

2018 BONSUCRO REPORT TO THE EUROPEAN COMMISSION REGARDING THE LEGAL REPORTING
REQUIREMENTS FOR VOLUNTARY SCHEMES

About Bonsucro

Bonsucro is a not-for-profit organisation setting the standards for sustainable production of sugarcane. It is a community of change composed by over 500 members from farmers, mills, NGOs/civil society, traders and end users.

Bonsucro has over 27% of the world's sugarcane land under its membership, and is the leading certification scheme for sugarcane sustainability based on its global reference framework, the Bonsucro Production Standard.

Bonsucro's vision is a sugarcane sector with thriving, sustainable producer communities and resilient, assured supply chains.

Bonsucro's mission is to ensure that responsible sugarcane production creates lasting value for the people, communities, businesses, economies and eco-systems in all cane-growing origins.

Bonsucro's strategy builds a platform to accelerate change for the largest agricultural commodity in the world – sugarcane.

Table of Content

(a) The independence, modality and frequency of audits, both in relation to what is stated regarding those aspects in the scheme documentation, at the time the scheme concerned was approved by the Commission, and in relation to industry best practice;	4
(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	4
(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.....	5
(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 to their contributions	6
(e) The overall robustness of the scheme, particularly in light of rules on the accreditation, qualification and independence of auditors and relevant scheme bodies	6
(f) Market updates of the scheme, the amount of feedstock's and biofuels certified, by country of origin and type, the number of participants	7
(g) The ease and effectiveness of implementing a system that tracks the proof 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.....	7
(h) Options for entities to be authorized to recognise and monitor certification bodies	8
(i) Criteria for the recognition or accreditation of certification bodies	8
(j) On how the monitoring of the certification bodies is to be conducted	9
(k) Possibilities for facilitating or improving the promotion of best practice.....	10

- (a) **The independence, modality and frequency of audits, both in relation to what is stated regarding those aspects in the scheme documentation, at the time the scheme concerned was approved by the Commission, and in relation to industry best practice;**

Audits in the Bonsucro system are carried out by [licensed independent certification bodies](#). Audits in the [Bonsucro Certification System](#) happen every year during the three-year validity of a certificate. Every operator is required to pass a full initial audit, followed by two surveillance audits (in the two subsequent years). Audits take place *in loco*, with teams of qualified auditors visiting the sugarcane mills and its supplying areas and verifying compliance through the use of the Bonsucro Calculator (now available online through [Bonsucro Connect](#)).

Bonsucro is member of the [ISEAL Alliance](#), which is a global organisation setting standards for standard-setting organisations. ISEAL conceptualises and maintains codes that help ensure the credibility, transparency and effectiveness of voluntary schemes. ISEAL's mission is to strengthen sustainability standards for the benefit of people and the environment

Bonsucro follows all [ISEAL Codes of Good Practice](#) (which cover best practice for standard-setting; assurance; and impact evaluations).

- (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**

There are two ways in which non-compliances can be found and dealt with in the Bonsucro system:

- Audits & Corrective Action Plans:

In order to be certified against the [Bonsucro Production Standard](#) the operator must comply with 16 Core Indicators (covering legal compliance, basic human and labour rights, agrochemical applications, protection of high conservation value areas, amongst others) and at least 80% of all 53 indicators in the Standard.

In order to be certified against the Bonsucro EU Production Standard the operator must be found compliant with the Bonsucro Production Standard and found compliant with all EU-RED related requirements captured in Principle 6 of the Bonsucro EU Production Standard. All EU-RED related requirements are Core Indicators (i.e. must be complied with for Bonsucro EU certification).

Minor non-compliances (isolated or sporadic lapse in the content or implementation of procedures or records which could reasonably lead to a systematic failure or significant deficiency if not corrected), observed during an audit can be addressed through time-bound and verifiable corrective action plans (up to 12 months' period).

Major non-compliances (repeated and systematic problems; occurring over a long period of time; affecting more than one area and/or causing significant damage; indicated by the absence or a breakdown of a system or; not corrected or adequately responded to once issued) must be solved before certification, otherwise the operator will not pass the audit. If a major non-compliance is

found after certification, a time-bound corrective action plan (up to 3 months' period) will be required and the certified operator may be suspended if the corrective action plan is not implemented in time.

For more detailed information, please see the [Bonsucro Certification Protocol](#). It is worth mentioning that the Bonsucro Certification Protocol and Bonsucro went through the re-approval process of the EU Commission and were found compliant, the approval was issued on 21 March 2017.

- **Comments and Complaints Processes:**

Bonsucro enforces two public procedures that enable the identification of potential issues of members by any interested stakeholder. The first one is a 30-day [public consultation period](#) for every new membership application into Bonsucro (it is important to note that membership is a requirement for certification in the Bonsucro system). The Membership Application Comments' Process serves the following purposes:

- To request a formal review from Bonsucro regarding a membership application from an organisation that is allegedly in breach of the Bonsucro Code of Conduct or the Production Standard, Chain of Custody Standard, and Claims and Labelling Rules at the time of the membership application;
- To submit information regarding previous practices of an applicant that would currently represent a breach of the Bonsucro Code of Conduct or the Production Standard, Chain of Custody Standard and Claims and Labelling Rules, and requesting Bonsucro to further monitor the applicant if it becomes a Bonsucro Member.

Besides the comments' process for new applications, Bonsucro also enforces a [Complaints Resolution Process](#), which covers the following types of complaints:

- Complaints regarding a Bonsucro member's alleged violation of the Bonsucro Code of Conduct;
- Complaints against the awarding of a Bonsucro certificate against the Bonsucro Production Standard or Chain of Custody Standard;
- Complaints about audits, auditors, the auditing process; the Bonsucro Production Standard; or the Auditing Guidelines;
- Complaints against actions or decisions of an individual Bonsucro Director, committee members or staff.

The experience with the complaints system has enabled Bonsucro to constantly improve it. Decisions on complaints by the Bonsucro Board are made public, the only case so far to have reached a decision led to the suspension of Tate & Lyle Sugars from Bonsucro, reported by the media.

- (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.**

Scheme documents are easily [accessible online](#). The Bonsucro Production Standard and the Bonsucro Chain of Custody Standard as well as the Bonsucro Calculator (the tool used to demonstrate

compliance and manage sustainability performance of operators) are available online and translated into Portuguese and Spanish (two of the major languages of sugarcane producing countries), unofficial versions are also available in Thai.

The [list of certified operators](#) is publicly available on the Bonsucro website.

Audit reports are accessible only to auditors, the certified operator and Bonsucro staff. The reason for this is that a lot of the data collected by the certified operators through the Bonsucro Calculator and verified by auditors are commercially sensitive and cannot be shared.

(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 to their contributions

As explained above, Bonsucro follows the ISEAL Standard-Setting Code, which requires extensive consultation with stakeholder for standard-setting procedures. This includes mapping and taking into account vulnerable communities or those that may be affected by the operations of sugarcane producers and millers.

The record of consultations for setting the several versions of the Bonsucro Production Standard can be shared upon request. For more information see <http://www.bonsucro.com/en/standard-development/>

Bonsucro also promotes stakeholder consultations and involvement at the operator level, through the use of Free, Prior and Informed Consent (FPIC) for example, as referenced in the Bonsucro EU Production Standard. Certified operators are required to map their stakeholders, engage them in consultations and have the channels and mechanisms to deal with complaints and conflicts in a transparent and fair manner.

With regards to audits, Bonsucro encourages auditors to seek stakeholder involvement but for the moment this is not a requirement of the auditing process. Auditors normally interview workers and mill/farm managers, but do not necessarily interview members of the community (i.e. outside the operations being certified). Bonsucro is currently discussing how it can embed stakeholder consultation and participation in auditing procedures and the Certification Protocol will soon be revised in that direction.

(e) The overall robustness of the scheme, particularly in light of rules on the accreditation, qualification and independence of auditors and relevant scheme bodies

The accreditation (licensing) of Certification Bodies requires compliance with auditing guidelines set out in two ISO standards:

- ISO 17065: 2012 Conformity assessment- Requirements for bodies certifying products, processes and;
- ISO 19011: 2011 Guidelines to auditing management systems.

Compliance to these two standards, as well as to the Certification Protocol is assessed during yearly head office assessments and witness assessments. Non-conformities may be issued to the Certification Bodies by Bonsucro in case of non-compliance, with clear deadlines for the closure of any minor or major non-conformity. The Bonsucro Oversight Procedure and CB contracts clearly state the conditions for the initial and ongoing maintenance of the accreditation status.

Certification Body (CB) lead auditors are required to attend Bonsucro trainings and pass the Bonsucro Qualifying exam. All auditors must also demonstrate the necessary skills to carry out the audits and certain specialist skills on auditing the social and environmental aspects of the Bonsucro Standards are included in the Certification Protocol. According to ISO 17065:2012 Certification Bodies must demonstrate the management of personnel competencies and this is assessed during yearly head office assessments. There is also a clause in the CB Contract about the need to regularly train auditors who are engaged in Bonsucro certification activities (Clause 4.1.11).

The independence of auditors is assured through compliance to ISO 17065: 2012 (clauses 5.1.1 & 4.2 Management of Impartiality) which is assessed yearly by Bonsucro. Certification Body personnel are obliged to reveal any situation known to them that may present them or the certification body with a conflict of interest and the CB must also have a mechanism (usually in the form of a Committee) for safeguarding impartiality.

(f) Market updates of the scheme, the amount of feedstock's and biofuels certified, by country of origin and type, the number of participants

Type of product	Country of origin	Feedstock	Calendar year	Participants	Value (m3)
Bioethanol	Brazil	Sugar cane	2011/12	12	569,730
Bioethanol	Brazil	Sugar cane	2012/13	22	773,512
Bioethanol	Brazil	Sugar cane	2013/14	34	1,387,427
Bioethanol	Brazil	Sugar cane	2014/15	37	1,552,432
Bioethanol	Brazil	Sugar cane	2015/16	35	1,452,344.82
Bioethanol	Brazil	Bagasse	2015/16	1	1,194.26
Bioethanol	Brazil	Sugar cane	2016/17	36	1,424,159.5
Bioethanol	Brazil	Bagasse	2016/17	1	6,868.73
Bioethanol	Guatemala	Sugar cane	2016/17	1	6,028.7
Bioethanol	Brazil	Sugar cane	2017/18*	33	1,414,615.00
Bioethanol	Brazil	Bagasse	2017/18*	1	16,200.00
Bioethanol	Guatemala	Sugar cane	2017/18*	1	14,064.00
Bioethanol	Colombia	Sugar cane	2017/18*	1	23,922.00

(*) estimated

(g) The ease and effectiveness of implementing a system that tracks the proof 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.

Bonsucro's Chain of Custody Standard is required for certified producers and every actor in the supply chain who trades Bonsucro certified products.

The main objective of the Chain of Custody Standard is to enable traceability of certified products and to ensure that claims around the sustainability characteristics of Bonsucro certified products are truthful and accurate. It is a simple to implement and important requirement of the Bonsucro certification system and it brings further credibility and transparency in the market place. The system is operated by each individual actor of the supply chain and verified annually by independent certification bodies. Trade data is confirmed by independent auditors and stored by Bonsucro. Bonsucro is currently working on an IT solution to enable real-time data collection and verification. To date, no cases of fraud or irregularities were detected.

(h) Options for entities to be authorized to recognise and monitor certification bodies.

Currently, Bonsucro is responsible for accreditation, no other entities or organisations are authorised to recognise and/or monitor certification bodies with regards to Bonsucro certifications. Bonsucro has appointed a dedicated member of staff to perform this function.

(i) Criteria for the recognition or accreditation of certification bodies

The criteria for recognition (licensing) of certification bodies (CBs) is described in the [Bonsucro Certification Protocol](#) and includes the following clauses:

4. General Requirements

4.1 CBs shall operate the Bonsucro certification system in line with ISO 17065:2012 and CB audit personnel shall follow guidelines included in ISO19011:201

4.2 CBs shall conform to Bonsucro requirements in case of a conflict with ISO17065:2012.

4.3 Accreditation against ISO 14065:2013 and experience in carrying out audits in conformity with ISO 14064 is recommended but not mandatory.

4.4 CBs shall operate at least one accredited scheme under ISO 17065:2012 which is relevant to the sustainability criteria of the Bonsucro Production and Mass Balance Chain of Custody (ChoC) Standards including the Bonsucro EU RED requirements.

4.5 It is the responsibility of the CB to keep updated with changes to Bonsucro requirements and for those carrying out Bonsucro EU RED audits, with the EU legislation. CBs carrying out audits against the Production Standard EU RED shall keep informed of amendments to the EU legislation and shall apply the legislation in accordance with latest guidance.

4.6 From time to time, Bonsucro may publish requests for clarification to provide additional information on certain requirements of the Bonsucro system. These shall be considered part of the Bonsucro Protocol and shall be applied accordingly.

4.7 In addition to the accreditation provided by Bonsucro, CBs performing Bonsucro EU RED audits shall be ac-credited by:

- 4.7.1 An accreditation body referred to in Article 4 of Regulation (EC) No 765/2008; or
- 4.7.2 An accreditation body having a bilateral agreement with the European Cooperation for Accreditation; or
- 4.7.3 A national accreditation body affiliated to the International Accreditation Forum (IAF); or
- 4.7.4 A Full or Associate Member of ISEAL.

4.8 Upon request from EU competent authorities, CBs performing Bonsucro EU RED audits shall make relevant information available within the limits of the confidentiality agreement signed with operators.

(j) On how the monitoring of the certification bodies is to be conducted

The monitoring of certification bodies (CBs) is conducted in accordance with the Bonsucro Certification Protocol (clauses 12 and 13, below).

12 Monitoring Certification Body Performance

12.1 CBs shall inform Bonsucro when a first Bonsucro audit has been arranged following accreditation. This audit may be witnessed by Bonsucro.

12.2 Accredited CBs shall be subject to regular monitoring and evaluation of performance by Bonsucro following initial accreditation. Bonsucro reserves the right to conduct such monitoring and evaluation at any point in time, particularly in case relevant information on potential non-conformities has been brought to the attention of Bonsucro by external parties. This may include:

- 12.2.1 Verification of the implementation of the Bonsucro Certification System at the CB's office.
- 12.2.2 At least one yearly witness audit of each CB that has conducted Bonsucro audits in the previous year to assess the performance of CB personnel in carrying out Bonsucro audits. The witness audit shall be conducted over one of the national offices of the CB.
- 12.2.3 Conducting an independent verification, either by Bonsucro or a selected external party, of a selected sample of operators in order to cross-check the work of CBs.

12.3 Witness and office audits of the CB by Bonsucro shall be at CB's expense.

12.4 Issuing non-conformities

12.4.1 Should corrective actions be required following an office or witness audit by Bonsucro, CBs shall provide evidence of corrective actions to Bonsucro within the required deadline.

12.4.2 A major non-conformity may be issued by Bonsucro to a CB if a failure or significant deficiency is identified which:

- 12.4.2.1 continues over a long period of time or
- 12.4.2.2 is repeated or systematic or
- 12.4.2.3 affects more than one area and/or causes significant damage or
- 12.4.2.4 is indicated by the absence or a breakdown of a system or
- 12.4.2.5 is not corrected or adequately responded to once issued.
- 12.4.3 Major non-conformities identified shall be fully addressed, and conformity demonstrated, within a period of up to 3 months.

12.4.4 Minor non-conformities may be issued by Bonsucro to CBs when there is an isolated or sporadic lapse in the content or implementation of procedures or records which could reasonably lead to a systematic failure or significant deficiency if not corrected. Minor non-conformities shall be fully addressed, and conformity demonstrated, within a period of up to 12 months.

13. Conditions for Suspension

13.1 A CB accreditation status may be suspended by Bonsucro if a CB:

13.1.1 no longer complies with the criteria for initial accreditation; or

13.1.2 fails to comply with contractual obligations as stated in the contractual agreement between Bonsucro and the CB; or

13.1.3 misuses the Bonsucro label; or

13.1.4 fails to provide corrective actions within the required deadline following a witness audit or request by Bonsucro.

13.2 Prior to suspension, warnings may be issued to the CB to allow for remedial actions within a deadline set by Bonsucro.

13.3 Bonsucro reserves the right to immediately withdraw the accreditation status of a CB in case of major failure to comply or evidence of fraud.

(k) Possibilities for facilitating or improving the promotion of best practice.

As a full member of ISEAL Bonsucro collaborates and participates in several committees and groups with the objective of sharing and learning from best practices on assurance and standard-setting procedures.

Through its global improvements programmes and training (over 600 people trained since 2011) Bonsucro promotes the exchange of knowledge on best practices. In particular, Bonsucro has been promoting Technical Weeks in key producing countries. Technical Weeks are a great opportunity for local practitioners to get together and share insights and experience. Technical Weeks also incorporate consultations, site visits and discussions around real cases of importance to farmers and millers.

Finally, the use of the Bonsucro Standard also opens possibilities for learning at producer level supported by technical visits and pre-assessments at production sites. Through Bonsucro Connect, Bonsucro's new online tool, we expect that benchmarking and knowledge creation will be even further facilitated, reaching producers that currently are not involved with sustainability and with improvement programmes.