AIC Module for compliance with the Renewable Energy Directive (RED II) - Directive (EU) 2018/2001

To be read in conjunction with AIC TASCC 2021 or AIC UFAS 2020 V2

Contents

Introduction

The following RED II Module is designed to be incorporated into AIC schemes as an appropriate and auditable appendix. Wastes, residues, ligno-cellulosic and non-food cellulosic feedstock are excluded from the scope of this appendix.

It relates to the following AIC Trade Assurance Schemes:-

- TASCC – Trade Assurance Scheme for Combinable Crops

  TASCC (Trade Assurance Scheme for Combinable Crops) is a UK based scheme which deals with what happens to grains and pulses when they leave the farm to the end user. Its participants are made up merchants, hauliers, storage, and product testing facilities.

- UFAS – Universal Feed Assurance Scheme

  UFAS (Universal Feed Assurance Scheme) is a UK based scheme which deals with the production and delivery of compounds feeds and the supply of feeds to the farm. Its participants are made up of Compound feed manufacturers and merchants.

In order to comply with this document, trade assurance participants must register with the relevant Certification Body so that RED II can be added to the scope of their audit and certificate. This RED II Module can also be found on the AIC website.

An **(R)** in the text indicates the areas where there is a need to keep a record.

1) Purchasing RED II compliant material

Requirement	Guidance
1.1 Scheme participants must be able to show that any procured crops for biofuel use are compliant to the requirements of Renewable Energy Directive (RED II) - Directive (EU) 2018/2001. **(R)**	To be able to show compliance with the requirements of the RED II, both TASCC and UFAS scheme participants shall have records available to show that all material purchased as being RED II compliant can be demonstrated as such. Records should be in the form of Combinable Crops passport (section 8 signed by the grower/storekeeper) or by the delivery documentation provided by the TASCC or UFAS merchant. Evidence of compliance can only be accepted from those schemes recognised by the EC for all land related criteria. The appropriate link to the document for both TASCC and UFAS on the AIC website is:- https://www.agindustries.org.uk/sectors/trade-assurance-schemes/renewable-energy-directive-red.html Records shall show which EC approved voluntary scheme material has been supplied from, crosschecking it is the same version and scope as that recognised by the EC. Full details of all recognised schemes and their scope can be found in the European Commission website at:- **https://ec.europa.eu/energy/en/topics/renewable-energy/biofuels/voluntary-schemes**

2) Mass Balance Requirements

Requirement	Guidance
2.1 Records shall be maintained in such a way as to ensure that the requirements of the Renewable Energy Directive (RED II) - Directive (EU) 2018/2001, in relation to a mass balance calculation – including sustainability characteristics – are met. **(R)** Records shall be retained for a minimum of 5 years, or longer if required by the relevant national authority. If requested, scheme participants shall make available to the certification body all mass balance data in advance of the planned audit. For an initial certification audit before participation in a scheme, the auditor shall check the set-up of the mass balance system. For annual audits thereafter, the auditor shall check at least the following: • List of all sites that are under the scope of certification. Each site shall have its own mass balance records. • List of all inputs per site, including description of materials and details of all suppliers. • List of all outputs per site, including description of materials and details of all customers. • The mass balance records must contain information on both the inputs and the outputs of sustainable and unsustainable material (including where relevant fossil fuels) handled by the sites.	In order to comply with the mass balance requirements of the RED II, the scheme participant shall be able to determine, for each three month time period, that quantity of crop taken into store which the supplier(s) has confirmed as being RED II compliant. The scheme participant shall also have records to demonstrate, over the same defined time periods, the quantity of crop loaded out of the store as RED II compliant. In all instances the mass balance of RED II compliant material for the time period in question must show the quantity out as being equal to, or less than, the quantity taken in. Records need to be kept to show that the sustainability criteria set out in Article 29 (3-5) of the Renewable Energy Directive (RED II) - Directive (EU) 2018/2001 have been met. This is achieved through the use of a mass balance system which delivers the following: • allows consignments of raw material with differing sustainability characteristics to be mixed; • requires information about the sustainability characteristics and sizes of the consignments to remain assigned to the mixture; • allows consignments of raw material with differing energy content to be mixed for the purposes of further processing, provided that the size of consignments is adjusted according to their energy content; • and

• A sample of the calculations (inputs, outputs, conversion factors, and any balances carried forward). All data shall be checked against the book keeping system. • Mass balance timeframe shall be transparent, documented, and consistent, and an appropriate period of time (maximum 3 months) • Inputs and outputs shall be accompanied, where relevant, by a set of sustainability characteristics. Auditors shall check that sustainability characteristics have been allocated appropriately.	provides 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. Note: Sustainability characteristics are defined as feedstock type (e.g. wheat), EC recognised voluntary scheme certifying the feedstock, origin of the raw material (country, NUTS2 region), GHG emission data (either default value or actual value in g CO_2/ dry ton feedstock).
2.1.1 The participant shall operate a mass balance system which: (a) allows consignments of raw material or fuels with differing sustainability and greenhouse gas emissions saving characteristics to be mixed for instance in a container, processing or logistical facility, transmission and distribution infrastructure or site(defined as a geographical location with precise boundaries within which products can be mixed); (b) allows consignments of raw material with differing energy content to be mixed for the purposes of further processing, provided that the size of consignments is adjusted according to their energy content; (c) requires information about the sustainability and greenhouse gas emissions saving characteristics and	The attached annex is provided as an example only of a way in which records may be maintained to meet the requirements of a mass balance system. If more than one legal entity operates on a site then each legal entity is required to operate its own mass balance.

sizes of the consignments referred to in point (a) to remain assigned to the mixture; and (d) provides 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 and requires that this balance be achieved over an appropriate period of time. The mass balance system shall ensure that each consignment is counted only once in point (a), (b) or (c) of the first subparagraph of Article 7(1) for the purposes of calculating the gross final consumption of energy from renewable sources and shall include information on whether support has been provided for the production of that consignment, and if so, on the type of support scheme. A physical transfer of crops must accompany each transfer of "sustainability characteristics" (information relating to crops including GHG emission data). The mass balance system shall operate at a level where consignments could normally be in contact, such as in a container, processing or logistical facility, or site (defined as a geographical location with precise boundaries within which products can be mixed).	
2.2 A mass balance period shall be three months in duration. Where positive balances of RED II compliant material exist at the end of a mass	At the end of each three month mass balance period being operated, any residual positive balance of physical RED II compliant material can be 'banked' and carried over into the following time period. Records must be kept in such a way

balance period records shall be maintained in order to ensure such balances can be identified and transferred to the next period. **(R)**	as to allow these positive balances to be identified.

2.2.1 At the end of the mass balance period, the sustainability data carried forward shall be equivalent to the physical stock.	
2.3 The scheme participant shall enter all relevant information on crops marketed for biofuel production in the Union database as soon as the database is operational.	Participants should note that access to the database will be dependent on timely booking of audits and completion of corrective actions. Failure to adhere to required timescales is likely to result in automatic exclusion from the database.
2.3.1 In accordance with Article 30 (8-10) the scheme participant shall on request make available to the relevant national authority and/ or the European Commission all information and records pertaining to their RED II transactions and audits.	
2.4 To ensure compliance with Article 30(5) of the REDII, the participant must provide to the Certification Body by the 31st January each year an annual total of the amount of feedstocks traded by origin and type for the preceding calendar year 1st January to 31st December. The data must be submitted in the RED Voluntary Schemes Data template.	The data template can be downloaded from the European Commission Website here: https://ec.europa.eu/energy/sites/default/files/documents/VS-Data%20reporting%20template.xlsx

3) Sustainability Criteria Requirements

Requirement	Guidance
3.1 Records shall be maintained in such a way as to provide sufficient information to be passed along the supply chain to enable a GHG calculation to be undertaken in accordance with Article 29 (10) of Directive 2018/2001/EC. **(R)**	Participants must ensure their records are sufficient to allow them to pass along the supply chain sufficient information to allow a GHG calculation to be made in accordance with Article 29 (10). This information should be provided either with the goods, as part of the delivery documentation, or, where there is a specific customer requirement, in advance of the physical delivery of goods.
3.1.1 All information relating to the GHG calculation must be provided to the buyer of the goods and be clearly identifiable as to the consignment it relates **(R)**	Participants must ensure that all relevant information required under the RED II by the buyer is forwarded in respect of consignments sold for biofuel use. The information to be forwarded must include, as a minimum; • name and contact details of the supplying company, • feedstock type and origin (i.e.. NUTS 2 region), • reference to previous EC recognised voluntary schemes applicable to the consignment and any relevant reference numbers. Such information may be supplied either on a post-harvest pesticide declaration form (grain passport) or on other commercial documentation relating to the consignment in question.
3.2 Records will include the GHG emission data/information which is transferred from the voluntary scheme participant (e.g. Red Tractor or SQC) that has certified the feedstock. Records shall be maintained in such a way as to ensure the sustainability criteria for material with differing characteristics is retained when consignments are mixed. **(R)**	The legislation allows consignments with differing sustainability characteristics to be mixed but only if those characteristics remain assigned to the mixture in the proportions relative to the original consignment sizes. The averaging of GHG emissions across different consignments is not permitted. Where consignments of different GHG emissions are mixed, even where they have the same sustainability criteria, the worst performing GHG emission value must be applied to the whole consignment.

	The mass balance system operated by the participant must be capable of delivering the three points identified in the Mass Balance Requirements section above. GHG emissions shall be reported using appropriate units. These are:- a. g CO_2eq/dry-ton for raw materials and intermediary products b. g CO_2eq/MJ which can only be reported for final biofuels (For information only as not relevant for TASCC/UFAS) The delivery note shall specify the NUTS2 region and state "Use of NUTS2 region" or "Use of default value", along with the raw material used. Information on actual GHG emissions shall be provided for all relevant elements of the GHG emission calculation formula. This refers to elements for which:- • Reporting is obligatory (e.g. in case of land use change) • All elements for which actual values should be used instead of disaggregated default values • All elements related to emission savings.

3.3 Crops used to produce biofuels and bioliquids must not have been produced on land subject to land use change since January 2008. **A**. Crops used to produce biofuels and bioliquids must not have been obtained from land with high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status: (a) primary and other wooded land, namely forest and other wooded land of native species, where there is no clearly visible indication of human activity and the ecological processes are not significantly disturbed; (b) highly biodiverse forest and other wooded land which is species-rich and not degraded, or has been identified as being highly biodiverse by the relevant competent authority, unless evidence is provided that the production of that raw material did not interfere with those nature protection purposes; (c) areas designated: (i) by law or by the relevant competent authority for nature protection purposes; or (ii) for the protection of rare, threatened, or endangered ecosystems or species recognised by international agreements or included in lists drawn up by	There are specific criteria which apply to the rules on land use change. The effect of these means that any land used for biofuel production cannot have been in the following on, or after, January 2008: • Land with a high biodiversity value or • Land with high carbon stock or • Land that was peatland unless evidence is provided that the cultivation and harvesting does not involve drainage of previously undrained soil Compliance must be obtained from the supplier and recorded. Goods may be procured from land that has undergone land use change which is complaint with the requirements of Renewable Energy Directive (RED II) - Directive (EU) 2018/2001. In such instances the annualised emission from the resultant carbon stock change must be determined and supplied through an EC recognised voluntary scheme. This information must then also be supplied up the chain.

intergovernmental organisations or the International Union for the Conservation of Nature, subject to their recognition in accordance with the first subparagraph of Article 30(4), unless evidence is provided that the production of that raw material did not interfere with those nature protection purposes; (d) highly biodiverse grassland spanning more than one hectare that is: (i) natural, namely grassland that would remain grassland in the absence of human intervention and that maintains the natural species composition and ecological characteristics and processes; or (ii) non-natural, namely grassland that would cease to be grassland in the absence of human intervention and that is species-rich and not degraded and has been identified as being highly biodiverse by the relevant competent authority, unless evidence is provided that the harvesting of the raw material is necessary to preserve its status as highly biodiverse grassland.	

B. Crops used to produce biofuels and bioliquids must not have been obtained from land with high carbon stock, namely land that had one of the following statuses in January 2008 and no longer has that status: a) Wetlands, namely land that is covered or saturated by water permanently or for a significant part of the year; b) Continuously forested areas, namely land spanning more than one hectare with trees higher than five metres and a canopy cover of more than 30%, or trees able to reach those thresholds in situ; c) Land spanning more than one hectare with trees higher than five metres and a canopy cover of between 10% and 30%, or trees able to reach those thresholds in situ, unless evidence is provided that the carbon stock of the area before and after conversion is such that, when the methodology laid down in part C of Annex V is applied, the conditions laid down in Article 29 paragraph 10 of the RED II would be fulfilled. The provisions in the paragraph above shall not apply if, at the time the raw material was obtained, the land had the same status as it had in January 2008. **C**. Crops used to produce biofuels and bioliquids must not have been obtained from land that was peatland in January 2008, unless evidence is provided that the cultivation and harvesting of those crops has not involved drainage of previously undrained soil.	

4) Provision of information

4.1 Certification to Voluntary Schemes Applicants and participants must inform the Certification Body if they are (or have previously been) certified by or suspended from another RED II voluntary scheme recognised by the European Commission.	This is to ensure that feedstocks are not "double counted" by schemes. Applicants currently suspended by another voluntary scheme will not be certified until their suspension is lifted. The list of voluntary schemes recognised by the European Commission can be found here: https://ec.europa.eu/energy/en/topics/renewable-energy/biofuels/voluntary-schemes
4.2 Audit Reports Participants agree that AIC and their appointed certification bodies may, on request, make available their audit reports to relevant authorities overseeing the functioning of the renewable energy market.	This is a requirement of the RED II, and aims to build confidence in the integrity of the certification process.

Appendix 1 Compliance with the AIC Renewable Energy Directive (RED II) - Directive (EU) 2018/2001 Module

TASCC (Trade Assurance Scheme for Combinable Crops) is a UK based scheme which deals with what happens to grains and pulses when they leave the farm to the end user. Its participants are made up merchants, hauliers, storage, and product testing facilities.

The link on the AIC website which give the TASCC documents and Technical Manager contacts is:- https://www.agindustries.org.uk/sectors/trade-assurance-schemes/tascc-trade-assurance-scheme-for-combinable-crops.html

The Certification Body for TASCC is –

Kiwa Agri Food
The Inspire
Hornbeam Square West
Harrogate
HG2 8PA
Tel - 01423 878873
Email - feed@kiwa.co.uk

UFAS (Universal Feed Assurance Scheme) is a UK based scheme which deals with the production and delivery of compounds feeds and the supply of feeds to the farm. Its participants are made up of Compound feed manufacturers and merchants.

The link on the AIC website which give the UFAS documents and Technical Manager contacts is:- https://www.agindustries.org.uk/sectors/trade-assurance-schemes/ufas-universal-feed-assurance-scheme.html

The Certification Body for UFAS is –

Lloyds Register
6 Redheughs Rigg
Edinburgh
City of Edinburgh
Scotland
EH12 9DQ
Tel - 0131 322 6280
Email – ufas-ca@lr.org

Recognised trade assurance schemes by the AIC

AIC have a list of recognised schemes which ensure that products can be traded without the need of extra scheme audits. The lists cover both TASCC and UFAS and can be found on the link below.

https://www.agindustries.org.uk/resource/feed-food-schemes.html

RED II voluntary schemes recognised by the European Commission

The European Commission recognises a number of voluntary schemes that demonstrate compliance with the sustainability criteria for biofuels and a list of these schemes can be found on the link below. TASCC and UFAS will accept feedstock from any EC recognised voluntary scheme.

TASCC and UFAS shall not refuse mutual recognition with those schemes as regards the verification of compliance with the sustainability criteria set out in Articles 29(2) to (5) and (10).
https://ec.europa.eu/energy/en/topics/renewable-energy/biofuels/voluntary-schemes

i) Qualifying Raw Material: Given the position of TASCC and UFAS Merchants members within the supply chain, the changes to deliver compliance under RED II are concerned with record keeping and principally to demonstrate a mass balance assessment in line with the requirements of RED II. As a first step however, scheme participants will be required to demonstrate, through the new module and in a verifiable manner that raw materials purchased as meeting the requirements of RED II, themselves come from a recognised voluntary scheme. Participants may demonstrate this compliance through a combination of auditable routes such as contracts incorporating the specific requirement for materials sourced to be from a RED II qualifying scheme or through the compilation of data sourced from the farmer or supplier information (such as a grain passport for UK produced combinable crops) in relation to deliveries. Both TASCC and UFAS use the Grain Passport and further information can be found in the scheme documentation (TASCC – M14 and UFAS – G7.4).

ii) Determination of Mass Balance: Scheme participants will be required to demonstrate, to an auditable standard, a mass balance system which is able to record quantities of sustainable raw material purchased, quantities sold and quantities remaining in store. The mass balance system should clearly state the length of time applied to each accounting period and records shall demonstrate how, for each accounting period, the quantity of sustainable raw material delivered is less than or equal to the quantity brought in, subject to any 'banked' amount being the positive residual balance carried forward from a previous accounting period(s).

iii) Banking: Scheme participants will need to demonstrate, within their mass balance recording system, how positive balances of sustainable raw material are identified at the end of each accounting period (3 months max.) and that the positive balance is transferred into the next period.

iv) Timetable:

TASCC: The next issue of the TASCC Scheme Manual and Codes will be effective April 2021. The changes to the scheme to meet the requirement of RED II will be incorporated into these revisions.

UFAS: The next issue of the UFAS Scheme Manual and Codes is 2020 v2 effective from April 2021 in line with the TASCC Scheme. The changes to the scheme to meet the requirement of RED II will be incorporated into these revisions.

European Commission Communication 2010/C 160/01: AIC has sought to provide details of how the RED II module complies with the European Commission's Communication of 19th June 2010 on

voluntary schemes and default values in the EU biofuels and bioliquids sustainability scheme. These details are shown below.

Assessment and recognition requirements

Documentation management

It should be a condition of participation in voluntary schemes that economic operators:

- *have an auditable system for the evidence related to the claims they make or rely on*
    - The new requirement makes it an obligation of the schemes for participants to have and maintain an auditable system for the purpose of determining a mass balance calculation and for the time period in question the amount of compliant material either in or entering the store should be equal to, or more than, the quantity out.

- *keep any evidence for a minimum of 5 years*
    - Existing scheme requirements state "Records must be kept for a minimum of three years, unless there are additional requirements." Auditors will therefore be given additional guidance to ensure they confirm mass balance records do meet the 5 year requirement of RED II. This will form part of the auditor's documented training program which is detailed below in "Auditor Training".

- *accept responsibility for preparing any information related to the auditing of such evidence*
    - The requirement referenced above makes it clear that an auditable system must be maintained. The existing Scheme Manuals states that by applying for certification, the participant will comply with the requirements of the relevant codes of practice.

Audit Bodies

Audits to verify the participant's compliance with the RED II requirements as listed in the RED II Module will be conducted by the existing scheme audit bodies which are accredited to ISO17065 by THE United Kingdom Accreditation Service (UKAS). In addition, audit bodies will demonstrate awareness of ISAE 3000 as the recognised standard for non-financial assurance which is applied to meet a broad range of activities and have experience of conducting audits to those requirements. Each Certification Body will have a Sector Manager who is the liaison between AIC (scheme owner) and the auditors and technical reviewers.

Level of Assurance

All audits undertaken, including retrospective audits as part of the need to assess a sample of claims, shall be conducted to at least a limited assurance level such that the auditor can determine on the evidence presented there are no errors.

Auditor Training

All training is carried out by the certification bodies. Auditors will be required to demonstrate their competency to audit carbon and sustainability information to the standards required under the Renewable Energy Directive (RED II) - Directive (EU) 2018/2001. Required knowledge of the following aspects shall be demonstrated:-

- Knowledge of legislation, e.g. Renewable Energy Directive (RED II) - Directive (EU) 2018/2001
- Knowledge of assurance systems, their methods, and assessments
- Knowledge of the requirements for, and assessment of, Greenhouse Gas calculations
- Knowledge of Mass Balance and Chain of Custody requirements
- Knowledge of the assessment for Land Use Criteria

Audit bodies will also be required to demonstrate their processes for managing auditor training and knowledge update and maintaining the professional development of auditors. Auditors are trained via a classroom style training (at least annually) and via email bulletins. AIC are fully involved in these events giving presentations relating to scheme updates. Further information is detailed below.

- Annual training is given with AIC in attendance
- Training documents are provided for more clarity and interpretation
- AIC announcements are distributed to assessors
- Reports are thoroughly reviewed and rated for level of detail, correctness of raised non-conformances, legibility, and correctness of the scope of the audit by the CBs Technical Reviewers (who report to the CBs Sector Manager). The report rating is recorded on CBs database as shown
- Witness Assessment Programme. Witnessed assessments are carried out at a frequency that the CBs Sector Manager deems necessary, but in line with the Scheme and UKAS requirements
- On a monthly basis the CBs Sector Manager reviews a sample of finalised reports as a quality check that reviewers are scoring reports correctly and that assessors are reaching the required standard.
- The CBs give AIC a monthly report on various KPIs such as the closing out of non-conformances.

Internal Audits
AIC will also conduct internal audits annually for each certification body for TASCC (Kiwa) and UFAS (Lloyds Register). The audits are a day in duration and the CB is checked for accuracy, completeness and consistency of the audits and how non-conformities are handled as per the scheme rules. Internal audits may also be undertaken in case relevant information on potential non-conformities has been brought to the attention of the schemes by external parties (including the European Commission and relevant Member State authorities).

AIC shall be entitled to terminate the contractual agreement (which has been signed by both AIC and the CB) following discussions with the CB if there shall be major breach by the CB of the Key Performance Indicators requirements where AIC has advised and no remedial action has been taken.

Any scheme participant non-conformance identified through an internal audit is acted upon as per the respective TASCC and UFAS scheme rules.

Further information on the CBs can be found on the link below.
https://www.agindustries.org.uk/sectors/trade-assurance-schemes/about.html

Certification Bodies also carry out witness audits alongside AIC Technical staff. The information gained from these audits will check the efficacy of audits and this will be reported to the various working groups. Any scheme participant non-conformance identified through a witness audit is acted upon as per the respective TASCC and UFAS scheme rules.

Both Certification Bodies will report to the various scheme working groups on the delivery of KPI's, number of non-conformances and participant numbers. This information is available on request from AIC.

Adequate Standard of independent auditing

- *A voluntary scheme shall ensure that economic operators are audited on-site before allowing them to participate in the scheme.*
  Any company wishing to join either TASCC or UFAS Merchants must make a formal application to join the scheme. At that point they are contacted by the certification body and arrangements made to conduct an initial on-site audit. Not until that audit has been completed and any subsequent corrective action completed and signed off, will a company become a full scheme participant.

  Although both TASCC and UFAS are schemes which deal with food and feed safety, the RED II Module has been written so that it can be audited at the same time. Non-conformances arising from a RED II Module audit would be due in part to a lack of records, procedures, and traceability. This is similar in format to the aspects of feed/food safety.

  All TASCC/ UFAS participants/ applicants must be subject to an on-site audit including the AIC RED II Module, and all non-conformances rectified, before becoming certified AIC RED II participants.

The Scheme Rules give information on how the audits are conducted and criteria for non-conformance and the auditor checklists are found on the links below.

TASCC
Scheme Rules

https://www.agindustries.org.uk/resource/tascc-code-of-practice-general-for-all-schemes.html

Checklists

https://www.agindustries.org.uk/sectors/trade-assurance-schemes/tascc-trade-assurance-scheme-for-combinable-crops/checklists.html

UFAS
Scheme Rules

https://www.agindustries.org.uk/resource/ufas-standard---effective-march-2020.html

Checklists

https://www.agindustries.org.uk/sectors/trade-assurance-schemes/ufas-universal-feed-assurance-scheme/checklists.html

Management of the Audit

- Audits shall be properly planned, conducted, and reported on.
- The scheme has clear procedures that describe how audits should be conducted, including detailed guidelines or checklists for auditors.
- The guidelines shall also set out the content of the auditing reports e.g. beginning and the end of the audit (length of the audit), the address where the audit was conducted, the audit participants and a list of audited documents. Further, the guidelines shall determine the necessary information to be included on the certificates (e.g. type of biomass and scope of certificate).
- Audit includes the following:
    - Identify the activities undertaken by the economic operator which are relevant to the scheme's criteria;
    - Identify the relevant systems of the economic operator and its overall organisation with respect to the scheme's criteria and checks the effective implementation of relevant control systems;
    - Analyse the risks which could lead to a material misstatement, based on the verifier's professional knowledge and the information submitted by the economic operator;

- Draw up a verification plan which corresponds to the risk analysis and the scope and complexity of the economic operator's activities, and which defines the sampling methods to be used with respect to that operator's activities;
- Carry out the verification plan by gathering evidence in accordance with the defined sampling methods, plus all relevant additional evidence, upon which the verifier's verification conclusion will be based;
- Request the operator to provide any missing elements of audit trails, explain variations, or revise claims or calculations, before reaching a final verification conclusion.

- ISO 19011: 2018 (plan, do, act, check), or justified equivalent (in the case of both the UK CBs it is *ISO/IEC 17065:2012 Conformity assessment - Requirements for bodies certifying products, processes, and services*) covers the above requirements.

Non-Conformance Criteria

Certification Bodies will produce a report for its own assessment purposes and identify any non-conformances to the Participant at the end of the assessment. Any Non-conformances will be classified as per Table 1 below and acted upon as per Table 2. When a Participant has rectified their Non-conformances, the Certification Body will notify the client of their continuing certification or issue a Certificate of Conformance whichever is appropriate. Examples of RED II non-conformances can be found in Table 3.

Table 1 Classification of non-conformances

Classification	Cause
Critical	A deliberate misrepresentation of RED II status of material supplied. or; A loss of traceability such that demonstrating the RED II status of goods would be impossible, or; A recurrence of a Major Non-conformance raised at the preceding assessment, or; A complete unwillingness to cooperate in the audit.
Major	A complete failure to implement a requirement of TASCC/UFAS RED II, or; A recurrence of a Minor Non-conformance raised at the preceding assessment.
Minor	A partial failure to implement a requirement of TASCC/UFAS RED II or Poor evidence to demonstrate implementation.

Table 2 Response to Non-conformances

Classification	Initial assessment	Surveillance assessment
Critical	Certification refused. Full assessment required. AIC/Certification Body Scheme Manager to be contacted immediately.	Certification suspended with immediate effect. Certification will only be reinstated following the verification that the critical Non-conformances have been resolved. Extra Assessments, at the cost of the participant, may be required by the certification body in order to verify conformance with the TASCC/UFAS Scheme.
Major	Certificate not granted until Non-conformances resolved. Plan of corrective actions to be submitted within 15 days of assessment, and timescales to resolve Non-conformances to be agreed with the Certification Body. Failure to resolve Non-conformances within agreed timescales will lead to a repeat Initial Assessment or the application being archived by the Certification Body	Certification continues. Plan of corrective actions to be submitted within 15 days of assessment, and timescales to be agreed with the Certification Body typically no more than 60 days from assessment. Failure to resolve Non-conformances within agreed timescales will lead to suspension.
Minor	Certificate not granted until Non-conformances rectified. Plan of corrective actions to be submitted within 30 days of assessment, and timescales to be agreed with Certification Body. Failure to resolve Non-conformances within agreed timescales will lead to a repeat Initial Assessment or the application being archived by the	Certification continues. Plan of corrective actions to be submitted within 30 days of assessment, and timescales to be agreed with Scheme Manager, typically no more than 60 days from assessment. Failure to resolve Non-conformances within agreed timescales will lead to suspension.

	Certification Body	

Table 3 Examples or RED II non-conformances

Classification	Cause
Critical	No system to ensure material bought as RED II compliant is actually RED II compliant. This would be raised as there is a risk to the end user that the participant has used non RED II material within their process which could lead to penalties against them and their legislative requirements.
Major	New member of staff has not received training within their role under RED II.
Minor	The business will have an approved suppliers list and this is required to be reviewed and maintained. However, a minor will be raised if the review is overdue.

- *For such auditing .... verification for all units concerned can be performed based on a sample of units.*
  It is an existing requirement that all scheme participants are audited annually.
  The certifying body will select the auditor on the basis of their experience, scope of approval and freedom from conflicts of interest with the participant (an up to date register of conflicts is maintained for each auditor) and shall ensure that the same auditor will not audit the same scheme participant beyond a consecutive 3 year period. After 3 consecutive years, the auditor will then have a break of at least 1 year before returning to audit that scheme participant.

- *In addition the voluntary scheme should arrange for regular .... retrospective auditing of a sample of claims made under the scheme.*
  It is an existing requirement of the schemes that all scheme participants are audited annually and a retrospective audit of a sample of claims will be undertaken.

For both types of audit referred to above a verifier should be selected who:

- *Is external, is independent, has the generic skills and has the appropriate specific skills.*
  As per the requirements of ISO 17065, the audit report and any corrective actions shall be reviewed by a scheme verifier who was not part of the audit team. The certification decision shall also be taken by a suitably qualified individual who was not part of the audit team. As part of the ongoing training requirements, auditors will receive additional training and guidance on the appropriate specific skills related to the aspects of the introduced RED II Module.

Mass Balance System

- *The voluntary scheme should require verification of the mass balance system to be performed simultaneously with the verification of correctness in respecting the scheme's criteria. This should include the verification of any evidence or systems used for the purpose of complying with the requirements of the mass balance system.*
  Whilst the schemes to which the module would be applied represents only a single link in the chain, verification of the mass balance system will be undertaken through the same independent audit that verifies compliance with the remaining appropriate criteria of RED II. This will **not** include waste and residues (e.g. straw).

  RED II scheme participants must declare the names of all voluntary schemes they participate in and make available to the auditors all relevant information, including the mass balance data and the auditing reports. If, during a recertification audit a major non-conformance is established in terms of the mass balance calculation, or any other aspect of the mandatory sustainability criteria, then this must be brought to the attention of the scheme owner by the auditor to pass onto the certification body(es) operating on behalf of the other voluntary schemes that the participant is participating in.

The mass balance system means a system in which sustainability characteristics remain assigned to consignments. Sustainability characteristics could include for example:

- *Evidence showing compliance with the Directive's sustainability criteria.*
  This requirement is one principally for the producer of the combinable crop and therefore is met through the auditable obligation on the scheme participants to purchase compliant material from suppliers audited under a scheme recognised by the Commission under the Renewable Energy Directive. If more than one legal entity operates on a site, then each legal entity is required to operate its own mass balance.

- *A statement that the raw materials used were obtained in a way that complies with the Directive's land related sustainability criteria.*
  This requirement is one principally for the producer of the combinable crop and therefore is met through the auditable obligation on the scheme participants to purchase compliant material from suppliers audited under a scheme recognised by the Commission under the Renewable Energy Directive.

- *A greenhouse gas emission figure.*
  This requirement is one principally for the producer of the combinable crop and therefore is met through the auditable obligation on the scheme participants to purchase compliant material from suppliers audited under a scheme recognised by the Commission under the Renewable Energy Directive (RED II) - Directive (EU) 2018/2001. Information from such schemes identifying the production region will allow default data from NUTS2 regions to be utilised.

Where raw material is purchased from a region which does not have NUTS2 qualifying data, real data will have to be supplied in compliance with the requirements of Renewable Energy Directive (RED II) - Directive (EU) 2018/2001.

Where data relating to transport and/or storage is generated, this should be identifiable and recorded, using the appropriate units, in a form which allows it to be auditable.

The legislation allows consignments with differing sustainability characteristics to be mixed but only if those characteristics remain assigned to the mixture in the proportions relative to the original consignment sizes.

The averaging of GHG emissions across different consignments is not permitted. Where consignments of different GHG emissions are mixed, even where they have the same sustainability criteria, the /worst performing GHG emission value must be applied to the whole consignment.

The mass balance system operated by the participant must be capable of delivering the three points identified in the Mass Balance Requirements section above.

GHG emissions shall be reported using appropriate units. These are:-

a) g CO_2eq/dry-ton for raw materials and intermediary products
b) g CO_2eq/MJ which can only be reported for final biofuels (For information only as not relevant for TASCC/UFAS)

The delivery note shall specify the NUTS2 region and state “Use of NUTS2 region” or “Use of default value”, along with the raw material used.

Information on actual GHG emissions shall be provided for all relevant elements of the GHG emission calculation formula. This refers to elements for which:-

- Reporting is obligatory (e.g. in case of land use change)
- All elements for which actual values should be used instead of disaggregated default values
- All elements related to emission savings.

- *A description of the raw material used.*
  A description of the raw material purchased will be a requirement of the contract between the scheme participant and their supplier. Additionally information carried on the grain passport or similar, which relates to, and passes with, the consignment will detail the raw material. Verifying availability of this information will be a requirement of the independent audit.

- *The statement ‘production has been awarded a certificate of type X from recognised voluntary scheme Y’.*

The successful completion of an independent audit results in the production of a certificate for the appropriate scheme, valid for a 12 month period and the inclusion of the participant on a searchable web based assurance checker which is hosted on the AIC website at www.agindustries.org.uk

- *Sustainability characteristics would have to include information on the country of origin of the feedstock, except for bioliquids*
  Information supplied to the scheme participant on a grain passport (used for UK produced combinable crops) or similar document will detail the county and specific postcode of origin of the raw material and is auditable. Additionally the contractual requirement will specify the country of origin.

- *When consignments with different (or no) sustainability characteristics are mixed, the separate sizes and sustainability characteristics of each consignment remain assigned to the mixture.*
  If a mixture is split up, any consignment taken out of it can be assigned any of the sets of sustainability characteristics as long at the combination of all consignments taken out of the mixture has the same sizes for each of the sets of sustainability characteristics that were in the mixture.
  A 'mixture' can have any form where consignments would normally be in contact, such as in a container, processing or logistical facility or site (defined as a geographical location with precise boundaries within which products can be mixed).
  The schemes have an auditable requirement for the principles of mass balance to be maintained. This will include the need to identify consignments which may have differing sustainability characteristics and ensure records show how these differing consignments are attributed to consignments delivered.

  It is an auditable requirement of the schemes for participants to show records pertaining to appropriate periods of time in order to verify that the total quantity of consignments delivered during that period was equal to or lower than the total quantity of sustainable raw material taken in during that same period, subject to the banking of any positive balance of sustainable raw material from previous periods of time (accounting periods)

Appendix 2 AIC Renewable Energy Directive Definitions

Complete list of definitions from 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. Where relevant, definitions in Directive 2009/72/EC of the European Parliament and of the Council also apply.

For use in conjunction with the Module for the AIC Requirements for TASCC and UFAS Trade Assurance Participants to comply with the Renewable Energy Directive (EU) 2018/2001.

Note: not all terms defined are relevant to the scope of the AIC RED Module.

Definitions

1) 'energy from renewable sources' or 'renewable energy' means energy from renewable non-fossil sources, namely wind, solar (solar thermal and solar photovoltaic) and geothermal energy, ambient energy, tide, wave and other ocean energy, hydropower, biomass, landfill gas, sewage treatment plant gas, and biogas;

2) 'ambient energy' means naturally occurring thermal energy and energy accumulated in the environment with constrained boundaries, which can be stored in the ambient air, excluding in exhaust air, or in surface or sewage water;

3) 'geothermal energy' means energy stored in the form of heat beneath the surface of solid earth;

4) 'gross final consumption of energy' means the energy commodities delivered for energy purposes to industry, transport, households, services including public services, agriculture, forestry and fisheries, the consumption of electricity and heat by the energy branch for electricity, heat and transport fuel production, and losses of electricity and heat in distribution and transmission;

5) 'support scheme' means any instrument, scheme or mechanism applied by a Member State, or a group of Member States, that promotes the use of energy from renewable sources by reducing the cost of that energy, increasing the price at which it can be sold, or increasing, by means of a renewable energy obligation or otherwise, the volume of such energy purchased, including but not restricted to, investment aid, tax exemptions or reductions, tax refunds, renewable energy obligation support schemes including those using green certificates, and direct price support schemes including feed-in tariffs and sliding or fixed premium payments;

6) 'renewable energy obligation' means a support scheme requiring energy producers to include a given share of energy from renewable sources in their production, requiring energy suppliers to include a given share of energy from renewable sources in their supply, or requiring energy consumers to include a given share of energy from renewable sources in

their consumption, including schemes under which such requirements may be fulfilled by using green certificates;

7) ‘financial instrument’ means a financial instrument as defined in point (29) of Article 2 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council;

8) ‘SME’ means a micro, small or medium-sized enterprise as defined in Article 2 of the Annex to Commission Recommendation 2003/361/EC;

9) ‘waste heat and cold’ means unavoidable heat or cold generated as by-product in industrial or power generation installations, or in the tertiary sector, which would be dissipated unused in air or water without access to a district heating or cooling system, where a cogeneration process has been used or will be used or where cogeneration is not feasible;

10) ‘repowering’ means renewing power plants that produce renewable energy, including the full or partial replacement of installations or operation systems and equipment for the purposes of replacing capacity or increasing the efficiency or capacity of the installation;

11) ‘distribution system operator’ means an operator as defined in point (6) of Article 2 of Directive 2009/72/EC and in point (6) of Article 2 of Directive 2009/73/EC of the European Parliament and of the Council);

12) ‘guarantee of origin’ means an electronic document which has the sole function of providing evidence to a final customer that a given share or quantity of energy was produced from renewable sources;

13) ‘residual energy mix’ means the total annual energy mix for a Member State, excluding the share covered by cancelled guarantees of origin;

14) ‘renewables self-consumer’ means a final customer operating within its premises located within confined boundaries or, where permitted by a Member State, within other premises, who generates renewable electricity for its own consumption, and who may store or sell self-generated renewable electricity, provided that, for a non- household renewables self-consumer, those activities do not constitute its primary commercial or professional activity;

15) ‘jointly acting renewables self-consumers’ means a group of at least two jointly acting renewables self-consumers in accordance with point (14) who are located in the same building or multi-apartment block;

16) ‘renewable energy community’ means a legal entity:
    a. which, in accordance with the applicable national law, is based on open and voluntary participation, is autonomous, and is effectively controlled by shareholders or members that are located in the proximity of the renewable energy projects that are owned and developed by that legal entity;

b. the shareholders or members of which are natural persons, SMEs or local authorities, including municipalities;
c. the primary purpose of which is to provide environmental, economic or social community benefits for its shareholders or members or for the local areas where it operates, rather than financial profits;

17) 'renewables power purchase agreement' means a contract under which a natural or legal person agrees to purchase renewable electricity directly from an electricity producer;

18) 'peer-to-peer trading' of renewable energy means the sale of renewable energy between market participants by means of a contract with pre-determined conditions governing the automated execution and settlement of the transaction, either directly between market participants or indirectly through a certified third-party market participant, such as an aggregator. The right to conduct peer-to-peer trading shall be without prejudice to the rights and obligations of the parties involved as final customers, producers, suppliers or aggregators;

19) 'district heating' or 'district cooling' means the distribution of thermal energy in the form of steam, hot water or chilled liquids, from central or decentralised sources of production through a network to multiple buildings or sites, for the use of space or process heating or cooling;

20) 'efficient district heating and cooling' means efficient district heating and cooling as defined in point (41) of Article 2 of Directive 2012/27/EU;

21) 'high-efficiency cogeneration' means high-efficiency cogeneration as defined in point (34) of Article 2 of Directive 2012/27/EU;

22) 'energy performance certificate' means energy performance certificate as defined in point (12) of Article 2 of Directive 2010/31/EU;

23) 'waste' means waste as defined in point (1) of Article 3 of Directive 2008/98/EC, excluding substances that have been intentionally modified or contaminated in order to meet this definition;

24) 'biomass' means the biodegradable fraction of products, waste and residues from biological origin from agriculture, including vegetal and animal substances, from forestry and related industries, including fisheries and aquaculture, as well as the biodegradable fraction of waste, including industrial and municipal waste of biological origin;

25) 'agricultural biomass' means biomass produced from agriculture;

26) 'forest biomass' means biomass produced from forestry;

27) ‘biomass fuels’ means gaseous and solid fuels produced from biomass;

28) ‘biogas’ means gaseous fuels produced from biomass;

29) ‘biowaste’ means biowaste as defined in point (4) of Article 3 of Directive 2008/98/EC;

30) ‘sourcing area’ means the geographically defined area from which the forest biomass feedstock is sourced, from which reliable and independent information is available and where conditions are sufficiently homogeneous to evaluate the risk of the sustainability and legality characteristics of the forest biomass;

31) ‘forest regeneration’ means the re-establishment of a forest stand by natural or artificial means following the removal of the previous stand by felling or as a result of natural causes, including fire or storm;

32) ‘bioliquids’ means liquid fuel for energy purposes other than for transport, including electricity and heating and cooling, produced from biomass;

33) ‘biofuels’ means liquid fuel for transport produced from biomass;

34) ‘advanced biofuels’ means biofuels that are produced from the feedstock listed in Part A of Annex IX;

35) ‘recycled carbon fuels’ means liquid and gaseous fuels that are produced from liquid or solid waste streams of non- renewable origin which are not suitable for material recovery in accordance with Article 4 of Directive 2008/98/EC, or from waste processing gas and exhaust gas of non-renewable origin which are produced as an unavoidable and unintentional consequence of the production process in industrial installations;

36) ‘renewable liquid and gaseous transport fuels of non-biological origin’ means liquid or gaseous fuels which are used in the transport sector other than biofuels or biogas, the energy content of which is derived from renewable sources other than biomass;

37) ‘low indirect land-use change-risk biofuels, bioliquids and biomass fuels’ means biofuels, bioliquids and biomass fuels, the feedstock of which was produced within schemes which avoid displacement effects of food and feed-crop based biofuels, bioliquids and biomass fuels through improved agricultural practices as well as through the cultivation of crops on areas which were previously not used for cultivation of crops, and which were produced in accordance with the sustainability criteria for biofuels, bioliquids and biomass fuels laid down in Article 29;

38) ‘fuel supplier’ means an entity supplying fuel to the market that is responsible for passing fuel through an excise duty point or, in the case of electricity or where no excise is due or where duly justified, any other relevant entity designated by a Member State;

39) ‘starch-rich crops’ means crops comprising mainly cereals, regardless of whether the grains alone or the whole plant, such as in the case of green maize, are used; tubers and root crops, such as potatoes, Jerusalem artichokes, sweet potatoes, cassava and yams; and corm crops, such as taro and cocoyam;

40) ‘food and feed crops’ means starch-rich crops, sugar crops or oil crops produced on agricultural land as a main crop excluding residues, waste or ligno-cellulosic material and intermediate crops, such as catch crops and cover crops, provided that the use of such intermediate crops does not trigger demand for additional land;

41) ‘ligno-cellulosic material’ means material composed of lignin, cellulose and hemicellulose, such as biomass sourced from forests, woody energy crops and forest-based industries' residues and wastes;

42) ‘non-food cellulosic material’ means feedstock mainly composed of cellulose and hemicellulose, and having a lower lignin content than ligno-cellulosic material, including food and feed crop residues, such as straw, stover, husks and shells; grassy energy crops with a low starch content, such as ryegrass, switchgrass, miscanthus, giant cane; cover crops before and after main crops; ley crops; industrial residues, including from food and feed crops after vegetal oils, sugars, starches and protein have been extracted; and material from biowaste. Where ley and cover crops are understood to be temporary, short-term sown pastures comprising grass-legume mixture with a low starch content to obtain fodder for livestock and improve soil fertility for obtaining higher yields of arable main crops;

43) ‘residue’ means a substance that is not the end product(s) that a production process directly seeks to produce; it is not a primary aim of the production process and the process has not been deliberately modified to produce it;

44) ‘agricultural, aquaculture, fisheries and forestry residues’ means residues that are directly generated by agriculture, aquaculture, fisheries and forestry and that do not include residues from related industries or processing;

45) ‘actual value’ means the greenhouse gas emissions savings for some or all of the steps of a specific biofuel, bioliquid or biomass fuel production process, calculated in accordance with the methodology laid down in Part C of Annex V or Part B of Annex VI;

46) ‘typical value’ means an estimate of the greenhouse gas emissions and greenhouse gas emissions savings for a particular biofuel, bioliquid or biomass fuel production pathway, which is representative of the Union consumption;

47) ‘default value’ means a value derived from a typical value by the application of pre-determined factors and that may, in circumstances specified in this Directive, be used in place of an actual value.

Appendix 3 Voluntary Scheme Compliance with Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018

RED II places a number of requirements on the owners of recognised voluntary schemes, in particular relating to management of certification bodies and reporting scheme outcomes to the European Commission.

Certification Body reporting to AIC

Audit Reports

The certification body is required to provide a copy of all RED II audit reports to AIC upon completion. These audit reports will be stored securely and used only for monitoring of certification Body performance and for completion of annual reports to the EC. The audit reports are also required to be made available on request to relevant national authorities and the EC.

The Certification bodies will also provide AIC with summaries of non-conformances raised which will be used to develop training materials and information for participants and auditors.

Complaints

The certification body will support AIC in investigating any complaints relating to RED II participants or the implementation of the AIC RED II Module. These complaints will be logged, investigated, and resolved and a summary included in the annual report to the EC.

AIC Reporting to the European Commission

In accordance with Article 30 (5) AIC will submit annually by 30 April a report to the Commission covering the preceding calendar year including the following information:

a) the independence, modality and frequency of audits, both in relation to what is stated on those aspects in the scheme documentation, at the time the scheme concerned was approved by the Commission, and in relation to industry best practice;
b) the availability of, and experience and transparency in the application of, methods for identifying and dealing with non-compliance, with particular regard to dealing with situations or allegations of serious wrongdoing on the part of members of the scheme;
c) transparency, particularly in relation to the accessibility of the scheme, the availability of translations in the applicable languages of the countries and regions from which raw materials originate, the accessibility of a list of certified operators and relevant certificates, and the accessibility of auditor reports;
d) stakeholder involvement, particularly as regards the consultation of indigenous and local communities prior to decision making during the drafting and reviewing of the scheme as well as during audits and the response to their contributions;

e) the overall robustness of the scheme, particularly in light of rules on the accreditation, qualification and independence of auditors and relevant scheme bodies;
f) market updates of the scheme, the amount of feedstocks and biofuels certified, by country of origin and type, the number of participants;
g) the ease and effectiveness of implementing a system that tracks the proofs of conformity with the sustainability criteria that the scheme gives to its member(s), such a system intended to serve as a means of preventing fraudulent activity with a view, in particular, to the detection, treatment and follow-up of suspected fraud and other irregularities and where appropriate, number of cases of fraud or irregularities detected;
h) options for entities to be authorised to recognise and monitor certification bodies;
i) criteria for the recognition or accreditation of certification bodies;
j) rules on how the monitoring of the certification bodies is to be conducted.
k) possibilities to facilitate or improve promotion of best practice.

Appendix 4 Background to TASCC & UFAS Schemes

TASCC and UFAS Merchants are long established standards, audited by certification bodies accredited to International Standard ISO 17065 requirements and with approximately 3000 participants (500 merchants in both schemes).

The schemes have been in operation for over 20 years and deliver traceability in respect of food and feed safety. They are therefore well placed to take on additional requirements delivered through their adoption of a voluntary scheme under RED II. All scheme participants must undergo audit before they are certified to the scheme and audits take place for all participants on an annual basis. This module is audited as part of the schemes to ensure feedstocks handled by scheme participants retains its sustainable status and can be audited to that effect.

The updated module will be introduced to both schemes in a 'standalone' format as. In addition to the introduction of the standards within the module, guidance to scheme participants is aimed at assisting their understanding what is required in order to meet the additional audit requirements.

The new standards are communicated to all scheme participants and participants will be audited against them once technical approval is achieved.

All participants will begin from a point of being non-compliant and will only be certificated against the new standards upon successful completion of the audit. Participants will subsequently have their revised assurance status indicated on the on-line assurance checker at www.agindustries.org.uk for the scheme in question.

As the schemes are reviewed, and revised codes reissued on a triennial basis, any subsequent amendments will be incorporated into these reviews. In the event of more immediate updates being required, these can be delivered via an amendment to the existing standards