents published on the REDcert website at www.redcert.org.

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1 Introduction

Climate change is a global problem which is increasingly influencing political and economic decisions.

One of its primary causes is certainly the increase in emissions of greenhouse gases (GHG; carbon dioxide, methane and nitrous oxide) in the last few decades which can be attributed to the steady rise in traffic volume as well as increasing levels of industrialisation and the massive consumption of fossil fuels brought about as a result. Reducing GHG emissions is therefore a task faced by the international community which was incorporated into the Kyoto Protocol and ultimately affirmed by the resolutions of the Paris UN Climate Conference.

Various strategies have been pursued to reduce GHG emissions in recent years. Investments in renewable energy sources such as wind and solar energy have been encouraged through financial incentives. Another important strategy which is already practised on a large scale in several countries (e.g. Brazil) is replacing fossil fuels with biofuels.

In response, the European Community introduced regulations for the sustainable and climate-friendly production of biofuels and liquid bioenergy sources with Directive (EU) 2018/2001 (Directive of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC) – known as “RED I”. With the adoption of the recast of this Directive (Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources, for short: RED II), the context of the proof of sustainability has now been fundamentally extended to cover all biomass used for energy.

"Based on experience in the practical implementation of the Union sustainability criteria, it is appropriate to strengthen the role of voluntary international and national certification schemes for verification of compliance with the sustainability criteria in a harmonised manner. It is in the interests of the Union to encourage the development of voluntary international or national schemes that set standards for the production of sustainable biofuels, bioliquids and biomass fuels and that certify that the production of biofuels, bioliquids and biomass fuels meets those standards. For that reason, provision should be made for

schemes to be recognised as providing reliable evidence and data where they meet adequate standards of reliability, transparency and independent auditing.”¹

REDCert is this kind of voluntary scheme (certification scheme), approved by the European Commission (REDCert-EU) and, at national level, by the competent authorities in each member state.

REDCert, which was founded in 2010, is an initiative of leading associations and organisations in the German agricultural and biofuel sector that want to actively demonstrate their willingness to assume personal responsibility by participating in a collective and comprehensive certification scheme.

In anticipation of RED II, REDCert decided to partner with a leading European organisation in the biomass sector to establish another certification scheme focused on the biomass fuel sector (for electricity and heat generation as well as for cooling), which is now included in the sustainability requirements of RED II. Together with Bioenergy Europe a.i.s.b.l., REDCert therefore formed the Sustainable Resources Verification Scheme (for short: SURE) GmbH the SURE certification scheme is based on the experiences gained from the REDCert-EU scheme and it has incorporated some of the principles and requirements of REDCert. For more information about the SURE system, visit the SURE website at².

2 REDCert’s self-defined role

Many of the key concerns of the economic groups affected have been taken into account in setting up the REDCert scheme. They, along with the relevant legal requirements, served as assumptions in the design of this scheme documentation. These include:

¹ European Commission (2018): Directive (EU) 2018/2001 to promote the use of energy produced from renewable sources, Article 2 (27): Accessible at: <https://eur-lex.europa.eu/legal-content/de/TXT/?uri=CELEX:32018L2001> (last accessed on 30.08.2022).

² see <https://sure-system.org/en>

➤ **Social responsibility**

The contribution that biofuels, bioliquids and biomass fuels make in the fight against climate change goes hand-in-hand with society's expectation that the government incentive system – in this case mainly tax relief for biofuels - is applied in compliance with laws. Just as important, however, is society's right to effective measures when it comes to sustainability, e.g. with respect to greenhouse gas balances or socially responsible business management consistent with recognised standards. In this context, REDcert is required, just like any other certification scheme, to formulate the necessary rules and ensure that they are complied with.

➤ **Competition**

The global dimension of sustainability certification poses great challenges for certification schemes and certification bodies. The prerequisites for sustainability certification are different depending on the type of biomass, what it is used for and the place it is produced or used. It is thus important for the economic groups affected to create adequate competition in the scheme environment and have different certification options to choose from depending on use.

➤ **Consistent 100% legal compliance**

The REDcert scheme offers legal compliance with certification requirements for the sustainable production of biomass in accordance with RED. In addition, it defines requirements for social criteria for the producing and processing companies along the biomass supply chain. These criteria were adopted from various ILO conventions and are reflected in the REDcert requirements for the production of biomass, biofuels, bioliquids and biomass fuels (4.4.12). This guarantees compatibility with all other officially approved certification schemes in the acceptance and sale of biomass and prevents restrictions or even hindrances in the movement of goods.

➤ **Commitment to accountability**

By creating an industry-driven certification scheme, the economic groups affected by the new legislation are showing their willingness to take on individual responsibility and not just passively wait around for the "inevitable" certification to be

imposed on them. Instead, they are taking advantage of the opportunity afforded to them to design the scheme and actively encourage “sustainability”.

➤ **Actively shaping the future**

Launching sustainability certification for biomass for energy use created a framework for certifying all types and uses of biomass in the future – if this were to be required either through legislation or market influences.

Since most companies, in addition to generating electricity from biomass, are already experimenting with different uses of biomass either with co-products or secondary products or the same “input material”, the companies will have enough time to set a new course.

➤ **Capitalising on synergies**

The multiplicity of certification schemes for the various forms of biomass use are taxing for companies, not just in organisational terms (documentation, verification, etc.), but also financially because each scheme usually has its own certification requirements, e.g. with regard to audit intervals and auditor qualification.

The goal here is, with the help of the REDcert scheme, to identify and capitalise on the potential synergies relating to disclosure and verification early on but also in the certification process itself (neutral inspections). This also includes the expansion of the scope of REDcert’s certification programme to other forms of biomass use (see REDcert²). The goal is an approach to certification that offers first and foremost a solution for the production of raw materials that is end user-dependent and recognised in all fields of biomass use.

➤ **Encouraging ease of application in practice**

The involvement of experts from all of the economic groups affected, particularly practitioners from the interfaces, aims to ensure that the structure of the scheme is aligned with practical needs.

3 Terms and scope

To establish a common understanding of the terms and definitions used in these scheme principles, please refer to the document "Definitions in the REDcert-EU scheme". All of the REDcert-EU scheme principles refer to the above document.

While the REDcert-EU scheme focused on the European market under RED I, its scope is now being expanded to the entire world: it can be used globally in all countries.

A country eligible under the REDcert-EU scheme must meet the relevant requirements. The necessary information on specific regional and national conditions related to land classification, production, cultivation and social issues is available. The geographic scope of application relates to the location where the raw material was farmed/collected or further processed. If an economic operator under the REDcert scheme imports biomass from other countries outside of the scope of application of the REDcert scheme, he must furnish evidence that he complies with the scheme requirements in accordance with section 5.8 of this document.

The REDcert-EU certification scheme described below applies for economic operators along the entire renewable fuel chain (see REDcert-EU document "Definitions in the REDcert-EU scheme"):

- companies that produce biomass (agricultural raw materials)
- companies where waste or a processing residue occurs as an unavoidable part of their production process ("Point of Origin" (PoO))
- First gathering points
- collection points where waste and residues are collected from PoOs and fed into the processing chain
- conversion plants of all kinds
- trader/suppliers (feedstock, intermediates and biofuels/bioliquids and biomass fuels) without any conversion activity

The scheme is intended for biofuels³, bioliquids⁴ and biomass fuels⁵ (transport sector) that were produced from different kinds of biomass⁶. This relates to biomass that was produced from agricultural raw materials as well as waste and residues as long as the specific requirements stipulated in Directive 2018/2001 Articles 26 to 29 are satisfied.

The REDcert-EU scheme can therefore be used to fulfil the sustainability criteria set in Article 29 (2) to (7) of Directive (EU) 2018/2001 and to provide accurate data on greenhouse gas emission savings for the purposes of Article 29 (10) of Directive (EU) 2018/2001. The REDcert-EU scheme can also not be used to demonstrate compliance with the criteria for certification of low ILUC-risk biofuels, bioliquids and biomass fuels established by Delegated Regulation (EU) 2019/807.

The provisions of the REDcert-EU scheme also apply to recycled carbon fuels (RCF) and renewable liquid and gaseous transport fuels of non-biological origin (RFNBO) to the extent that their production process must comply with the requirements of the chain of custody.

Feedstock that is classified by the European Commission as "high indirect land-use change-risk feedstock" under RED II⁷ are completely excluded from REDcert-EU certification, even if it is possible to certify them as "low indirect land-use change-risk biofuels, bioliquids and biomass fuels".

3 See definition in Directive 2018/2001 Article 2 (33)

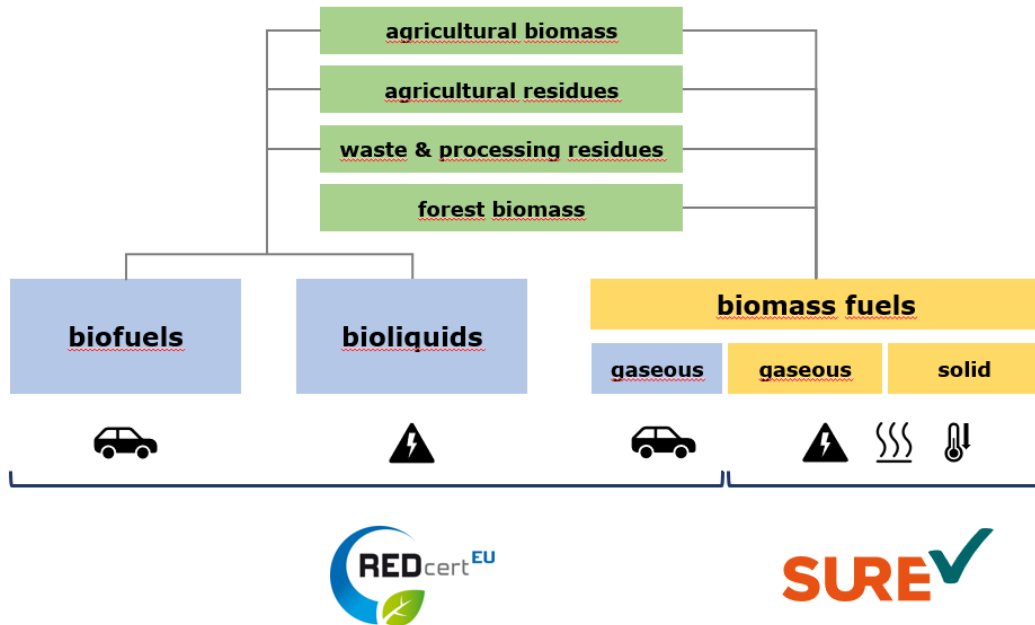
4 See definition in Directive 2018/2001 Article 2 (32)

5 See definition in Directive 2018/2001 Article 2 (27)

6 See definition in Directive 2018/2001 Article 2 (24)

7 See Directive (EU) 2018/2001 Art. 26 (2) fourth sentence.

REDcert and SURE have agreed to share the entire market for sustainable biofuels, bioliquids and biomass fuels as follows:



Economic operators who produce biogas and/or biomethane can opt for both certifications, since the products can be used for both the transport and the energy sectors.

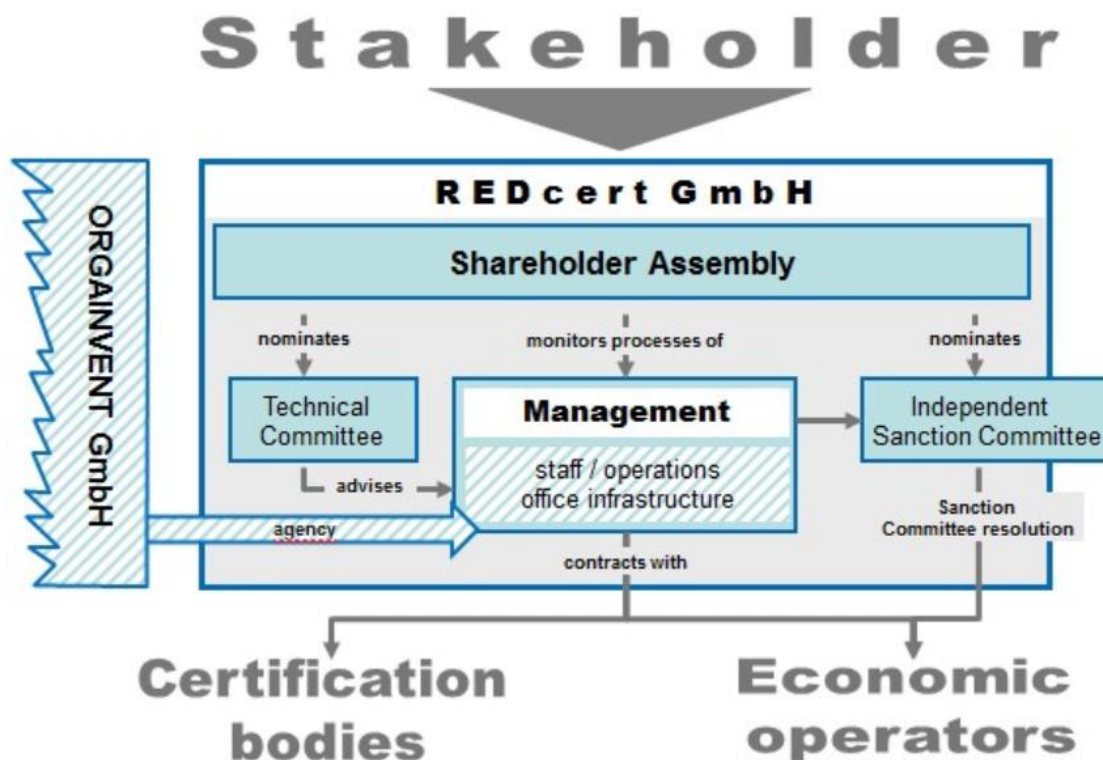
4 Organisational structure of REDcert

The REDcert certification scheme is operated by "REDcert Gesellschaft zur Zertifizierung nachhaltig erzeugter Biomasse mbH" which is also the owner of the "REDcert" brand.

The company focuses on the following activities:

- development, evaluation and modification of scheme requirements to comply with legal and operational specifications
- operation of the certification scheme (registering economic operators, certification bodies, issuing certificates, etc.)
- measures to assure the integrity of the scheme and prevent misuse and fraud
- measures related to transparent scheme management
- measures for dealing with complaints
- support for producers (companies) and economic operators in scheme implementation

The figure below provides an overview of REDcert's organisational structure:



Shareholder Assembly

The Shareholder Assembly represents the shareholders of REDcert. These are the leading associations in the German agriculture and biofuel sectors. They represent a broad range of various stakeholder groups. Their responsibilities are defined in the company by-laws. They include:

- a) verifying the annual financial statements
- b) appropriating the net profit
- c) discharging the company's management for the previous business year
- d) appointing and dismissing members of the Technical and Sanction Committees
- e) establishing the Rules of Procedure
- f) selecting the financial auditor for the current business year

The Shareholder Assembly defines the company's strategic and economic goals but **has no influence** on the operation of the REDcert-EU scheme. This rules out any conflict of interest between their association activities and their activities as shareholders of REDcert.

In the decision-making process no single actor or group of actors may have a dominant position. Decisions may only be taken where a quorum of the majority of stakeholders is reached. The status of the shareholder assembly rules the decision making process.

Technical Committee

The Technical Committee formulates principles and content for the certification scheme to fulfil the applicable legal requirements for biomass used to produce energy and develops the scheme, taking into account the interests of all affected economic groups. The Technical Committee advises the executive management in the areas entrusted to it. The Technical Committee's working methods are laid down in the Rules of Procedure, which also addresses potential conflicts of interest and how they are handled. The management must consult the Technical Committee before making decisions in its assigned areas of responsibility, and must justify to the shareholders any decisions taken contrary to the recommendations of the Technical Committee. The members of the Technical Committee must have in-depth knowledge and technical and professional expertise in all economic sectors covered by the certification scheme and be familiar with the rules of the REDcert scheme and other sector-related certification schemes (quality management, environmental

management, energy management). Where necessary, representatives of the scientific community, public authorities and non-governmental organisations are involved.

The chair of the Technical Committee has the right to participate in the Shareholder Assembly. He must report to the shareholders about the activities in the previous business year at the annual Shareholder Assembly.

Sanction Committee

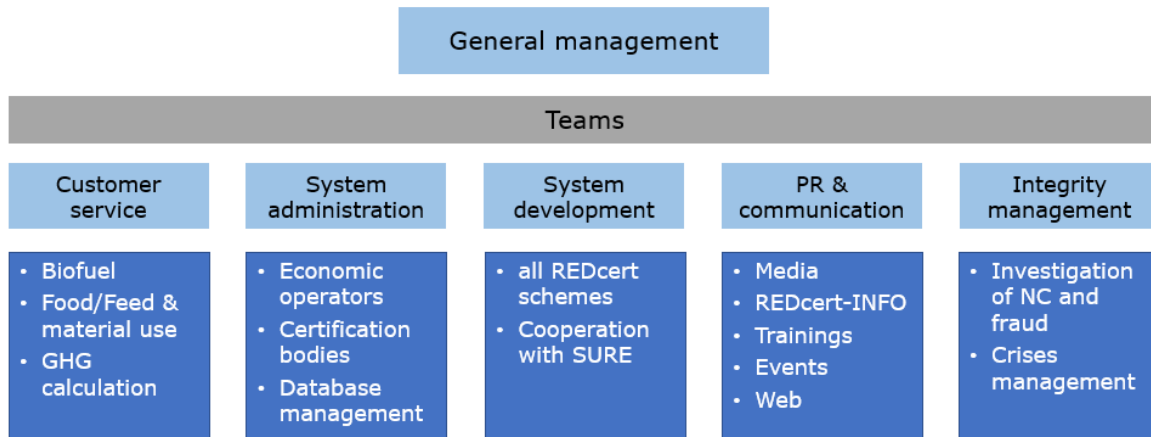
The REDcert Sanction Committee is the committee established in the "sanction system" of the REDcert certification scheme to impose sanctions in the event of non-conformities of REDcert scheme participants. Its responsibilities and activities are described in these scheme principles and implemented using a master agreement as well as Rules of Procedures with the appointed members of the Sanction Committee. The members have technical and professional expertise with many years of experience in the agriculture and bio-fuel sectors but do not have any potential conflicts of interests as a result of their previous or current job-related activities. If, despite this requirement, a conflict of interest arises, the decision-making procedure laid down in RoP Article 4 (2) is followed. The chair of the Sanction Committee is a lawyer who is qualified to hold the office of judge. This combination guarantees that non-conformities of the REDcert scheme are handled in a technically and legally sound manner without the risk of conflicts of interest.

ORGAINVENT GmbH (agency)

ORGAINVENT GmbH operates the certification scheme on behalf of REDcert GmbH. In this role, it provides the business offices, the necessary office equipment and staff. Business operation is contractually regulated over the long run with respect to the rights and duties of the contract partner (including data protection requirements, compensation, liability). There is no conflict of interest between the other business fields and activities of ORGAINVENT and its activities for REDcert.

ORGAINVENT has been active as a leading certification scheme for the origin identification of meat since 1998 (for more information, see also www.orgainvent.de) and has made a significant contribution to setting up REDcert and the success of the REDcert scheme with its many years of experience.

The organisational chart below shows the functional structure of REDcert. Several competence teams have been established to pool specific expertise and support interdisciplinary work.



The specific areas of responsibility are described in more detail in process descriptions to ensure quality management, they define the interfaces of the respective processes and describe the responsibilities and requirements for documentation.

5 The REDcert certification scheme

The REDcert-EU certification scheme is designed to satisfy the basic requirements of Directive (EU) 2018/2001:

1. sustainability requirements for farming and producing biomass taking into account applicable legal requirements (conditionality criteria) and basic social standards in accordance with the ILO convention
2. specific requirements regarding waste and residues
3. requirements for the GHG emission saving and the calculation method
4. requirements for traceability and mass balancing for the continuous proof of origin of biomass over the entire production and supply chain (chain of custody)
5. documentation requirements
6. scheme function – governance and certification procedure

These requirements are captured in the scheme documentation (scheme principles) that are recognised by the European Commission under the European approval process.

5.1 Sustainability requirements for farming and producing biomass

When farms produce “sustainable biomass” as defined in the Directive, they must satisfy the sustainability requirements of Directive (EU) 2018/2001 for the following aspects:

1. protection of land with high biodiversity value
2. protection of land with high carbon stocks
3. protection of peatland
4. sustainable management

These requirements are described in detail in the REDcert document “Scheme principles for the production of biomass, biofuels, bioliquids and biomass fuels”.

5.2 Special requirements for the collection and use of waste and residues

Biofuels, bioliquids and biomass fuels from waste and residues perform better in greenhouse gas calculations than farmed biomass because their life cycle emissions can be assumed to be “zero” up to the point of collection. These benefits on the market for biofuels, bioliquids and biomass fuels also mean that there is a greater risk of misuse and unfair advantage. For this reason, REDcert has set additional requirements that go beyond the legal requirements for both the collection and the upstream production of waste and residues, as well as for the verification of this characteristic.

These additional requirements are described in detail in the REDcert document “Scheme principles for the production of biomass, biofuels, bioliquids and biomass fuels”.

5.3 Requirements for the GHG emission saving and the calculation method

To fulfil the requirements set forth in the Directive, proof of the GHG emission saving consistent with the valid legal minimum requirements compared to the emissions of comparable fossil fuels must be provided for all biofuels, bioliquids and biomass fuels produced under the REDcert-EU certification scheme. Every economic operator along the production and supply chain for biofuels, bioliquids and biomass fuels from the farm/point of origin to the producer or the conversion plant (corresponds to the "last interface" and is generally called this as well) must specify the GHG emissions of the biomass they supplied/produced:

- using an actual value that was calculated according to the methodology described in Annex V (C) or Annex VI (B) of Directive (EU) 2018/2001 or
- using NUTS2 values for those biomass types that were specified in the reports of the member states (if available) in accordance with Article 31(2) of Directive (EU) 2018/2001 or
- using default values in accordance with Annex V Part A & B or Annex VI Part A & D of Directive (EU) 2018/2001 or
- using disaggregated default values in accordance with Annex V Part D and E or Annex VI Part C of Directive (EU) 2018/2001.

Every interface that receives a consignment with biomass must calculate the GHG emissions resulting from transport and delivery:

- in accordance with the formula provided in the REDcert-EU document "Scheme principles for GHG calculation" (4.51) or
- using (disaggregated) default values in accordance with Annex V Part A, B, D and E or Annex VI Part A, C and D of Directive (EU) 2018/2001.

The last conversion plant (the "end producer") must calculate the GHG emission saving by first calculating the total emissions for the production of the bioliquids, biofuels and biomass fuels on the basis of the data provided by the production and supply chain. This value is then compared with the reference values for fossil fuels to determine the GHG emission saving.

For the end producer, there are two ways to calculate the total emissions for the production of biofuels, bioliquids and biomass fuels:

1. using the default value if a default value for the GHG emission saving is specified in Part A or B of Annex V or Part A or D of Annex VI, and if the e_i value calculated for these biofuels, bioliquids and biomass fuels according to point 7 of Annex V Part C and of Annex VI Part B is less than or equal to zero or
2. using a value that is the result of the sum of the factors in the formula outlined in point 1 of Annex V Part C and Annex VI Part B whereby the disaggregated default values in D and E of Annex V and C of Annex VI can be used for several factors and the actual values calculated according to the methodology described in Part C of Annex V as well as Part B of Annex VI can be used for all other factors.

Please note that only actual GHG emission values are to be recorded/transmitted along the supply chain in the appropriate unit (i.e. dry matter basis for raw materials and intermediate products). Furthermore, actual values for each specific element must be reported (if appropriate). If (disaggregated) default values are applied, it is necessary to indicate "(Disaggregated) default value applied" or similar. For more information, see the "Scheme principles for the production of biomass, biofuels, bioliquids and biomass fuels" or "Scheme principles for GHG calculation".

Default and disaggregated default values may only be used if it is ensured that the biomass in question or the specified processing process corresponds exactly to the respective definition of these default values according to Directive (EU) 2018/2001.

The emissions related to the delivery of the end product also have to be included and calculated using the formula provided in the REDcert document "Scheme principles for GHG calculation" (4.5). The GHG emissions related to the storage of end products as well as the emissions produced by petrol stations also have to be included (for more information, see 4.5).

The end producer must calculate these emissions and specify which markets the product can be transported to without falling short of the minimum GHG emission saving.

These requirements are described in detail in the REDcert document "Scheme principles for GHG calculation".

5.4 Requirements for traceability and mass balancing for the continuous proof of origin of biomass

An information and traceability system must be set up which monitors every step along the production and supply chain to ensure the continuous proof of origin for the biomass and to prevent a batch of sustainable biomass or biofuels, bioliquids and biomass fuels from being sold more than once on the market ("multiple claiming"). In addition, economic operators have to indicate – where relevant – information on whether support has been provided for the production of a consignment, and if so, on the type of support scheme.

Every biomass consignment that is used to produce sustainable bioliquids and biofuels therefore has to be

- clearly and unmistakably labelled (e.g. unique identification number)
- weighed or measured to determine the quantity
- labelled with respect to its GHG emission value for each specific element (explicitly stated in the appropriate unit) or the statement "(Disaggregated) default value applied"
- clearly identified by the certificate number on the shipping papers under the REDcert certification scheme (or another approved certification scheme when it enters the production and supply chain of the REDcert certification scheme)

This makes it possible to trace the origin of the sustainable biomass used to produce biofuels, bioliquids and biomass fuels through the individual phases of sales, production and delivery all the way back to where it was originally farmed.

In addition, the REDcert-EU scheme requires a mass balance system that

- requires that information on the sustainability properties of partial consignments remains assigned to the mixture
- requires that information on the sustainability properties of partial consignments remains assigned to the mixture
- makes it possible for the sum of all consignments withdrawn from the mixture to be described as having the same sustainability characteristics, in the same quantities, as the sum of all consignments added to the mixture

These requirements for the documentation of sustainability characteristics and traceability are described in detail in the REDcert document "Scheme principles for mass balancing".

5.5 Documentation requirements

Documentation requirements are detailed in all REDcert scheme documents.

Proper documentation is required to comply with the legal provisions for sustainable bio-fuels, bioliquids and biomass fuels. This is a mandatory component of an auditable management system⁸.

Particularly important in the documentation in the mass balance system are the results of mass balancing at the end of the permissible balancing periods.

The documentation related to the production and traceability of sustainable biomass as well as biofuels, bioliquids and biomass fuels must be thoroughly reviewed as part of the certification process. Economic operators must provide the auditor with all relevant mass balance information in advance of the planned audit. The last mass balances completed during the period under review must be inspected. This obligation does not just apply to the documents directly related to REDcert certification, but also to other documents (accounting, other voluntary schemes...) at the discretion of the certification body responsible to the extent that these are viewed as required to verify scheme-compliant activities. In addition, the economic operator shall keep his documentation and evidence for a minimum of 5 years or longer where it is required by the relevant national authority, and provide access to this documentation at any time and regardless of the format or type of the respective document (printout, electronic file).

Economic operators are required to enter all relevant information on incoming and outgoing sustainably produced supplies into the **Union database**. Further information on this process are published on the REDcert's website⁹.

Furthermore, economic operators shall accept responsibility for preparing any information related to the auditing of such evidence as well as making available to the Commission and

⁸ For information on setting up this kind of management system, see nos. 2 and 5.2 of module D1 ("Quality assurance of the production process") in Annex II of Directive 768/2008/EC on uniform conditions for the marketing of safe products in the EU.

⁹ <https://www.redcert.org/redcert-systeme/informationen-unions-datenbank-udb.html>

the competent authorities of the Member States all information needed to fulfil their tasks under Directive (EU) 2018/2001 in line with Article 17 of the Commission Implementing Regulation (EU) 2022/996 on sustainability certification.

5.6 Scheme function and governance

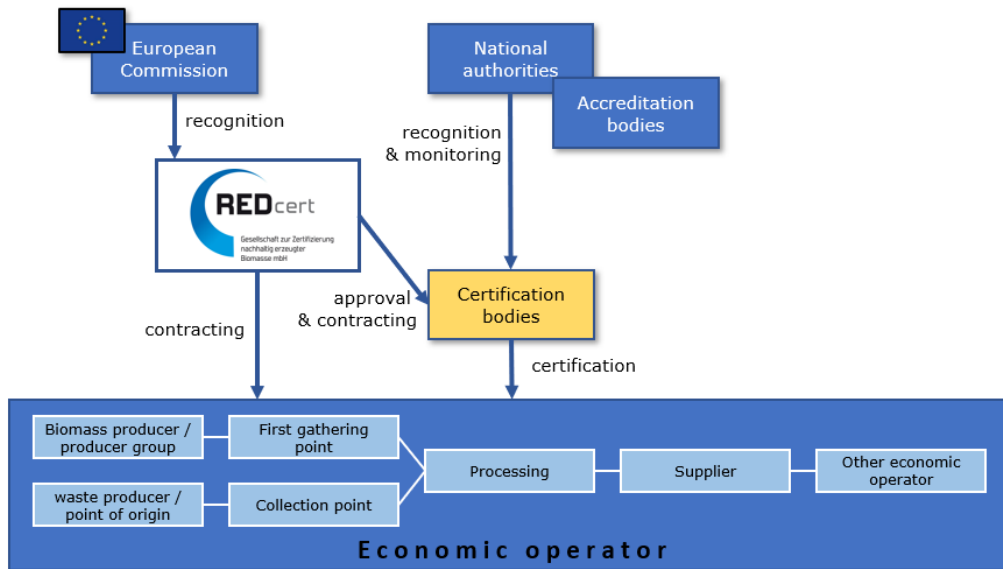
The REDcert-EU scheme has been recognised by the European Commission as complying with the requirements of RED I. The current scheme principles reflect the revised criteria and requirements of RED II. The new legal framework requires new/updated recognition from the European Commission to ensure that the scheme is fully compliant with RED II.

The certification bodies approved by REDcert must be approved/accredited by the competent national authority or accreditation body in the EU member state where membership occurs depending on the applicable legal regulations¹⁰.

To ensure that the specifications of the REDcert scheme are binding for the economic operators and the certification bodies, both are integrated into the REDcert scheme via standard contracts in which the rights and duties of both parties are precisely defined.

The figure below provides an overview of the structure and function of the certification scheme:

¹⁰ See Regulation (EC) 765/2008 Article 4



The production and supply chain for biofuels, bioliquids and biomass fuels includes the following operators:

Producers/waste producers

Producers own and/or use farmland on which biomass is farmed and harvested as a feedstock for the production of biofuels/bioliquids. They are required to provide detailed information on the type, location and size of the fields used to produce sustainable biomass and, if applicable, provide the status of the farm with respect to the requirements and standards in accordance with Regulation (EU) No. 2021/2115 (former 1307/2013) or support for rural development (EAFRD) in accordance with Regulation (EU) No. 2021/2115 (former 1305/2013), that are subject to conditionality requirements. For certification purposes, they also have to grant access to all data and information related to the production and traceability of sustainable biomass.

Waste producers (called “points of origin” (PoO)) are economic operators where waste or processing residues occur as an unavoidable result of their business/production process and which have to be disposed of due to legal provisions

Points of origin and producers of waste are issued an “inspection certificate” as proof that they satisfy the scheme requirements. They can either be certified as an individual producer or as a group of producers (see “Scheme principles for neutral inspections”).

First gathering points

First gathering points receive biomass from the producer for resale or further processing. Even if the biomass is supplied directly to a storage or conversion facility on behalf of a first gathering point, the first gathering point is subject to certification as what is known as an "interface".

The first gathering points are responsible for determining the origin, quality and quantity of the supplied sustainable biomass. They are required to set up a mass balance system to document all consignments of sustainable biomass. First gathering points are inspected at least once a year (12-month period) by a certification body. The first gathering points or storage facilities maintained by the first gathering point are also included in the annual certification (for more information, see the REDcert document "Scheme principles for neutral inspections").

First gathering points (= interfaces) are issued a certificate as proof that they satisfy the scheme requirements.

Waste and residue collection points

Collection points from which waste and residues are gathered for further processing in the fuel chain must start with the calculation of the GHG emission saving (gathering and distribution process). They must ensure that the biomass that they receive as "waste and residues" from other economic operators outside the "chain of custody" are correctly declared. Other special requirements are stipulated in the "Scheme principles for the production of biomass, biofuels, bioliquids and biomass fuels".

Collection points are certified as interfaces just like first gathering points.

Suppliers

Many economic operators along the production/supply chain are involved in sales or storage of biomass or act as intermediaries. There are two types of "suppliers" in the production/supply chain:

- Suppliers who come after the first gathering point and supply raw materials for further processing/conversion => **Suppliers before the last interface**
- Suppliers who come after the last conversion plant and supply other suppliers or the end consumer with sustainable biomass => **Suppliers after the last interface**

Both can handle sustainable biomass (storage, mixing) without converting the biomass and biofuels/bioliquids. This definition also includes intermediate suppliers/phases that do not “physically” handle the biomass.

Suppliers receive a “certificate” as proof that they satisfy the scheme requirements on the basis of an annual inspection.

Conversion plants

Biomass is converted in, e.g. oil mills, sugar factories, refineries, biodiesel and bioethanol plants as well as other plants for biofuel and bioliquid processing. They have to set up a mass balance system in which all consignments with sustainable biomass are documented before and after the conversion. They calculate their specific GHG emissions or use partial default values. If they are what is known as the “last interface” (the last conversion plant or the end producer in the production and supply chain that processes biofuels, bioliquids and biomass fuels to reach a quality level that allows them to be used as a “fuel”), they also have to calculate the GHG emission saving for the entire production and supply chain and issue a sustainability certificate (usually called “Proof of sustainability” or “PoS”) for the relevant batch of biofuel according to the formal requirements of a national authority (e.g. nabisy application of the Federal Office for Agriculture and Food (Bundesanstalt für Landwirtschaft und Ernährung – BLE) or the REDcert scheme. REDcert provides a standard form for this purpose.

Every conversion plant (regardless of its legal status, e.g. as a subsidiary of a group) is required to be certified annually (max. 12-month period).

Conversion plants (= interfaces) are issued a certificate as proof that they satisfy the scheme requirements.

Transport companies

Pure transport services are not subject to certification. Transport companies, however, are required to present information about the transport routes upon request if an economic operator decides to calculate his actual GHG emissions (they must be documented in the transport order).

5.7 Registration and certification

Economic operators who intend to use the REDcert scheme must register on REDcert's website (<http://www.redcert.org>) as an applicant for a REDcert certification.

REDcert checks the data submitted by the economic operator to ensure that it is accurate and complete and checks the applicant as well as its affiliated companies or any precursor (to be indicated during registration) for the existence of previous or simultaneous certifications in other certification schemes and any non-conformities (see also section 6.5). REDcert only concludes a scheme contract with the economic operator if the information provided is complete and true. At the same time, he has to contract with a certification body approved by REDcert.

The selected certification body must confirm to REDcert that it was contracted with certification by the company in question.

Once these steps are completed and REDcert and the economic operator have signed a scheme contract, the contracted certification body conducts an audit to check conformity with the requirements defined in the scheme principles for neutral inspections in the REDcert scheme.

Once the audit report has been entered in the REDcert database, the certification body issues a certificate to the economic operator in accordance with the REDcert standard and uploads it immediately to the REDcert certificate platform (www.redcert.org).

Every certificate saved in the REDcert database contains the following information at a minimum:

- Status of the certificate [valid/expired/suspended/withdrawn]
- Unique identifier
- Name of the certificate holder
- City
- Postcode
- Country
- Valid from [date]
- Valid to [date]

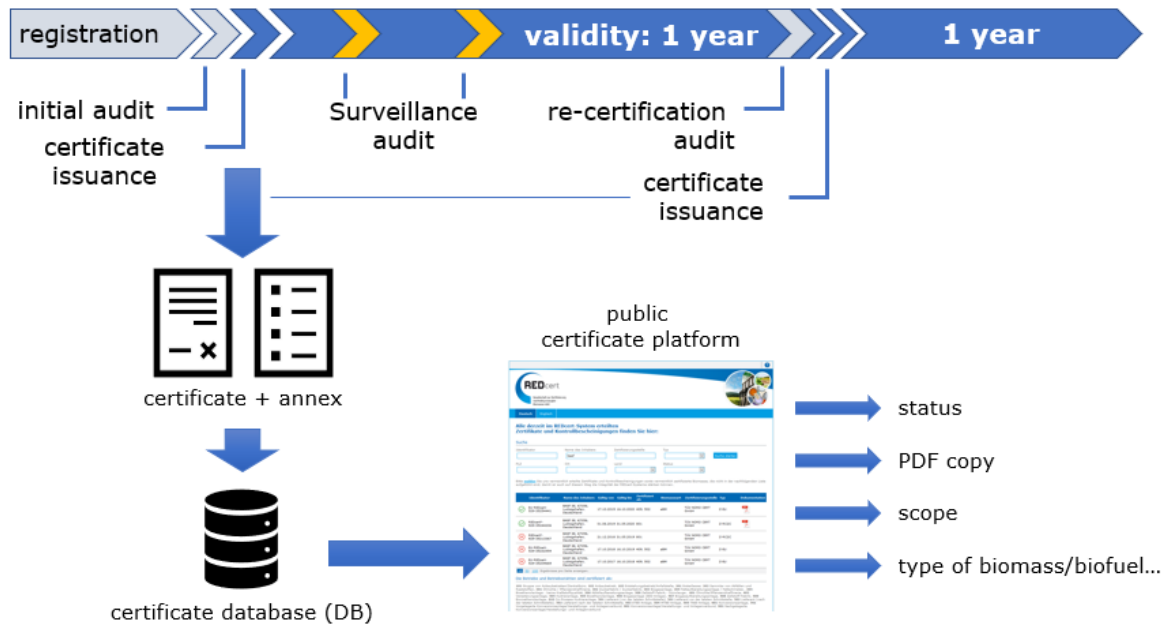
- Certified as [scope of validity according to the code table]
- Name of the issuing certification body
- Type [inspection certificate or certificate]
- Type of biomass/biofuel, bioliquid or biomass fuel covered by the certificate
- Greenhouse gas calculation methodology
- PDF of certificate (optional)
- For last interfaces:
 - a) The last interface
 - b) Date of initial operation of the plant
 - c) The annual production capacity

Important: Merely registering, signing a contract or completing the audit successfully does not authorise an economic operator to supply sustainable biomass under the REDcert-EU scheme. Sustainable biomass/biofuels, bioliquids or biomass fuels may only start being supplied once a valid certificate has been issued.

Certification is valid for 12 months. Renewed certification requires another complete audit in which, among other things, the transactions involving biomass or biofuels, bioliquids and biomass fuels in the last 12 months are reviewed.

The scheme participants in the REDcert scheme must cooperate with the European Commission and the competent authorities of the member states. This includes granting access to the premises of economic operators where requested as well as making available to the European Commission and the competent authorities of the member states all information needed to fulfil their tasks under Directive (EU) 2018/2001, including the submission of all relevant data to examine whether the sustainability and green-house gas emissions saving criteria in relation to a particular consignment are met, if requested.

The figure below provides an overview of the registration and certification process:



The exact order of the certification process is outlined in the “Scheme principles for neutral inspections”.

5.8 Other certification schemes

If an economic operator wants to use biomass certified under another voluntary schemes, it can only be accepted in the REDcert-EU scheme if that voluntary scheme has been recognised in accordance with Article 30(4) of Directive (EU) 2018/2001, only to the extent of the scope of their recognition.

REDcert also accept recognised national schemes as regards the verification of compliance with the sustainability and GHG emissions savings criteria set out in Articles 29(2) to (5) and (10) and the GHG savings thresholds set in Article 25(2) of that Directive and with the criteria for certification of low ILUC-risk biofuels, bioliquids and biomass fuels set out in Delegated Regulation (EU) 2019/807.

In addition, the economic operator must ensure that the same information about the sustainability characteristics along with the proof of these characteristics exist for these

consignments with biomass or biofuels, bioliquids and biomass fuels as under the scope of the REDcert-EU scheme.

6 Measures to ensure transparency and scheme integrity as well as prevent misuse and fraud

To meet the transparency requirements of legislators, but even more importantly, our own standards for an integral certification scheme, REDcert has defined a set of transparency measures which are defined in detail in section 6 of the "Scheme principles for integrity management".

6.1 Transparency in scheme representation

REDcert informs the interested public (potential scheme users, media, associations and special interest groups) extensively about the content and requirements of the certification scheme. All approved scheme documents required for implementation and monitoring the scheme are available at www.redcert.org. In addition, REDcert provides tools and informational materials to scheme participants and the certification bodies who work for them. Interested parties and authorities thus have the opportunity to view these documents at any time and keep up to date on the current status of the scheme by receiving a free newsletter.

6.2 Transparency in scheme membership

REDcert concludes written contracts with the scheme participants (economic operators) and with the certification bodies active in the scheme. These contracts clearly stipulate the rights and obligations of the respective parties.

These contracts ensure that the requirements of the certification scheme:

- a) are binding in their application
- b) can be verified and are transparent
- c) can, when necessary, be enforced with legal means

The contracts with certification bodies ensure that member state authorities can supervise operation of certification bodies as set out under Article 30(9) of the Directive.

REDcert supports the Commission in fulfilling its duties set out in Article 30(8) and Article 30(10) of Directive (EU) 2018/2001. If the European Commission¹¹ needs to determine (on its own initiative or through a request from a competent national authority responsible for supervision of certification bodies) whether the REDcert-EU system is functioning properly or whether the sustainability and GHG saving criteria are met with regard to a specific delivery, appropriate access to the relevant data (e.g. audit reports, actual GHG calculations) will be provided by the economic operators and/or the certification bodies.

Access is ensured by contractual provisions. The contracts are carefully structured standard documents. Individual agreements relating to the scheme requirements are not made.

6.3 Transparency in scheme management

REDcert uses a database to manage the certification scheme that documents all

- scheme participants including all of the dependent operational sites of each member registered
- all of the audits conducted regardless of result
- all certificates issued under the REDcert-EU scheme
- all sanction measures and
- market data relevant to fulfil the scheme's reporting requirement to the European Commission

The scheme management is always able to give authorised groups information about the status of the participants, audits and sanctions.¹²

REDcert also fulfils the officially specified information and reporting requirements stipulated in Directive (EU) 2018/2001 Article 30 (5) as well as Annex III of the Commission

¹¹ COMMISSION IMPLEMENTING REGULATION (EU) 2022/996 of 14 June 2022 on rules to verify sustainability and greenhouse gas emissions saving criteria and low indirect land use change-risk criteria, Article 14 (5)

¹² European Commission DG ENER: Letter to the voluntary certification schemes concerning transparency measures (30.08.2022) at: <https://ec.europa.eu/energy/sites/ener/files/documents/PAM%20to%20vs%20on%20transparency%20ARES%202015%201094930.pdf> (last accessed on 30.08.2022)

Implementing Regulation (EU) 2022/996 and creates and submits the information required here to the responsible offices of the European Commission within the specified period (by 30 April of the year after the reporting year; annual activity report).¹³

These involve

- a) 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.
- b) rules and procedures for identifying and dealing with non-compliance by economic operators and members of the scheme.
- (c) evidence of fulfilling the legal requirements on transparency and publication of information in line with Article 6.
- (d) 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 input
- (e) 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.
- (f) 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.
- (g) 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

¹³ European Commission DG ENER: Letter on reporting requirements for voluntary certification schemes (30.08.2022) at: <https://ec.europa.eu/energy/sites/ener/files/documents/PAM%20to%20vs%20annual%20reporting.pdf> (last accessed on 30.08.2022)

irregularities and where appropriate, the number of cases of fraud or irregularities detected.

- (h) criteria for the recognition of certification bodies.
- (i) 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;
- (j) possibilities to facilitate or improve the promotion of best practices
- (k) summary on complaints
- (l) detailed statistical information and qualitative feedback on the implementation of the e_{sca} methodology and penalties applied.

For the criteria listed, REDcert refers to the applicable sections of its scheme principles and will describe their implementation in the reporting year.

For the criteria listed under (f), the template required by the European Commission that is published on the transparency platform is used. The data required here is systematically collected by REDcert from all scheme participants as part of an annual survey using the REDcert database. To validate the plausibility of the data reported, the inspection reports of the certification bodies can be used because these also include a survey and on-site inspection of the biomass and biofuel quantities collected/sold as sustainable.

REDcert must notify the Commission without delay, about all substantial changes to the content of the scheme that might affect the basis for the recognition of the scheme. Such changes may include any of the following:

- a) changes to the mandatory sustainability criteria covered by the scheme
- b) extension of the scope of the scheme beyond what is described in the Implementing Act, recognising the scheme
- c) extension of the scope of feedstock or biofuels referred to in the original scheme documents where the risk profile of added feedstock differs
- d) changes to the mass balance rules
- e) changes to auditing procedures or requirements for auditors
- f) changes in, or extension of the GHG calculation methodology

- g) any other change that could be considered to affect the basis for the recognition of the scheme

6.4 Transparency in certification

A valid certificate is an essential prerequisite for trade with certified sustainable biomass or biofuels, bioliquids and biomass fuels. To make it possible for all economic operators to have a transparent and tamper-proof overview of all certificates issued in the REDcert scheme – valid, expired and suspended – the REDcert database publicly makes these certificates available online together with detailed information on the validity and the scope of application (see 6.3).

Where audits identify critical or major non-conformities, REDcert must publish an aggregated list of these non-conformities together with an action plan and a timeline for their correction, which is agreed with the economic operators concerned. Economic operators whose certificates are withdrawn, terminated or expired must be listed on the website for at least 24 months after the withdrawal, termination or expiration date. Changes in the certification status of economic operators must immediately be published.

6.5 Assuring scheme integrity and preventing misuse and fraud

The REDcert scheme cannot accept responsibility for ensuring that the scheme participants and the involved certification bodies act in compliance with laws. When a scheme contract is signed, it is assumed that the positive intention is to satisfy the scheme requirements.

At the same time, REDcert has effective processes to reduce the risk potential of scheme non-conformities, misuse and fraud and effectively combat these kinds of tendencies. These processes are described in the “Scheme principles for integrity management”:

- **The registration process for new, potential scheme participants**

Every potential scheme participant must disclose upon registration whether and to what extent the potential scheme participant or, if applicable, its legal predecessor, was already or is still a participant in another (voluntary) scheme within the past 5 years. If the economic operator was or is a participant in another (voluntary) certification scheme within the past 5 years, the reason for the scheme change and all

relevant information, in particular the auditing reports and complete mass balance data, must be provided to REDcert upon request. If the economic operator withdrew from another (voluntary) certification scheme before the first surveillance audit or the first recertification, this must also be indicated. In the case of suspensions or a scheme expulsion due to non-conformities, REDcert has the right to obtain detailed information about the non-conformities in question from the previous certification scheme. This makes it possible to ensure that a REDcert certificate is only issued when all of the non-conformities found have been verifiably eliminated. These pre-requisites are intended to prevent "scheme hopping".

In addition, every potential scheme participant must indicate at the time of registration whether the company has operated under a different legal form and/or another name in the last 12 months. This information will be provided to REDcert as applicable.

Specifically, economic operators who want to participate in the REDcert-EU scheme must provide the following information upon registration in relation to any pre-certification:

- Information on whether the economic operator already participated in the REDcert-EU scheme in the last 5 years under a different company name, different legal form or different VAT ID (with information on the old company name and the old VAT ID)
- Information on whether a valid or suspended certificate from another scheme recognised by the European Commission or a national authority exists (with information on whether special audits have taken place during the validity period)
- Information on whether a certificate that existed in the past (last 5 years) ended normally or whether it was voluntarily terminated before its expiry date
- Information on whether in the past (last 5 years) a certificate was withdrawn as a result of a non-conformity
- Information on a previously found critical or major non-conformity

This information is verified by REDcert.

REDcert excludes economic operators from participating in the REDcert-EU scheme either by terminating the scheme contract or refusing participation in the following cases:

- they provide incorrect or incomplete information in the registration process, or
- they or their legal predecessor failed the initial audit under another scheme, unless such initial audit took place more than 3 years before the application or if in the meantime the other scheme ceased its certification activities, which prevented the economic operator for reapplying. In this case, REDcert reserves the right to request justification for the failed initial audit and to decide whether to accept the applicant on a case-by-case basis. If REDcert accepts the justification of the economic operators and decides to assess their application, the scope of the initial audit must be adjusted to cover all relevant issues and specifically focus on the shortcomings identified in the initial audit that they failed in the other scheme, or
- they or their legal predecessor withdrew from another scheme before the first surveillance audit took place, unless the operator can prove that it had a valid reason for doing so. If REDcert accepts the justification provided by the economic operator, the scope of the initial audit must be adjusted to cover all relevant issues of the surveillance audit.
- **Systematic monitoring of GHG balances and the GHG savings declared in the proofs of sustainability**

Most of the companies in the REDcert scheme that issue proofs of sustainability for biofuels, bioliquids and biomass fuels as what are called “last interfaces” use the nabisy application provided by the Federal Office for Agriculture and Food (Bundesanstalt für Landwirtschaft und Ernährung – BLE). The BLE sends REDcert (and other certification schemes) all of the proofs of sustainability issued in the scheme on a regular basis. REDcert has developed a complex evaluation process to analyse the proofs of sustainability identified here as “suspicious” (certificate whose GHG emissions lie below the “typical” emissions of the relevant type of biofuel). Certificates identified as such are presented to the respective companies and the certification bodies for review and confirmation.

➤ Integrity management in the REDcert-EU scheme

In addition to the scheme non-conformities discovered during regular audits carried out as part of the certification process, complaints of all types can trigger audits or other measures.

Within its integrity management system, REDcert has set up a complaint management system that registers incoming complaints and submits them to the European Commission as part of its annual activity report. At the request of the Commission, all documents related to the complaint in question and how it was handled are sent. The ultimate aim of the REDcert sanction system is to effectively counteract proven scheme non-conformities. If a certificate is suspended due to non-compliance, the economic operator may not claim sustainability during that period. Suspended operators may not join another voluntary scheme while the certificate is suspended. Where a certificate is withdrawn following an audit which confirmed a critical non-conformity, that economic operator can be excluded for at least two years from scheme participation. This is described in more detail in the REDcert document "Scheme principles for integrity management".

➤ The protected "REDcert" brand

REDcert has a service mark of the same name registered with the European Trade-mark Office. It may only be used by the scheme participants and recognised certification bodies. This trademark right gives rise to extensive options to take action against misuse or fraudulent use of the REDcert brand **without any other proof of non-compliant scheme behaviour being necessary**.

6.6 Measures to ensure the scheme integrity of certification bodies and scheme participants

REDcert has developed measures to ensure the scheme integrity of certification bodies and scheme participants, which are described in detail in the REDcert document "Scheme principles for integrity management".

7 Costs for participating companies

The scheme sponsor of the REDcert certification scheme represents the main economic groups affected by the sustainability certification through its shareholders. It is absolutely in the basic interest of these shareholders not to initiate any unreasonable or unnecessary burdens for the member companies arising from the certification scheme.

Accordingly, the fees charged for using the REDcert certification scheme are calculated based on the self-sustaining operation of the scheme. Generating profit is not the primary business objective of the scheme operator. Fees are set by the executive management in consultation with the Technical Committee and the Shareholder Assembly.

The participant fees are shown transparently in a fee schedule that every interested company has acknowledged before joining the scheme.

The costs for the neutral inspection conducted by approved certification bodies are not defined by the REDcert scheme but are based on the principle of supply and demand in the competition between the certification bodies. To prevent competition driven solely by price at the expense of certification quality, REDcert systematically evaluates the time spent for an inspection and scrutinises or disputes inspection times that are consistently short (see section 6.6).

REDcert satisfies the requirement contained in Directive (EU) 2018/2001 to prevent disproportionate costs for small farmers, producer organisations and agricultural cooperatives. In the REDcert scheme, small farms are operations whose productive land is more than 75% below the area farmed on average in the country and/or secondary farms that generate more than 50% of their operating/family income outside of agriculture. The costs of verification and, most importantly, inspection of the sustainability criteria in these kinds of farms should not exceed the expected loss in revenue when the biomass produced by the farm as non-sustainable will likely have to be sold at lower revenues within the framework of the REDcert scheme.

8 Relevant documents

The documentation structure of the REDcert-EU scheme includes the following:

No.	Document	Published/revised
1	Scope and basic scheme requirements	The current version of the REDcert-EU scheme principles is published on the website at www.redcert.org .
2	Scheme principles for the production of biomass, bioliquids and biofuels	
3	Scheme principles for GHG calculation	
4	Scheme principles for mass balancing	
5	Scheme principles for neutral inspections	
6	Scheme principles for integrity management	
7	Phase-specific checklists	
8	Definitions in the REDcert-EU scheme	

REDcert reserves the right to create and publish additional supplementary scheme principles if necessary.

The legal EU regulations and provisions for sustainable biomass as well as biofuels, bioliquids and biomass fuels including other relevant references that represent the basis of the REDcert-EU documentation are published separately on REDcert's website at www.redcert.org. When legal regulations are referenced, the most current version is always assumed.

9 Revision information for Version EU 07

Section	Change
3	<p>Terms and scope</p> <ul style="list-style-type: none"> -scope expansion to the entire world. - wording was revised (non-conformity instead of violation and major instead of serious)
4	<p>Shareholder Assembly</p> <p>Shareholder Assembly</p> <p>The Shareholder Assembly represents the shareholders of REDcert. These are the leading associations in the German agriculture and biofuel sectors. They represent a broad range of various stakeholder groups. Their responsibilities are defined in the company by-laws. They include:</p> <ul style="list-style-type: none"> a) verifying the annual financial statements b) appropriating the net profit c) discharging the company's management for the previous business year d) appointing and dismissing members of the Technical and Sanction Committees e) establishing the Rules of Procedure f) selecting the financial auditor for the current business year <p>The Shareholder Assembly defines the company's strategic and economic goals but has no influence on the operation of the REDcert-EU scheme. This roles out any conflict of interest between their association activities and their activities as shareholders of REDcert.</p> <p>In the decision-making process no single actor or group of actors may have a dominant position. Decisions may only be taken where a quorum of the majority of stakeholders is reached. The status of the shareholder assembly rules the decision making process.</p>

5	The REDcert certification scheme -Cross-compliance replaced with conditionality
5.5	Documentation requirements -editorially revised and subparagraphs added
5.6	Scheme function and governance -Cross-compliance replaced with conditionality
5.7	Registration and certification - Last paragraph was added
5.8	Other certification schemes -revised
6.2	Transparency in scheme membership -editorially revised - access to GHG calculations was added
6.3	Transparency in scheme management -list expanded accordingly to Implementing Regulation (EU) 2022/996 - subpoints (k) and (I) were reworded - subpoint d - partly deleted
6.5	Assuring scheme integrity and preventing misuse and fraud -Within the first paragraph at point 3 the word surrendered was replaced by terminated

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