



REDcert

Sanction system

Version 04

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1 Introduction

A certification scheme for sustainably produced biomass is required to have measures in place that are initiated if a certification body determines that an operation or interface participating in the scheme does not or no longer satisfies the requirements set forth by the guidelines/regulations or the scheme requirements

These measures are described in this sanction system. **Internal scheme sanctions in no way replace the regulatory function of the competent authority.** It is up to the discretion of this authority to lay down its own regulatory measures for any violations found.

2 Procedure

Violations in how the REDcert certification scheme is applied by a scheme participant can be identified in different ways, in particular through

- inspection by the neutral certification body responsible
- an unscheduled inspection by an inspector contracted by REDcert

REDcert communicates sanctions solely to the contractually bound scheme participant. It is up to the scheme participant to pursue recourse against the operating site responsible for the imposed sanctions.

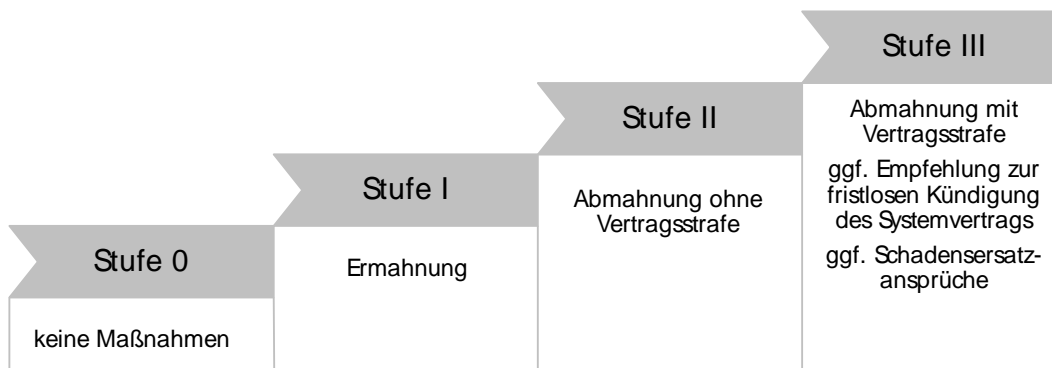
The scheme participant is responsible vis-à-vis REDcert for immediately remedying the problem found.

In the case that “**major non-conformities**” are found during the inspections above, an independent committee decides on potential sanctions. The working methods of the committee are defined in the Rules of Procedure.

The basis for sanctions is all available evidence, in particular the findings about the violation in the inspection report. The scheme participant is given the opportunity upfront to respond in a reasonable amount of time.

As an immediate measure, a follow-up inspection is carried out shortly thereafter by the certification body responsible.

The REDcert sanction system is structured into several levels:



2.1 Sanction level 0

The Sanction Committee determines that no other measures against the scheme participant are necessary.

2.2 Sanction level I

The Sanction Committee determines that a reprimand has to be communicated to the scheme participant to implement the requirements of the sustainability regulations and the REDcert certification more carefully in the company.

2.3 Sanction level II

The Sanction Committee determines that a warning shall be communicated to the scheme participant. If the problem recurs, the result is generally Sanction level III.

2.4 Sanction level III

The Sanction Committee determines that a warning with contractual penalty shall be communicated to the scheme participant.

At Level III, a **contractual fine of up to €30,000** may be imposed depending on the severity of the violations and/or the amount of damage caused by the violations and/or taking into account the advantages achieved through the illegal activities and taking into consideration the size of the operation.

It is up to the independent Sanction Committee's discretion to set the fine individually in each case.

The scheme participant has to bear the costs of pursuing legal remedies to enforce the contractual penalty.

REDcert is required

- to inform the scheme participant of the Sanction Committee's decision
- to enforce the sanctions defined by the Sanction Committee with the scheme participant
- to freely decide whether to increase the inspection frequency, also for the other operating sites owned by the scheme participant

REDcert is also required for **Sanction Level III**

- to review, at its own discretion, whether to prematurely terminate the contract
- to declare termination if necessary
- to undertake other steps to satisfy civil claims (damages)

If a scheme contract is terminated prematurely, the scheme participant in question may only join the REDcert certification scheme after 6 months at the earliest and subject to another review of the prerequisites.

If, as a result of a sanction, a scheme contract is terminated within the defined notice period – regardless of which side terminates – the company may rejoin the scheme without a waiting period only once the prerequisites have been checked.

3 Special requirements

REDcert has the right to inform all other certification bodies and interfaces for which the violation is relevant of this violation as a possible sanction measure.

Critical for the bodies above are considered all violations that

- result in sustainability or partial sustainability certificates becoming invalid either in part or in full or
- relate to the declaration of specific parties identified as “sustainable” for “biomass” on the market

If these types of legal violations are found or identified by the scheme participant, he is required to immediately inform the body affected of the violation and its possible impact on the downstream operations. The scheme participant has to inform REDcert within a period of 7 business days in an appropriate manner, i.e. by providing a copy of the written correspondence.

If the scheme participant fails to report to REDcert which information he has provided to the bodies affected by the deadline, REDcert is authorised to perform an immediate unscheduled inspection of the operation in question and to communicate the suspected violation to all other certification bodies and interfaces it feels are critically affected.

4 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, biofuels and bioliquids	
3	Scheme principles for GHG calculation	
4	Scheme principles for mass balancing	
5	Scheme principles for neutral inspections	
6	Sanction system	
7	Complaint management system	
8	Phase-specific checklists	

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 and bioliquids 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.