

## Assurance System Report – November 2016

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### 1. INTRODUCTION

Bonsucro is a global multi-stakeholder non-profit initiative dedicated to improving the environmental, social, and economic performance of sugarcane production.

Bonsucro is an industry change platform. We manage the most credible global performance framework for sustainable sugarcane production. We use this to inform, improve and inspire a membership community of change.

Bonsucro's vision is a sugarcane sector with thriving, sustainable producer communities and resilient, assured supply chains. Our 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 aims to achieve its mission through organizing a multi-stakeholder process for the design of the global framework for transformational change (i.e. Standard Setting) and ensuring the integrity of its implementation (i.e. Certification process).

Our strategy builds a platform to accelerate change for the largest agricultural commodity in the world – sugarcane

### 2. ASSURANCE SYSTEM STRUCTURE

Bonsucro employs an assurance model for maintaining the integrity of the [Bonsucro Certification System](#) largely defined in the [Bonsucro Certification Protocol](#). The model is a mainstay in the Certification System's ability to ensure the principles of the standards are actually achieved in the field, and conform to the requirements of Bonsucro's two global standards: [the Bonsucro Production Standard](#) and [the Bonsucro Chain of Custody Standard](#).

The [Bonsucro Board of Directors](#) hold authority to approve revisions to the Bonsucro Certification System documents, and the Bonsucro Secretariat, in collaboration with a multi-stakeholder taskforce and industry experts, acts as the standards' system manager.

Units can be certified against the standards by contracting a third-party certification body that has been trained, approved and licensed by Bonsucro. The certification body performs an on-site audit of the unit of certification, and the certification body is responsible for all certification decisions.

The following documents constitute the certification system.

#### 1. Standards:

- a. The [Bonsucro Production Standard](#) contains principles and criteria for achieving sustainable production of sugarcane and all sugarcane-derived products.
- b. The [Bonsucro Mass Balance Chain of Custody Standard](#) contains a set of accounting and administrative requirements for enabling the control of claims on the sustainable production of sugarcane and all sugarcane derived products along the entire supply chain.

2. **Guidance Documents for Standard Implementation:** Bonsucro has developed two guidance and clarification documents, which accompany the two standards: the [Bonsucro Guidance for the Production Standard](#) and the [Bonsucro Guidance for the Mass Balance Chain of Custody](#).
3. **The [Bonsucro Certification Protocol](#):** presents the process and procedures for certification against the Bonsucro standards including the requirements on personnel qualification, contracts, and quality management systems for a certification body to be approved as being a competent body capable of undertaking audits and issuing certificates of conformity against the Bonsucro Standards. It also sets the processes certification bodies have to follow when carrying out certification audits against the Bonsucro Standards, taking certification decisions and managing certificates (including suspensions and withdrawals).

### Compliance with ISO standards

As described in the Bonsucro Certification Protocol, licensed certification bodies shall operate the Bonsucro Certification System in line with ISO 17065:2012 and audit personnel should follow guidelines included in ISO 19011:2012. All personnel shall have received comprehensive training on the Bonsucro system to ensure its correct implementation and interpretation. At present, there are five [Bonsucro licensed certification bodies](#) offering certification services across the globe.

### Stakeholder Engagement and Complaints in the Assurance Process

Stakeholders are engaged formally during revisions of documents and informally by Bonsucro throughout the certification process. Concerning a certification decision or for any matters related to the certification process, stakeholders may formally contact the certification body to appeal within (30) thirty days of certification decision including suspensions and withdrawals or issuance of non-conformity. Approved certification body shall address any formal written complaint received regarding its performance within four (4) weeks and report it to Bonsucro.

If the mill is in disagreement with the decision made following a complaint or appeal, the CB shall advise the client to refer the matter to Bonsucro. In such case, the [Bonsucro Complaint Resolution Process](#) sets the process of handling such cases. The Bonsucro Complaint Resolution process is also open to the public and does not include a time limitation.

Additionally and beyond the 30 days referenced in the Certification Protocol, any stakeholders can address complaints and appeals to the certification body as required in ISO 17065:2012 and/or can raise any complaint to Bonsucro as part of Bonsucro Complaint Resolution Process.

### Review and Improvement of Assurance System

As necessary and/or as requested, Bonsucro may publish Interpretation Notes to provide additional information on implementation of certain requirements of the Bonsucro system or provide a consistent interpretation of Bonsucro requirements. In addition, the Bonsucro secretariat annually reviews the Certification Protocol and Assurance System by analysing the register of comments and suggestion for improvement maintained by the Secretariat. The latest revision of the Certification Protocol in October 2015 benefitted from open stakeholder consultations (including certification bodies) and was approved by the Board of Directors.

Bonsucro ensures the integrity of the assurance system by implementing a documented risk management plan. The risk management plan identifies threats to the integrity of the Assurance System, and actions taken by the secretariat to prevent or mitigate those threats. The plan is reviewed annually.

In order to continuously improve the assurance system and processes Bonsucro is in the process of hiring an Assurance Manager, who will be responsible for managing the system with a specific objective of improving processes and practices.

## 3. PERSONNEL COMPETENCE

### Auditor Qualification

The Certification Body (CB) shall have a process for selecting and appointing auditors and audit teams, based on the competency requirements outlined in the [Certification Protocol](#) (Part A, Clause 11). It requires that auditors have competencies in agriculture, mill industry, environmental and/or social science. Additionally it requires that lead auditors have successfully passed the Bonsucro Level 3 exam. Level 3 training is delivered exclusively by Bonsucro to train practitioners on the Bonsucro Certification System, including knowledge on Bonsucro auditing requirements.

The management structure of the CB shall be composed of: (1) at least one representative that is an independent expert with sugarcane experience (including all sugarcane derived products) and who is familiar with EU legislative requirements, (2) one or more technical manager(s) trained and qualified by Bonsucro who are responsible for taking certification decisions, (3) lead auditor(s) trained and qualified by Bonsucro and (4) auditors trained to Bonsucro. The certification body is responsible for maintaining its personnel with an up-to-date

knowledge on Bonsucro, evaluate the competencies of its team by means of annual internal audits and shall seek prior approval from Bonsucro for any exceptions on qualifications and experience requirements.

For CBs approved for Bonsucro EU scope, additional qualifications and experience of CB personnel shall be met relating to claims on sustainability specified in EU RED articles 17 and 18, in the Commission Decision on Guidelines for the calculation of land carbon stocks for the purpose of annex V of directive 2009/28/EC OJ L 151 of 17 June 2010 and in additional communications.

### **Auditor Evaluation**

All auditors approved by the CB for Bonsucro assessments must conform to criteria specified by the Bonsucro Certification Protocol and follow the requirements set in ISO19011:2012. They are required to undergo the qualification training by Bonsucro (lead auditors), attending webinars and annual meetings as and when required by Bonsucro.

CBs are required to carry out internal audits of lead auditors for review and appraisal. This can include updating auditor training plans and experience records, reviewing lead auditor audit documentation (technical reviews of audit reports), conducting annual appraisals, reviewing complaints or positive feedback, witnessed audits by the technical manager and proof of qualifications.

Auditor performance is also evaluated during the oversight audit by Bonsucro (see Oversight below). Poor performance by auditors can potentially lead to non-compliances raised against the Bonsucro Certification Protocol, which must be corrected (see Part A, Clause 12 of the Certification Protocol).

## **4. ASSESSMENT**

Operators can be awarded certificates of compliance against the Bonsucro Standards by contracting a third-party [licensed certification body](#).

**Types of audits:** The certification body performs an Internal Control System Audit and on-site audit of the operator (sometime combined within the same timeframe) to collect evidence that the operator conform to the Bonsucro Production Standard and/or the Bonsucro Mass Balance Chain of Custody Standard.

The internal control system audit verifies the mill and farm's processes and systems to ensure that conformity to the requirements of the Bonsucro Standards is in place; the implementation audit verifies that the mill and farm have effectively implemented the requirements of the Bonsucro Production Standard in their operations.

**Frequency and intensity:** The auditing cycle lasts three year and is composed by an initial audit and two surveillance audits, equally spaced in time. The surveillance audits aims at verifying continuous compliance of the operators and are therefore of lower intensity and require a lesser number of minimum audit days.

The average auditing days for an initial audit is between 10 to 12 days, whereas surveillance audits require between 4 to 6 days.

**Audit Teams:** Audit team must comprise one lead auditor and as many auditors necessary to cover the audit skills and experience in the areas described in the Certification Protocol (Part A, Clause 11.9). Interpreters/translators used for the audits must be independent from the company being audited. The audit team must also include at least one woman.

**Knowledge sharing:** CBs are prohibited from being involved in the development of a member's system that will be audited as this represents a conflict of interest. Auditors are also not allowed to provide advice before, during, or after the audit. If the operator seeks advice, they can contact Bonsucro directly or implementation partners (sometime another CB than the one providing the audit for certification).

**Decision-making:** After reviewing the evidences collected by the auditing team captured in the audit report, the technical manager will decide whether or not to grant a certificate of compliance to the operator. If the CB finds areas where the operator does not conform to the requirements of the Standards, the CB shall issue non-conformities. They are classified as major or minor. Certification cannot be granted if there are major non-conformities. Major non-conformities are issued if there is non-compliance with a core indicator. A major non-conformity can also be issued if the operator fails to achieve a minimum of 80% of compliance with indicators overall. Minor non-conformities are issued against the operator if there is non-compliance with non-core indicators or if there is a temporary, unusual, or non-systematic lapse in implementation of a core indicator.

**Remediation and sanctions:** Non-conformities issued that are not addressed within a defined timeframe of an agreed action plan, may lead to temporary suspension of a certificate (for up to six months) and ultimately (if the issue persists) to withdrawal of the certificate. For more information please refer to the Certification Protocol (Part B, Clause 16 and Part C, Clause 14).

## 5. OVERSIGHT

Bonsucro, the standard owner and accreditation body, is responsible for the oversight activities, meaning assessing how certification bodies that conduct audits for companies seeking approval for Bonsucro certification comply with the requirements of the Certification Protocol. After meeting requirements for approval, the CB is assessed on an annual basis through Bonsucro-led on-site audits which are divided in two parts:

- a remote desktop audit which focus on assessing the quality management system, ISO 17065 compliance and auditor qualification and
- a witness audit which focuses on evaluating the performance of auditors performing on-site audits.

Additionally an annual review takes place and includes a review of the information held within Bonsucro with regards the CB's organisation (details of the auditing teams, copy of ISO 17065 certificates, worldwide activities).

Following a desktop audit or a witness audit, Bonsucro can raise non-conformities. A major non-conformity may be issued by Bonsucro to a CB if a failure or significant deficiency is identified and shall be fully addressed, and conformity demonstrated, within a period of up to 3 months. 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-conformity shall be fully addressed, and conformity demonstrated, within a period of up to 12 months. Should corrective actions be required, CBs shall provide evidence of corrective actions to Bonsucro within the required deadline. Bonsucro may at its sole discretion decide that a further onsite audit or witness audit is necessary to verify compliance.

## 6. ON-GOING SCRUTINY

The Bonsucro secretariat performs market surveillance by engaging industry stakeholders through our annual conference (Bonsucro Week), annual report by members, and direct contact with members. One recent measure that may support on-going scrutiny was the appointment of Regional Directors in key producing regions, which allows a closer and direct contact with local producers and buyers and supports the monitoring of claims regarding Bonsucro. Any fraudulent activity in relation to the Bonsucro Certification System is dealt with using the [Bonsucro Complaint Resolution Process](#). The public and other organizations are also free to make complaints of fraud, which will be dealt with using the same process.