

Bonsucro Additional Requirements

Bonsucro publishes Additional Requirements to the Certification Protocol (i.e. new requirements) and the T&C for the supply of Brokerage Service to Sellers and buyers of Bonsucro credits outside the cycle of revision applicable to these documents. Members are audited in line with these Additional Requirements.

1. Normative documents

T&C for the supply of Brokerage Service to Sellers and buyers of Bonsucro credits (July 2020)	
Clause 3.1	Provided that the Producer complies with its obligations under these Conditions and the Certification Terms, it shall have the right to sell its Available Volume to Buyers through the Website as Bonsucro Credits. For the avoidance of doubt, for any sales by the Producer of Bonsucro Credits without a shipment of sugarcane products, an equivalent available volume must be deducted from the Seller's inventory in accordance with the Mass Balance Chain of Custody Standard.
Clause 3.4	A Seller may only sell Bonsucro Credits that relate to Supported Products produced by the Seller and comprised within a Producer's Certificate in the name of the Seller. Any Bonsucro Credits which relate to an Available Volume of sugarcane may only be sold by a certified independent farmer who has Bonsucro Certification, or by a group manager certified as conforming to the Bonsucro Production Standard for Smallholder Farmers certification.
Bonsucro Mass Balance Chain of Custody Standard Version 5.1 (March 20219)	
Also referred to as Bonsucro ChoC Standard	
Indicator 2.1.3	Conversion rates

2. Background

The current Bonsucro credits system launched in October 2019 allows the sale of cane credits, raw sugar credits, molasses credits and ethanol credits under conditions specified in the T&C for the supply of Brokerage Service to Sellers and buyers of Bonsucro credits (July 2020).

Due to processing set-up, certain mills do not produce raw sugar and directly produce refined sugar.

The Bonsucro ChoC Standard indicator 2.1.3 requires that conversion be site-specific and product-specific and based on actual data. Therefore, it is impossible for them to define the conversion ratio between raw sugar and refined sugar.

Such set-up also prevents them from benefiting from the newly developed Credit Trading Platform which allows only mills with "raw sugar" in their scope of certification to sell "raw sugar" credits.

3. Additional requirements

These additional requirements are **only** applicable to mills who produce refined sugar but no raw sugar.

Bonsucro allows these mills to sell raw sugar credits by applying a conversion rate to their stock of Bonsucro certified refined sugar.

This authorisation is valid from 2nd November 2020 until 2nd May 2024.

No risk to the integrity of the certification system have been identified at audit between 2nd November 2020 and 2nd May 2022, therefore Bonsucro extends the application period until 2nd May 2024.

Unless risks to the integrity of the certification system have been identified at audit, Bonsucro will extend the application period of these additional requirements until this approach is validated and is fully integrated in a revised version of the T&C for the supply of Brokerage Service to Sellers and buyers of Bonsucro credits and the Bonsucro ChoC Standard.

4. Implementation

4.1 Conversion Rate

Using a background research carried out by Bonsucro to develop the conversion tool published on the Credit Trading Platform, Bonsucro has determined a standard conversion rate between raw sugar and refined sugar of 1.07. e.g. 1,000 metric tons of refined sugar = 1,070 metric tons of raw sugar.

This Bonsucro-defined conversion rate shall be used by these mills to determine the quantity of refined sugar they want to offer on the Credit Trading Platform expressed in equivalent raw sugar.

The mills shall still manage their mass balance system according to the Bonsucro ChoC Standard requirements: any volumes of refined sugar sold on the credit trading platform as raw sugar credits equivalent shall be deducted from the refined sugar volumes inventory and taken into account when balancing their refined sugar volumes mass balance as required by the Bonsucro ChoC Standard indicators 2.1.6 and 2.1.7 .

4.2 Credit Trading Platform

When applying to use the Bonsucro Credit Trading Platform, the mills shall indicate that they wish to sell raw sugar credit in line with “**Bonsucro Additional Requirements – Raw Sugar Credits – 20201102**” .

The Bonsucro Secretariat will update the mill’s record to allow the sale of raw sugar credits on the platform.

For more information on how to apply to sell credits on the platform:

<https://credits.bonsucro.com/content/999/Live/document/Bonsucro%20Credits%20-%20Member%20on-boarding%20EN.pdf>