



HORTICERT SYSTEM DOCUMENT

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# 01 SYSTEM BASICS

VERSION 1.1 - 13 APRIL 2026

## DISCLAIMER

HORTICERT is committed to continuously develop the Certification System further and to update and optimize all System Documents according to new knowledge. Therefore, all information contained herein is subject to change by Meo Carbon Solutions GmbH. Please note that certain terms in the System Documents and guidance documents are capitalized. These terms are listed in Table 1 of the Glossary, which contains a list of defined HORTICERT terms. From November 2021 until November 2025, HORTICERT was funded by the Federal Ministry for Agriculture, Food and Regional Identity (BMLEH) on the basis of a resolution of the German Bundestag and was carried out under the project management of the Agency for Renewable Resources (FNR).

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# Table of Content

List of Figures .....	V
List of Tables .....	VI
List of Abbreviations.....	VII
Summary of Changes .....	VIII
1 Introduction .....	11
2 Scope, Normative References and System Documents .....	14
3 The HORTICERT Certification System .....	16
3.1 Basics.....	16
3.2 Certification Requirements .....	17
3.2.1 Sustainability Requirements .....	18
3.2.2 Continuous Improvement Approach.....	22
3.2.3 Certification of Farms and Sub-Processing Units .....	24
3.2.4 Greenhouse Gas Emissions .....	24
3.2.5 Traceability and Chain of Custody.....	25
3.3 Users of the Certification System.....	27
3.4 Certification Body requirements .....	29
4 Registration and Certification Process .....	32
4.1 Registration of System Users .....	34
4.2 Audit Procedure.....	35
4.2.1 General Audit Rules .....	35
4.2.2 System Users .....	37
4.2.3 Certification Bodies .....	39
4.2.4 Non-Conformities of System Users.....	43
4.3 HORTICERT Certificates .....	47
5 Digital Supply Chain Traceability with HORTI-TRACE .....	52
5.1 HORTI-TRACE Functionalities .....	53
5.2 Use of HORTI-TRACE.....	55
5.3 HORTI-TRACE Chain of Custody Rules .....	58

6 Risk Management .....	60
6.1 Risk Management at HORTICERT Level .....	61
6.2 Risk Management at System User Level .....	61
6.3 Risk Management at Certification Body Level.....	62
6.4 Risk-based Audits .....	65
7 Governance .....	67
7.1 Multi-Stakeholder Dialogue .....	67
7.2 Fee Structure .....	67
7.3 HORTICERT Quality Management .....	68
7.4 Integrity Program .....	71
7.5 Recognition of Other Certification Systems .....	77
7.6 Conflict Resolution.....	78
7.6.1 Complaints.....	79
7.6.2 Appeals .....	80
8 Use of Logo, Seals and Claims .....	81
8.2 HORTICERT Claims .....	82
8.3 Legal Notice.....	82
9 HORTICERT Licensing System.....	84

## List of Figures

<b>Figure 1:</b> HORTICERT Certification Process .....	33
<b>Figure 2:</b> Multi-Site Audit .....	37
<b>Figure 3:</b> Use of the HORTI-TRACE System .....	52
<b>Figure 4:</b> ISO 9001 Process .....	69
<b>Figure 5:</b> HORTICERT Logo.....	81
<b>Figure 6:</b> HORTICERT Word Mark .....	81
<b>Figure 7:</b> Brand Owner versus Retailer .....	84

## List of Tables

<b>Table 1:</b> HORTICERT System Documents, Forms, Checklists and Guidance Documents.....	14
<b>Table 2:</b> Matrix for the Assessment of Risks .....	60
<b>Table 3:</b> Recommended Risk Assessment Tools and Databases.....	63
<b>Table 4:</b> Risk-based Audit of Sustainability Requirements.....	65
<b>Table 5:</b> Risk-based Audits of Traceability and CoC Requirements.....	66

## List of Abbreviations

ABBREVIATION	SIGNIFICANCE
BMLEH	Federal Ministry of Agriculture, Food and Regional Identity
CB	Certification Body
CB Agreement	Certification Body Agreement
CoC	Chain of Custody
CSDDD	Corporate Sustainability Due Diligence Directive
EmpCo	Directive on Empowering Consumers for the green transition
EUDR	European Deforestation-Free Supply Chains Regulation
FNR	Agency for Renewable Resources
FPIC	Free, Prior and Informed Consent
FSC	Forest Stewardship Council
GHG	Greenhouse Gas
GME	Growing Media Europe
HCS	High Carbon Stock
HCSA	High Carbon Stock Approach
HCV	High Conservation Value
ILO	International Labour Organization
ISO	International Organization for Standardization
LkSG	Lieferkettensorgfaltspflichtengesetz (German Supply Chain Act)
MCS	Meo Carbon Solutions GmbH
NC	Non-Conformity
NGO	Non-Governmental Organizations
PECF	Programme for the Endorsement of Forest Certification Schemes
SH	Smallholder
SPU	Sub-Processing Unit

## Summary of Changes

The following is a summary of the main changes to the previous version of the document (HORTICERT System Document 01 “System Basics” v0.1). The revision of the document covers relevant adjustments based on the public consultation process which took place between 29/08/2024 and 28/10/2024 as well as from the last project phase until project completion in November 2025. Minor amendments, e.g., corrections of spelling mistakes, wording, minor clarifications are not listed.

CHAPTER	SUMMARY OF CHANGES MADE
<b>Overall</b>	Solving inconsistencies with respect to terminology.
<b>1</b>	<p>Clarification regarding HORTICERT as product Certification implying a site certification.</p> <p>Clarification regarding HORTICERT as a Certification System focused solely on the sustainability of peat substitutes and growing media, without covering quality requirements.</p> <p>Clarification of the reference mix.</p> <p>Added information regarding Empowering Consumers Directive.</p>
<b>2</b>	<p>Update of relevant documents Table 1.</p> <p>Added that non-peat growing-media components not replacing peat may also be covered by HORTICERT in the future.</p>
<b>3.2.1</b>	<p>Added lists of prohibited fertilizers and chemical plant protection products.</p> <p>Revision of Criterion 2.7.</p> <p>Revision of the scope of Principle 3.</p>
<b>3.2.2</b>	Specification that pre-existing good practices may serve as fulfillment of Development Indicators.
<b>3.2.4</b>	<p>Clarified that GME guidelines for calculating GHG emissions from growing media are being considered.</p> <p>Explanation added regarding the requirement to conduct (individual) GHG calculations and include transport emissions.</p>
<b>3.2.5</b>	<p>Revision of the definition of the term “batch”.</p> <p>Replacement of the terms “sustainable materials/products” with “certified materials/products”.</p>

	<p>Added information about physical segregation.</p> <p>Movement of the following sections to chapter 5.3: “Sustainability Credits”, and the “Use of HORTI-TRACE only with valid Certificates”.</p>
<b>3.3</b>	Update of System User roles (main and additional roles).
<b>3.4</b>	<p>Update of requirements for CBs regarding GHG validation and verification.</p> <p>Update of requirements for CB training refreshments.</p> <p>Update of requirements for CBs regarding auditing System Users with a high risk level.</p> <p>Update of Auditor requirements.</p>
<b>4</b>	Specification and update of Certification process.
<b>4.1</b>	<p>Added that companies must send the Registration Form and the System Usage Agreement to HORTICERT to initiate the Audit process.</p> <p>Specification of registration process for System Users.</p>
<b>4.2.1</b>	Added chapter 4.2.1 on General Audit Rules.
<b>4.2.3</b>	<p>Added the rights and duties of CBs.</p> <p>Adapted requirements for Audit plans.</p> <p>Added information on the Audit verification and reporting process.</p> <p>Added information with respect to remote checks prior to Audits, documents to collect prior to Audits and on social Audits.</p> <p>Added information regarding the submission and approval of the Audit report and the issuance of the Certificate.</p>
<b>4.2.4</b>	Revision of the entire subchapter, e.g., definition and further details/examples for different kinds of Non-Conformities. Change of consequences in case of major Non-Conformities, further specifications of consequences in case of critical Non-Conformities.
<b>4.3</b>	<p>Update of information on Certificates and Certificate annexes.</p> <p>Added information on the validity of Certificates after termination of the System Usage Agreement, the CB Agreement and the Certification Agreement.</p> <p>Deleted information on the loss of a Registration Number.</p>
<b>5.1</b>	General update and re-structuring; added information to indicate that individual calculations replace default values.

5.2	Further information on the use and functionalities of HORTI-TRACE; added explanation of master data and processing steps (both regarding setup by System Users and Verification by CBs); revision of the role of CBs and HORTICERT in using HORT-TRACE.
5.3	Added chapter 5.3 on HORTI-TRACE Chain of Custody rules.
6.3	Added that overruling of risk levels by CBs is only allowed for increasing the risk level if valid reasons are provided, but not for decreasing it.  Adjustment of the suggested indicator for Governance Effectiveness (Table 3).
7.2	Added information with respect to the HORTICERT Fee Structure.
7.3	Added information with respect to quality management.
7.4	Added chapter on the Integrity Program.
7.5	Revision of the chapter.
7.6	Added chapter on conflict resolution.
8	Chapter re-structured and partly shifted to HORTICERT Branding Guide for Logos, Seals and Claims.
9	Added chapter on Licensing System.

# 1 Introduction

**HORTICERT is an international Certification System for peat substitutes and growing media supporting the sustainable production and processing of growing media and their components, as well as their traceability along international supply chains. In addition, HORTICERT verifies the carbon footprint of certified products.**

*Objective*

Peat substitutes are organic and mineral materials used in the production of growing media for hobby and professional horticulture as an alternative for peat. By certifying peat substitutes, HORTICERT promotes sustainable and climate-friendly growing media with reduced greenhouse gas (GHG) emissions. HORTICERT aims to ensure that the peat substitutes used in growing media have been produced in an ecologically, socially, and economically sustainable way. HORTICERT is a certification system focused solely on the sustainability of peat substitutes and growing media, without covering quality requirements.

*Background*

Peat substitutes usually have a lower carbon footprint than peat. HORTICERT has developed a uniform methodology for calculating GHG emissions, which allows statements on the GHG savings of peat-free and peat-reduced growing media compared to a defined reference mix made from 50 % black peat and 50 % white peat.<sup>1</sup>

HORTICERT Certification Audits are conducted by independent third-party Certification Bodies (CBs). Independent third-party certification supports compliance with the strict requirements regarding ecological and social practices, GHG emissions savings and the traceability of materials through the supply chain. HORTICERT does not accept any form of compensation or remuneration for breaches of System Standards.

*Audits and  
Certification Bodies*

HORTICERT is a product certification that implies site certification while the latter cannot stand alone. The focus of HORTICERT is on the certification of products and their associated supply chains. HORTICERT Certification is applicable for peat substitutes and growing media anywhere in the world. Currently, certification requirements for green compost, wood-based peat substitutes and (composted) bark, coconut-based peat substitutes, and their associated supply chains as well as growing media are established.

*Applicability of  
HORTICERT*

HORTICERT was developed through an independent multi-stakeholder initiative and is being continuously improved with the involvement of its stakeholders.

*Multi-Stakeholder  
Initiative*

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<sup>1</sup> Further details on the reference mix can be found in Annex I of the HORTICERT System Document O2 "Greenhouse Gas Emissions".

HORTICERT requirements have been developed considering the requirements of the German Supply Chain Act (LkSG) as well as the Corporate Sustainability Due Diligence Directive (CSDDD), European Deforestation-free Supply Chains Regulations (EUDR) and the Directive on Empowering Consumers for the green transition (EmpCo). HORTICERT can help due diligence processes by providing a level of assurance that certain criteria are met, reducing the risk of non-compliance. HORTICERT Certification, however, does not exempt companies from their own due diligence obligations.

Essential characteristics and features of HORTICERT are:

*HORTICERT  
Characteristics*

- Global application.
- Continuous stakeholder dialogue.
- Coverage of different types of peat substitutes.
- Proof of ecological, social and economic sustainability.
- Traceability of certified material through mass balance or physical segregation.
- Determination of GHG emissions and savings along the supply chain.
- Continuous improvement of sustainability criteria, certification requirements, processes, scopes and applications.
- Third party Certification Audits by competent, independent and impartial auditors.
- Transparent rules to deal with complaints and appeals received.
- Comprehensive approach for the Certification of Smallholders (SHs) and Sub-Processing Units (SPUs).

The Certification System was developed and implemented by Meo Carbon Solutions GmbH (MCS) on behalf of the Federal Ministry of Agriculture, Food and Regional Identity (BMLEH), represented by the Agency for Renewable Resources (FNR), as part of the project “Development and implementation of an international certification system for peat substitutes”. The project was funded by the BMLEH based on a decision by the German Federal Parliament to support the German Peat Reduction Strategy and promote peat reduction internationally.

*Development  
and Funding*

[Chapter 2](#) of this document provides an overview of the normative HORTICERT System Documents, as well as further relevant forms and checklists for Audit preparation and conduction. [Chapter 3](#) describes the HORTICERT Certification System and general certification requirements for System Users and CBs. The registration and certification process as well as the contents of the HORTICERT Certificate are described in [Chapter 4](#). [Chapter 5](#) explains the functionalities and the use of the digital traceability system HORTI-

*Content of  
System Document*

TRACE. In [Chapter 6](#), risk management requirements for HORTICERT as a certification system, for System Users and CBs as well as the risk-based audit approach are defined. Multi-stakeholder dialog, HORTICERT Fee Structure, quality management, the Integrity Program, recognition of other certification systems and conflict resolution are explained as part of the HORTICERT governance in [Chapter 7](#). [Chapter 8](#) addresses the use of HORTICERT Logos, Seals and Claims. Finally, the HORTICERT Licensing System is presented in [Chapter 9](#).

## 2 Scope, Normative References and System Documents

The HORTICERT System Basics described in this document apply to the Certification of peat substitutes<sup>2</sup> and growing media.

*Scope of System Document*

The requirements described in the HORTICERT System Documents and guidance documents must be applied by all participants in the Certification System. If required, HORTICERT may also develop guidance documents to further specify certification requirements.

Table 1 provides an overview of the normative HORTICERT System Documents, as well as further HORTICERT forms, checklists and guidance documents based on the requirements defined in the HORTICERT System Documents, and that are provided by HORTICERT to facilitate the HORTICERT registration and certification process.

*Overview HORTICERT Documents*

**Table 1:** HORTICERT System Documents, Forms, Checklists and Guidance Documents

<b>HORTICERT System Documents (normative)</b>	
01	System Basics
02	Greenhouse Gas Emissions
03	Group Certification
<b>HORTICERT Forms, Checklists and Guidance Documents</b>	
	Registration Form
	Terms of Use
	CB Agreement
	General Terms of Certification
	CB Contact Details
	CB Certification Fee Collection Template
	Step-by-Step Guide
	Audit Checklists for various System Users
	Document Checklist
	Guidance for Management System and Internal Risk Management
	Self-Declaration Forestry and Coir
	HORTICERT Fee Structure
	Glossary
	HORTICERT Branding Guide for Logos, Seals and Claims
	HORTI-TRACE Guidance
	Individual Licensing Agreement
	Master Licensing Agreement
	HORTICERT Licensing Fee Structure
	HORTICERT Licensee Reporting Template

<sup>2</sup> "Peat substitutes" refers to all volume forming growing media components that are not peat and have the properties to (partially) replace peat in growing media. However, there can be non-peat growing media components that do not replace peat but different materials. Such products can potentially also be covered by HORTICERT in the future.

The latest versions of all HORTICERT System Documents, forms, checklists and guidance documents can be found in the [Client Section](#) of the HORTICERT website. The original HORTICERT System Documents are in English. System Documents, forms, checklists and guidance documents can be identified by a version number and date.

*Document  
Accessibility*

Any updates to the HORTICERT Certification System are published in the HORTICERT System Updates. These System Updates are sent to all System Users registered with HORTICERT as such as well as all CBs cooperating with HORTICERT under a CB Agreement. It is the responsibility of the System Users and CBs to take the System Updates into account and inform all relevant members of staff about such updates.

*Document  
Updates*

## 3 The HORTICERT Certification System

### 3.1 Basics

HORTICERT Certification applies to different peat substitutes as components of growing media in both the hobby and the professional sector. Currently, criteria for green compost, wood-based peat substitutes, composted bark, coconut-based peat substitutes and their associated supply chains are established. Criteria for further peat substitutes will be continuously developed.

*Certifiable  
Products*

The conformity of System Users with the HORTICERT System Standards is verified in third-party Audits. This activity is carried out by auditors from cooperating CBs who must be independent of the activity being audited, free of conflicts of interest and competent.

*Third-Party  
Audits*

System Users will receive a Certificate upon successful completion of a Certification Audit by an auditor appointed by the CB. HORTICERT Certificates are attestations confirming that the System User complies with the requirements of the Certification System. Audits are carried out once a year and the HORTICERT Certificates are valid for twelve months. In case of reasonable suspicion, the CBs are entitled to conduct announced or unannounced surveillance audits at any time during the Certification Period.

HORTICERT Certificates are site and product-specific. A Certificate can only be issued for one geographical site. Group Certification is possible for SHs and SPUs in coconut supply chains. For further information on Group Certification, please refer to HORTICERT System Document 03 “Group Certification”.

*Certification  
Options*

All relevant units of the supply chain must obtain a Certificate in order to handle certified Materials. Farms (SHs and Medium to Large Farms), Forestry Operations, Collecting Points, SPUs, Processing Units and Growing Media Mixing Plants are subject to HORTICERT Certification. Any recipient of certified Material is obliged to verify the validity of the supplier’s HORTICERT Certificate at the date of the physical dispatch of the certified Material.

*Certification of  
Entire Supply Chains*

International supply chain traceability is supported by HORTI-TRACE, a digital product tracing system specially developed within HORTICERT. The use of HORTI-TRACE is a requirement for HORTICERT Certification. For further information, please refer to [Chapter 5](#).

*Traceability*

Risk management is an integral part of the Certification System. In order to credibly and reliably verify the fulfillment of the System

*Risk Management*

Standards, HORTICERT defines procedures and specific indicators for risk assessment and management. For further information, please refer to [Chapter 6](#).

To maintain the quality of the Certification, HORTICERT is committed to continuously developing the Certification System further based on new knowledge and in exchange with the participating stakeholders.

*Multi-Stakeholder  
Approach*

HORTICERT operates a freely accessible [website](#) with information about all aspects of the Certification System, including its objectives, requirements, applications and impacts, the registration and certification processes, lists of Certificates, trainings, events and information on the stakeholder involvement. The [HORTICERT website](#) also contains information on the channels through which HORTICERT can be contacted (e.g., [LinkedIn](#), Instagram, [email address](#) and correspondence address).

*HORTICERT  
Website*

## 3.2 Certification Requirements

In order to obtain a Certificate, System Users must comply with the HORTICERT Sustainability Requirements, traceability and Chain of Custody (CoC) requirements and with the GHG methodology.

*Three Categories  
of Requirements*

The HORTICERT Certification System covers three categories of requirements:

- 1) **Sustainability Requirements** for peat substitutes (to be found in [Chapter 3.2.1](#), for detailed criteria please refer to the HORTICERT Audit Checklist “Sustainability Requirements”)
- 2) **Requirements for traceability and the CoC** (to be found in [Chapter 3.2.5](#), for detailed criteria please refer to the HORTICERT Audit Checklist “Traceability, Chain of Custody and Greenhouse Gas Emission Calculation Requirements”)
- 3) **Requirements for greenhouse gas emissions** and the calculation methodology (to be found in [Chapter 3.2.4](#), for more details please refer to the HORTICERT Audit Checklist “Traceability, Chain of Custody and Greenhouse Gas Emission Calculation Requirements” and the HORTICERT System Document 02 “Greenhouse Gas Emissions”)

### 3.2.1 Sustainability Requirements

HORTICERT verifies the ecological, social, and economic sustainability of peat substitutes along the entire value chain, from the cultivation, collection or extraction of raw materials to the production of peat substitutes and the production of the growing media. To support the sustainability of peat substitutes on a global level, HORTICERT has established seven sustainability principles. The principles are divided into criteria which will be checked via several indicators during the HORTICERT Audit. The detailed criteria and indicators, including verification guidance for auditors, can be found in the HORTICERT Audit Checklist “Sustainability Requirements”.

#### **Principle 1 (ecological): Protection of areas with high nature conservation value/carbon stock**

Principle 1 covers the protection of primary forests and other forested areas with native species, biodiverse grasslands, peatlands, wetlands, continuously forested areas, areas designated for the protection of rare, threatened or endangered ecosystems or species, and High Conservation Value (HCV) areas.

*Principle 1  
(Ecological)*

HCV areas have biological, ecological, social or cultural values of outstanding significance and importance. The six categories defined by the High Conservation Values Resource Network are used in this Certification System.<sup>3</sup> High Carbon Stock (HCS) areas shall be identified according to the High Carbon Stock Approach (HCSA).<sup>4</sup>

The cut-off date after which deforestation and land use change are no longer permitted is the 01 January 2015. Principle 1 contains the following criteria:

- Criterion 1.1 Primary forests and protected areas are protected.
- Criterion 1.2 Intact, natural peatland areas must not be used and degraded.

#### **Principle 2 (ecological): Environmentally friendly production**

Principle 2 refers to environmentally friendly production for the protection of soil, water and air. It includes requirements related to the conservation of natural resources and biodiversity. In addition, this principle includes the protection of soil and the improvement of soil fertility ensured by the application of Good Agricultural Practices with regard to soil quality, soil contamination and soil erosion. Requirements for the application, handling and storage of fertilizers and chemical plant protection products are also included to ensure

*Principle 2  
(Ecological)*

<sup>3</sup> HCV Network, *HCV Approach*. <https://www.hcvnetwork.org/hcv-approach> (accessed 6 July 2022).

<sup>4</sup> HCS Approach, *Home*. <https://highcarbonstock.org/> (accessed 6 July 2022).

that their use does not have a negative impact on people and the environment. Therefore, chemical plant protection products listed in the [WHO publication 'Recommended Classification of Pesticides by Hazard and Guidelines to Classification' \(2019\)](#)<sup>5</sup> (tables 1 and 2), the [Rotterdam Convention](#)<sup>6</sup> and the [Stockholm Convention](#)<sup>7</sup> may not be used.

The requirements for maintaining and improving water quality and quantity aim to combat the adverse effects of overexploitation and pollution of water resources. These requirements relate to groundwater, surface water and downstream water resources. The reduction of air pollutants and heavy metals as well as efficient waste management are also covered under Principle 2. Principle 2 contains the following criteria:

- Criterion 2.1 Areas with high biodiversity, natural vegetation, fauna, and sensitive areas must be protected.
- Criterion 2.2 Measures for soil conservation and for maintaining and improving soil fertility must be in place.
- Criterion 2.3 Chemical pesticides and fertilizers must be used in such a way that they do not endanger the health of workers, families, communities or the environment.
- Criterion 2.4 Measures must be taken to maintain the quality and availability of surface and groundwater.
- Criterion 2.5 Measures must be in place to avoid air pollutants.
- Criterion 2.6 There are procedures for appropriate waste management.
- Criterion 2.7 Limit values for heavy metals in the growing media component and in the growing media must be complied with.

### **Principle 3 (ecological): Climate change**

Principle 3 covers activities for the reduction of GHGs emitted in the production of growing media along the supply chain, including reduction of GHG emissions from raw material cultivation, collection, and extraction, transport, production and storage. Reference is made to existing energy management to improve the use of fossil energy sources and mitigate emissions by increasing efficiency. The use of sustainable renewable energy sources should be considered in the

*Principle 3  
(Ecological)*

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<sup>5</sup> World Health Organization. (2020). *WHO recommended classification of pesticides by hazard and guidelines to classification, 2019 edition*.

<sup>6</sup> Secretariat of the Rotterdam Convention. (2025). *Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade: Text and Annexes (Revised in 2025)*.

<sup>7</sup> Secretariat of the Stockholm Convention. (2025). *Stockholm Convention on Persistent Organic Pollutants: Text and Annexes (Revised in 2025)*.

planning. In growing media production, the use of peat substitutes from local sources is beneficial for GHG savings. Principle 3 contains the following criterion:

- Criterion 3.1 A concept for reducing greenhouse gas emissions and energy management must be in place.

#### **Principle 4 (social): Human and labor rights**

This principle has two aspects. First, it includes the requirements based on international human rights standards with regards to civil and political rights, such as the International Covenant on Civil and Political Rights which, among others, aims to protect children, women, minorities and other vulnerable groups. It guarantees as well the right to freedom from slavery, freedom of opinion and expression and non-discrimination. It also includes equal opportunities and treatment, as well as trade union rights, freedom of association and the right to collective bargaining.

*Principle 4  
(Social)*

Secondly, this principle encompasses labor rights and economic, social and cultural rights including requirements for fair and safe conditions of employment based on the core International Labour Organization (ILO) conventions and the International Covenant on Economic, Social and Cultural Rights. Ensuring these rights requires the right to decent and just remuneration that provides an adequate standard of living. Furthermore, this principle includes requirements regarding conditions of employment, such as working hours, benefits, contracts, etc. In addition, requirements for the provision of adequate housing and sanitation are also included.

Furthermore, this principle focuses on ensuring safe working conditions for all workers. It includes the prevention of occupational accidents and diseases through the implementation of adequate health and safety procedures and the provision of appropriate qualifications and training. It also refers to the right of all workers to have access to medical care in case of accidents or work-related diseases. Principle 4 contains the following criteria:

- Criterion 4.1 A written policy on the observance and protection of human and labor rights must be in place.
- Criterion 4.2 A risk assessment must be carried out to identify the most significant human rights risks.
- Criterion 4.3 All forms of forced labor and bonded labor are prohibited.
- Criterion 4.4 Any form of child labor is prohibited.
- Criterion 4.5 Any form of discrimination is prohibited.

- Criterion 4.6 Any form of physical, sexual, psychological or verbal harassment or abuse is prohibited.
- Criterion 4.7 Freedom of association and the right to collective bargaining must be granted.
- Criterion 4.8 Appropriate grievance mechanisms must be equally available to all employees.
- Criterion 4.9 Gender equality must be respected and ensured.
- Criterion 4.10 The employment relationship must be based on fair working and employment conditions.
- Criterion 4.11 A health and safety program must be documented, effectively communicated and implemented.

### **Principle 5 (social): Responsible community relations**

This principle aims, on the one hand, to secure tenure rights and equal access to land in relation to public, private, communal, indigenous, traditional and informal tenure.

*Principle 5  
(Social)*

The concept of Free, Prior and Informed Consent (FPIC) of indigenous peoples was introduced by the International Labour Organization Indigenous and Tribal Peoples Convention, 1989 (No 169), and it is reflected in the UN Declaration on the Protection of the Rights of Indigenous Peoples. The FPIC principle is a specific right that indigenous peoples have and an important prerequisite for any land acquisition and resettlement, as well as a key component for effective stakeholder engagement and consultation. It allows them to give or withhold their consent to a project that may affect them or their territory. They can also use FPIC to negotiate the conditions under which the project will be planned, implemented, monitored and evaluated. This is also part of the general right to self-determination.

On the other hand, Principle 5 covers rural and social development in terms of the responsibility of farms towards surrounding communities and their contribution to maintaining or improving their social and economic well-being. It ensures that impacts on surrounding communities are assessed and negative impacts, such as food insecurity, are prevented. This includes consultation processes and access to grievance mechanisms to ensure that the interests and needs of communities are respected. Principle 5 contains the following criteria:

- Criterion 5.1 Land and land use rights must be respected.
- Criterion 5.2 The living conditions of SHs must be improved and their inclusion in sustainable supply chains must be guaranteed.

### Principle 6 (economic): Legality

This principle is based on the OECD Guidelines for Multinational Enterprises<sup>8</sup>, which promote responsible entrepreneurship worldwide. The principle verifies that the business activities of System Users take place lawfully within the framework of applicable local, national and international laws and regulations. In addition, it aims to ensure that companies are not subject to corruption or bribery. Principle 6 contains the following criteria:

*Principle 6  
(Economic)*

- Criterion 6.1 All applicable local, national and ratified international laws and regulations must be complied with.

### Principle 7 (economic): Economic stability and good management practices

This principle requires that good management practices are in place to ensure profitability. These include, for example, the documentation of basic economic indicators, long-term planning for profitability, the recording of cash and goods flows, and evidence of continuous improvement processes of key practices and procedures. Another criterion aims at establishing standard procedures and systems for traceability along the supply chain. Lastly, it is important to bind subcontractors to fulfil the requirements of the Certification System. Principle 7 contains the following criteria:

*Principle 7  
(Economic)*

- Criterion 7.1 Good practices to ensure profitability must be in place.
- Criterion 7.2 Subcontractors are obliged to fulfil the requirements.

## 3.2.2 Continuous Improvement Approach

HORTICERT encourages continual improvement and progress toward meeting all Sustainability Requirements. While not all criteria have to be met immediately, System Users are expected to work towards full compliance with all criteria over a specified period of time.

*Background*

HORTICERT allows necessary time for adaption by dividing the indicators as follows:

*Types of Indicators*

- **Immediate Indicators** must already be fulfilled for initial Certification as a prerequisite for HORTICERT Certification. Immediate Indicators are core criteria for ecological, social, and economic sustainability that are also easy to implement and therefore realistically achievable for companies in the short term. For the first Certification Period, it is sufficient for a System User to comply with the Immediate

<sup>8</sup> OECD. (2011). *OECD Guidelines for Multinational Enterprises, 2011 Edition*, OECD Publishing.

Indicators. However, to also be eligible for HORTICERT Certification in the future, a Sustainability Improvement Plan must be developed, outlining measures to achieve the Development Indicators within a set time frame.

- **Development Indicators** are significant requirements for ecological, social, and economic sustainability that are more time-consuming to implement. They must not be fulfilled for initial Certification, but after a defined period of time or for future Recertification. The approach grants companies a realistic timeframe to fulfill these requirements, while also ensuring that the entry barrier for Certification is not excessively high.

The time frame to fulfill these indicators can be defined by the certified unit. However, it must not exceed four years and 50 % of the Development Indicators must be met within the first two years. This means that 50 % of the Development Indicators must be met by the third year of the Certification Period (third Audit) and 100 % of the Development Indicators by the fifth year of the Certification Period (fifth Audit). With the flexibility in meeting the Development Indicators with respect to timing, the individuality and different challenges of different enterprises can be addressed. Existing good practices, implemented prior to the first Audit, may be recognized as valid fulfillment of Development Indicators. The implementation of new measures is not mandatory if comprehensive and effective practices are already in place. If Development Indicators are not met after the pre-defined period outlined in the Sustainability Improvement Plan, HORTICERT Certification will be withdrawn.

- **Best Practice Indicators** are not a prerequisite for Certification but intended to provide guidance for achieving the optimal state and are a preparation for System Users for potential future Certification requirements. Best Practice Indicators are very wide-ranging and very challenging, both to implement and to review. System Users that fulfill best practices stand out by their special efforts in the sustainability of their production.

The classification of each indicator into immediate, development or best practice can be found in the Audit Checklist “Sustainability Requirements”.

*Accessibility of  
Indicators*

If System Users have not been certified for a period of time and wish to be recertified, the Sustainability Requirements must be fulfilled in accordance with the status prior to the expiry of the old HORTICERT Certificate. For example, if the System User’s Certificate has expired shortly before the third Audit, in which the Development Indicators need to be checked for the first time, the Recertification Audit will

*Indicators and  
Recertification*

continue with this status and the Development Indicators must be checked.

### 3.2.3 Certification of Farms and Sub-Processing Units

Farms (SHs and Medium to Large Farms) and SPUs get certified via Group Certification. To ease the transition of farms and SPUs into certification, a stepwise certification approach has been developed. Additionally, not all sustainability indicators apply to the Group Members. For details about Group Certification and the stepwise certification approach for farms and SPUs, please refer to the HORTICERT System Document 03 “Group Certification”.

*Group Certification*

### 3.2.4 Greenhouse Gas Emissions

Peat use is associated with significant GHG emissions. Using peat substitutes instead of peat directly and positively affects the carbon footprint of growing media production and supports emission reductions.

*Background*

HORTICERT provides a methodology for calculating GHG emissions for all elements of the supply chain for peat substitutes and for determining GHG emissions savings. This can be applied to all supply chains connected to the growing media market.

*HORTICERT  
GHG Methodology*

HORTICERT has developed a uniform methodology for calculating the carbon footprint of peat substitutes and growing media, which allows for statements on the GHG savings of peat-free and peat-reduced growing media compared to conventional products with a high peat content.<sup>9</sup> This creates transparency in the market.

The requirements for GHG emission calculations apply to all relevant supply chain elements from the production of raw materials to the distribution of the final product, including cultivation, collection and conversion processes, as well as the transport and distribution of intermediate and final products.

*Requirements  
GHG Calculation*

For final growing media products, an individual GHG calculation of the respective product following the HORTICERT methodology is required.

Upstream suppliers of peat substitutes can choose between two different options for providing information on GHG emissions to growing media producers:

*GHG Calculation  
Options*

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<sup>9</sup> The guidelines developed by Growing Media Europe (GME) for calculating GHG emissions from growing media are considered.

- 1) **Individual Calculation:** Upstream suppliers can conduct an individual calculation to obtain their actual GHG emission values based on the HORTICERT methodology (see System Document 02 “Greenhouse Gas Emissions”).
- 2) **Use of Standard Values:** In case an individual calculation is not possible, upstream suppliers can use standard values provided by HORTICERT (if available). These standard values follow the same system boundaries as for an individual calculation from raw material to final peat substitute including transport emissions to a Growing Media Mixing Plant.

Either the actual values of the upstream suppliers or the standard values provided by HORTICERT can then be used for the individual calculation of the GHG emissions of the growing media product. Each growing media producer is required to conduct an individual GHG calculation for the production of its growing media. Standard values are not applicable for growing media products.

For detailed information on the methodology of the carbon footprint calculation of different peat substitutes and growing media, as well as standard values, please refer to HORTICERT System Document 02 “Greenhouse Gas Emissions”.

*Specific GHG Requirements*

### 3.2.5 Traceability and Chain of Custody

HORTICERT stands for transparency along the entire supply chain. Thanks to comprehensive supply chain tracing, customers can be confident that peat substitutes and growing media with the HORTICERT Certificate meet ecological, social and economic Sustainability Requirements along the entire production process.

According to the International Organization for Standardization (ISO) the term ‘**traceability**’ describes the ability to identify and trace the origin, processing history, distribution and location of products and materials through supply chains. Traceability encompasses the ability to physically follow products and materials along supply chains as well as to document the processing methods used and the components constituting intermediate and final products.

*Definition Traceability*

**'Chain of Custody'** (CoC) is a general term for the process of transferring, monitoring and controlling inputs and outputs and related specific information as they move through the supply chain. This provides credibility that a given batch of material or product is associated with a set of specific characteristics (e.g., regarding sustainability and GHG emissions) and that the information on the specific characteristics linked to the material or product is transferred, monitored and controlled throughout the supply chain. Different CoC methods are available for the handling of certified materials along the supply chain, including the two methods that are applicable under the HORTICERT System Standards: Physical segregation and mass balance. A third method, known as book and claim is not allowed.

The combination of both the **traceability and CoC requirements** verifies that the physical flow of materials can be traced back and forth through the supply chain, which supports the integrity of sustainability statements. The transfer of sustainability characteristics along the supply chain must always be accompanied by a physical transfer of material. This also verifies that sustainability characteristics and GHG emission savings can be assigned to individual physical consignments of material and that the amount of certified Materials and products withdrawn at any stage of the supply chain does not exceed the amount of certified Material added. The term consignment, or 'batch' of a certain product defines a quantity of material manufactured during a certain processing interval, by the same process under the same conditions. 'Batches' of the same product are labeled in the same manner and assumed to have the same horticultural and general properties (e.g., density, unit). GHG emissions may vary among batches of the same product, depending e.g., on origin of raw materials or transport distances. In the following, the term 'batch' will be uniformly used.

The following information of certified Material (so-called sustainability characteristics) are the minimum information required under HORTICERT:

- Types of Material (e.g. coconut husk, coir pith, growing media).
- Countries of origin of the raw material.
- Information on GHG emissions.

Units of the supply chain that are not certified cannot handle material as certified.

Under HORTICERT, there are two CoC methods that can be applied to correctly assign all relevant information to the physical amounts of material, **mass balance** or **physical segregation**:

- **Mass balance** allows the physical mix of certified Materials with different sustainability characteristics and non-certified materials. The information about the sustainability characteristics and the size of the batches with differing sustainability and GHG emissions saving characteristics must remain assigned to the mixture. The exact amounts and sustainability characteristics of certified Material that leaves any unit along the supply chain must be documented and must never exceed the amount of certified Material that enters the respective unit.
- **Physical segregation** means that materials with different properties are kept physically separated from each other as they are forwarded along the supply chain. This means that certified Material is always physically separated from non-certified material.

All companies handling and supplying certified products to other companies are obliged to provide their recipients with all the necessary sustainability and GHG information in the scope of this standard. Companies are obliged to inform their CB immediately if any discrepancies occur in the documentation, reporting and material flow.

*Handling Certified  
Materials*

Evidence of the sustainability characteristics as well as the CoC of a certified Material is documented and forwarded through the supply chain by using HORTICERT's international product tracing system HORTI-TRACE. HORTI-TRACE is a digital tool in which relevant information about certified Material can be forwarded for each delivery of certified Material. For further details about the functionalities, use and rules of HORTI-TRACE, please refer to [Chapter 5](#).

*HORTI-TRACE*

### 3.3 Users of the Certification System

HORTICERT offers Certification of peat substitutes along the entire value chain, from the cultivation, collection, and extraction of raw materials to the production of the growing media. HORTICERT Certification is therefore available for different types of businesses that actively process certified Materials. An entity that has concluded a System Usage Agreement with HORTICERT is considered a System User.

*Definition  
System Users*

HORTICERT has defined roles for the different types of businesses and differentiates between main and additional roles. Main roles correspond to the main characteristics of the respective System User. A System User can have one or more main roles. Additional roles define further characteristics of a System User and cannot stand alone.

*System User Roles*

The following main roles exist for businesses that can obtain a HORTICERT Certificate for their products:

- **Farms** vary from small farms (Smallholders) to Medium to Large Farms and supply their commodities directly or through Traders to a First Traceability Checkpoint.
- **Forestry Operations** are units that manage forests or woodlands and supply their log directly or through Traders to a sawmill.
- **Sub-Processing Units** are Processing Units that are a member of a Group Certification (e.g. dehusking sites, mills, washing sites, other subcontractors).
- **Processing Units** produce intermediate products or growing media components from raw materials, but no final products. Often, raw materials pass through various Processing Units until a finished component is produced. Examples of Processing Units include sawmills and wood fiber plants for the production of wood-based peat substitutes, composting plants for the production of green compost or composted bark, and plants for the dehusking and defibering of coconut-based peat substitutes. Processing Units can also be Collecting Points. Collecting Points are units that collect or receive waste or residues from municipalities, communities or potential other sources for further processing, trading or distribution.
- **Growing Media Mixing Plants** are units that produce final growing media products from one, two or several components (usually with the addition of fertilizer and liming material). Often, Growing Media Mixing Plants also have Processing Units for the production or further processing of peat substitutes for their own growing media production.

The following additional roles exist to define further System User characteristics:

- **First Traceability Checkpoints** typically receive raw materials from multiple farms or Forestry Operations. They are the first units in the supply chain to use HORTI-TRACE and can be either Collecting Points or Processing Units such as a sawmill or composting plant.
- **Group Managers** are the representative entity acting on behalf of Group Members in the context of Group Certification and holding the common HORTICERT Certificate. Group Managers are Processing Units.

- **Final Product Refiners** are units that sell HORTICERT certified products to end users (consumers or business). Final Product Refiners can be either Growing Media Mixing Plants or Processing Units.

Traders are entities that buy and sell raw materials or growing media components (not final products). They manage warehouses and thus have a storage unit and do not sell to end consumers. Paper Traders operate a pure drop shipment business without physically obtaining the material; they do not operate or have warehouses or storage facilities. Traders/Paper Traders do not have to be certified but will have to use the digital traceability tool HORTI-TRACE (see [Chapter 5](#)).

### 3.4 Certification Body requirements

As independent third parties, CBs issue HORTICERT Certificates once they have successfully audited an operational unit. Current information about all CBs collaborating with HORTICERT is made available on the [HORTICERT website](#).

*Collaborating  
Certification Bodies*

The CB agrees that HORTICERT may publish the entire information content of the Certificates issued by the CB on the HORTICERT website.

CBs are required to establish a cooperative agreement, the so-called Certification Body Agreement (CB Agreement), with HORTICERT before they are authorized to carry out HORTICERT Audits and issue HORTICERT Certificates through the Certification System. They must accept the General Terms of Certification and complete the CB Contact Details form. To collaborate with HORTICERT, a CB must further comply with the following requirements:

*Requirements  
Certification Bodies*

- The CB must be registered as a legal entity or as a subsidiary of a larger legal entity.
- The CB must be accredited under an application-specific scope of the following standard norms:
  - ISO/IEC 17065 (agricultural scopes or comparable)
  - ISO/IEC 17021 (environmental and other management systems)
  - ISO/IEC 17029 (general and specific requirements for verification and validation bodies)
  - or comparable
- The CB must provide evidence of its competence in auditing individual GHG calculations, insofar as these are part of the HORTICERT Audits conducted. This can be, for instance, an additional accreditation under the ISO/IEC 14064 or 14067

series of standards, or comparable evidence. If no such evidence is available, auditors working for the CB are only allowed to audit System Users applying HORTICERT GHG default values.

- The CB must be free from any potential conflict of interest and/or situation that may affect their impartiality and objectivity in their respective tasks within the HORTICERT Certification process.
- The CB must only conduct Audits in those regions and countries that they are approved for.

Besides, auditors chosen by cooperating CBs to perform HORTICERT Audits must comply with requirements dependent on the respective Audit topics.

*Requirements  
Auditors*

All auditors conducting HORTICERT Audits must comply with the following generic requirements:

- The auditor must complete the HORTICERT auditor training before conducting the first Audit. To maintain qualification, the training must be refreshed every three years, provided that at least one Audit is conducted per year. If no Audit is performed within one year, the auditor must complete a new training before conducting any further Audits.
- The auditor must speak the local or a common language. Only in exceptional cases, independent interpreter(s) can conduct the interpretation services. In this case, to avoid conflicts of interest, the CB and its auditors must not accept interpreters who work for the System User.
- The auditor must demonstrate proven experience in conducting audits where traceability and CoC requirements (especially the mass balance approach) are verified.

If an individual GHG calculation is part of the Audit, the auditor must additionally comply with the following requirement:

- The auditor must demonstrate proven knowledge in GHG calculation verification. If the lead auditor lacks this specific experience, the GHG verification shall be carried out by a qualified colleague. Remote verification is permitted.

In case of Audits of System Users with a **high risk level** which include an extensive verification of various **Sustainability Requirements**, further requirements must be complied with:

- The auditor must demonstrate at least two years of experience in auditing the respective supply chain (e.g. coir) or in comparable agricultural commodity supply chains in the country where the Audit takes place.
- The auditor must demonstrate knowledge of applicable local legislation and sectorial context.
- The auditor must demonstrate proven experience in conducting social audits and audit interviews, where relevant.

In general, the processes for establishing and carrying out Audits must align with the principles outlined in the relevant ISO standards (17065 and 17021). The process must always be carried out based on the four-eyes principle, including the auditor and a reviewer double-checking the Audit results. Each CB must have at least two trained auditors to be able to offer HORTICERT Audits to fulfill the four-eyes principle. One auditor performs the Audit at the System User, while the other acts as a reviewer, verifying the Audit results. Any auditor who has completed HORTICERT training may serve as either auditor or reviewer, and these roles can be alternated. The reviewer also acts as a certifier.

*Four-eyes principle*

CBs are required to use the digital audit tool. Access to the platform will be provided by HORTICERT.

*Requirements  
Audit Procedure*

To maintain the Integrity of the Certification System, CBs are obliged to participate in feedback meetings on a regular basis. The aim of the meetings is to identify and minimize potential risks in the Certification process by discussing practical experiences and challenges in relation to the application of the Certification System and to facilitate its continuous improvement. Further, CBs are required to establish internal risk assessment procedures to address potential risks to the integrity of HORTICERT. Additionally, auditors must conduct a risk assessment prior to the Audit, as further explained in [Chapter 6.3](#).

*Further Requirements  
Certification Bodies*

## 4 Registration and Certification Process

The Certification process generally consists of the following steps. A more detailed Step-by-Step Guide can be consulted from the publicly available [Document Section](#) of the HORTICERT website.

*Eight-Step  
Certification Process*



### 1) Company selects a CB

The company interested in Certification selects a [CB recognized under HORTICERT](#) to carry out the Certification. The System User and the CB conclude a contract on the conduction of the Certification (Certification Agreement).



### 2) Company registers as System User

The company interested in Certification registers for the [Client Section](#) and downloads the Registration Form. By submitting the Registration Form, the System User concludes a System Usage Agreement with HORTICERT. Companies that want to use a HORTICERT Certification System must conclude a System Usage Agreement. The Terms of Use are available in the [Client Section](#). The signed Registration Form must be forwarded to the CB and HORTICERT. Upon receipt, HORTICERT creates an individual Registration Number.



### 3) System User and CB prepare for the Audit

System User and CB decide on an Audit date and prepare for the Audit with the relevant documents that can be downloaded from the [Client Section](#) such as Audit Checklists, Document Checklist, and Guidance for Management System and Internal Risk Management. The CB must also consult the System Documents. Once arranged, the Audit date must be communicated to HORTICERT.



### 4) Audit conducted by CB

An auditor of the CB verifies the conformity of the System User with the HORTICERT requirements. The auditor must be independent of the company to be audited and the Certification System, as well as free of conflicts of interest. Also, the auditor must have the appropriate professional competencies as described in [Chapter 3.4](#).



### 5) Closing potential Non-Conformities (NCs) and audit report

The auditor informs the System User of any found NCs. Depending on the severity of NCs, the System User must implement corrective measures as specified in [Chapter 4.2.4](#). NCs and corrective measures must be included in the audit report. The audit report must be reviewed by the CB reviewer. Once the review is finalized, the audit report is sent by the CB to the System User for signature.



### 6) Approval by HORTICERT

The CB sends the audit report to HORTICERT for final approval. In case of document gaps or errors, HORTICERT contacts the CB and requests corrections.



### 7) CB issues the Certificate

Provided that the auditor has verified conformity with the HORTICERT requirements and all documents have been approved by HORTICERT, the CB issues the final audit report and Certificate to the System User (max. 60 days after the Audit) and shares it with HORTICERT. HORTICERT then publishes it in the publicly available [Certificate and License Database](#) on the [HORTICERT website](#).



### 8) Recertification

HORTICERT Certificates are valid for a period of twelve months. CBs and System Users are responsible for scheduling the Recertification Audit early enough to ensure that the new Certificate can be issued before the current Certificate expires, thereby preventing any interruption in Certification status. The scheduling shall therefore allow sufficient time for audit reporting and the correction of potential NCs.

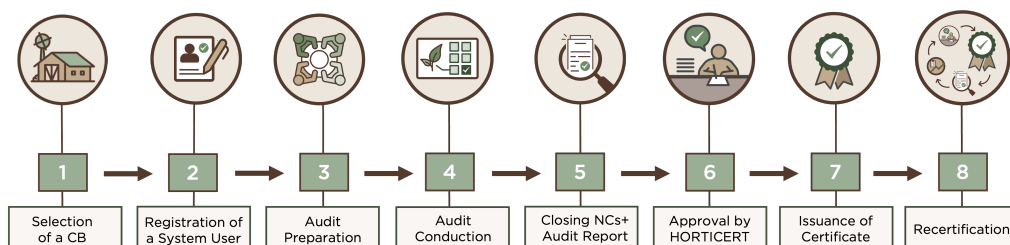


Figure 1: HORTICERT Certification Process

## 4.1 Registration of System Users

Prior to achieving HORTICERT Certification, a company must be registered with HORTICERT. The registration process is considered finalized once the company has signed the Registration Form and has obtained a Registration Number from HORTICERT. Entities that have concluded a System Usage Agreement with HORTICERT are referred to as System Users. The registration process consists of two steps:

*Registration as  
System User*

- 1) The company is required to enter into a contractual agreement with one of the CBs collaborating with HORTICERT (Certification Agreement). A comprehensive list of all CBs cooperating with HORTICERT, along with their contact information, can be found on the [HORTICERT website](#).
- 2) To initiate the registration process, the company must submit a request to HORTICERT by filling out the HORTICERT Registration Form available in the [Client Section](#) of the [HORTICERT website](#). As HORTICERT Certifications are site-specific, System Users must fill out a Registration Form for each site intended for Certification. The company then forwards the Registration Form to the CB and HORTICERT. By signing the Registration Form, the company accepts the System Usage Agreement and its Terms (available in the [Client Section](#) of the [HORTICERT website](#)). The CB and HORTICERT check the Registration Form and HORTICERT provides an individual Registration Number. With that, the company is officially registered as a System User. If multiple sites are registered, a Registration Number for each site is provided. Once the System User has obtained the Registration Number, the chosen CB can proceed with the Audit process.

*Contract with CB*

*Registration  
Process*

## 4.2 Audit Procedure

HORTICERT Certificates are issued following a successful Audit during which the CB verifies the System User's compliance with the HORTICERT System Standards. These Audits are referred to as Certification Audits.

*Certification  
Audits*

The validity of a HORTICERT Certificate spans twelve months, making it necessary to conduct a Certification Audit at least once every year. System Users must schedule Recertification Audits in time to ensure seamless continuity between Certificate expiration and renewal.

*Certificate  
Validity*

HORTICERT Audits are retrospective and focus on the verification of operations and Claims made during the previous Certification Period. An exception to this rule is the first (initial) Audit of a System User during which a retrospective Audit of Claims is not possible and therefore the focus of the Audit is on the procedures required to appropriately implement and apply the HORTICERT requirements.

*Retrospective  
Audits*

### 4.2.1 General Audit Rules

Regardless of risk level, audit intensity or Audit Scope, the first (initial) Audit must always be conducted in person and on the premises of the System User as registered with HORTICERT. Remote or video audits are not permitted for initial Audits. Sufficient time must be scheduled for an Audit (at least 4 hours per geographical site).

*Initial Audit  
On-Site*

System Users cultivating raw materials (e.g. coconuts) must schedule the initial Audit during high season ensuring that all relevant activities take place during the Audit day(s) (e.g. harvesting, de-husking) and that workers for all activities are present. In case this is not possible, a follow-up visit by the auditor within 6 months after the Audit is needed.

*Initial Audit during  
High Season*

In case of a regular risk level and if no major findings were detected in the initial Audit, the auditor can decide to conduct Recertification Audit as a fully remote audit. If remote audits are used for Recertification, an on-site Audit is required at least once every three years irrespective of the risk level, audit intensity, Audit Scope or earlier results.

*Remote  
Recertification  
Audits*

If a remote audit does not provide a sufficient level of assurance or even indicates NCs with HORTICERT requirements (e.g., indication of land use change in the area of cultivation), the CB must take further actions to sufficiently verify compliance. This could include the verification of further documents and information and/or verification of the requirements on-site.

*Remote Audit  
Verification*

If a System User or its company group has three or more geographical sites (e.g., three Growing Media Mixing Plants) the auditor does not necessarily need to visit every plant for an on-site Audit during the initial Certification process. Instead, the number of plants to be audited on-site is the square root of all sites belonging to the System User or company group that require auditing. The result must always be rounded up to the nearest whole number (e.g., in case of three sites, two need to be visited during the Audit). The sites for the on-site Audit are selected randomly but have to cover all relevant management practices and the structure of the entire group. For other sites which belong to the company but are not selected for an on-site Audit, remote audits need to take place for the same Certification cycle.

This exception is only applicable under the following conditions:

- All sites belong to the same company (group)
- All sites are located in the same country
- All sites have a similar structure and organization (e.g. similar ERP system, management handbook)
- The auditor rated all risk levels for each geographical site as “regular”

If major NCs have been identified at an audited site (whether on-site or remote) which indicate similar issues may exist at other sites, the auditor may, at their discretion, decide to conduct on-site Audits at all sites. In any case, the auditor must give special attention to all sites if a major NC has been identified at any site within the group.

During Recertification, it must be ensured that site(s) which have not been audited on-site during the initial Audit are now included in the sample for on-site Audits in the following years according to the same sampling method. This has to be applied until all sites of the group have been audited initially on-site. After an on-site Audit has taken place at a site, remote audits can be conducted at that site in subsequent years. However, each site must be audited on-site at least once every three years after the initial Audit.



Each System User registered for Certification under HORTICERT must implement an internal risk management of their compliance with HORTICERT requirements at least once a year and prior to the first (initial) Audit. This internal risk management shall focus on the HORTICERT requirements for the respective Audit Scope (i.e., the role of the certified operation) and related risks (see [Chapter 6.2](#)). The internal risk management is an integral part of the System User's Audit preparation. The System User must inform the CB about the results of the risk management prior to the Audit.

Throughout the whole Certification process, System Users are obliged to provide accurate and true information to HORTICERT and to the CB. They must, for example, declare the names of all certification schemes they participate in and make available to the CB all relevant information including the mass balance data, traceability information, GHG calculations and the audit reports from previous Audits under this standard as well as from other sustainability certification schemes used. This includes access to databases used by the System User to handle certified Material. Any Data given to HORTICERT will be treated as confidential. The Data will not be forwarded to third parties unless HORTICERT is legally obligated to disclose the Data or the System User/CB has explicitly given the consent.

Upon request by the CB, the System User shall be obliged to immediately enable the cross-checking of the accuracy of sustainability Claims. This includes but is not limited to the evidence for individual deliveries of certified Material, such as delivery documents, received from suppliers or sellers, subcontractors (such as logistic providers or dependent Collecting Points) and provided to recipients or buyers. The CB is entitled to request the corresponding evidence directly from the suppliers or sellers, subcontractors and from the recipients or buyers of the System User. If requested by the CB, the System User shall be obliged to immediately request copies of the corresponding evidence from the supplier or seller and/or the recipient or buyer of certified Material. During this process, the CB shall be copied in the entire communication to ensure transparency. Any System User shall be obliged to cooperate in this cross-checking process. Responses shall be provided within a period of 14 days.

### 4.2.3 Certification Bodies

The CB may only conduct Certification Audits and issue Certificates if the CB has a valid CB Agreement with HORTICERT, the Certification Agreement between System User and CB is valid and a valid System Usage Agreement has been concluded between HORTICERT and the System User. The CB shall verify this before commencing a Certification Audit and before issuing Certificates. In particular, the CB has to check on the [Certificate and License Database](#) whether the System User has been excluded from Recertification. In the event of any changes with regard to the CB's recognition or the conditions or declarations set out in the System Documents, the CB shall notify HORTICERT in writing without delay.

*Rights and Duties  
of Certification  
Bodies*

CBs shall follow the process for preparing and conducting Audit activities as described in ISO 19011:2011 or a justified equivalent shall be taken into account for the Audit process. The CB must establish at least a "limited assurance level" when conducting Audits. A "limited assurance level" implies a reduction in risk to an acceptable level as the basis for a negative form of expression by the auditor according to ISAE 3000 (e.g. "based on our assessment nothing has come to our attention to cause us to believe that there are errors in the evidence").

*Requirements  
Certification Bodies*

Prior to the Audit, the CB must prepare an Audit plan including at least the following aspects:

*Requirements  
Audit Plan*

- Name of System User
- Name of CB and auditor
- Geographical location of Audit
- Type of Audit
- Audit date, number of Audit days
- Risk levels defined by the CB per sustainability principle and for traceability and CoC
- In case of Group Certification in the coir supply chain: number of SHs and/or SPUs audited (sample size) (for further details, see System Document 03 "Group Certification")
- In case of Group Certification in other supply chain with low risks: number of sites audited (sample size)
- Agenda of the Audit day(s)

The Audit plan must be sent to the System User and to HORTICERT via email prior to the Audit.

For HORTICERT Audits, a **risk-based Audit approach** must be applied by the CB. New technologies and tools shall be considered and used where appropriate. It is the CB's responsibility to conduct a risk assessment to determine the risk level, and hence the intensity of the Audit. The requirements and guidelines described in [Chapter 6.3](#) must be followed by the CB. A higher risk classification shall result in a higher Audit intensity, such as a larger sample size (if sampling is part of the Audit) and/or an increased number of documents to be verified by the CB and/or an extension of the applicable Sustainability Requirements as explained in more detail in [Chapter 6.4](#). A higher risk classification must be applied if there are indications of NCs or fraud. During the Audit, the CB must identify the activities undertaken by the System User that are relevant to HORTICERT. This includes the identification of relevant systems and the overall organizational system, especially with respect to HORTICERT requirements and the effective implementation of relevant control systems.

Also, the certification history of the System User must be evaluated by the CB. The CB is obliged to inform HORTICERT if a System User seeking Recertification previously had any major or critical NCs. If the System User changes which CB will conduct the Recertification, the newly contracted CB must receive the relevant Audit documents and procedures from the previous Audit prior to the Recertification Audit. This is crucial as this information must be considered for the risk assessment of the Recertification process. HORTICERT is entitled to provide the relevant documents of previous Audits to the newly contracted CB. Both the new and previous CB are obliged to cooperate if questions arise during the Recertification which concerns the certification history of the System User. If a System User currently participates in or has recently participated in more than one sustainability certification system, the CB must verify that multiple claiming ("multiple-accounting") of sustainability characteristics cannot occur and has not already occurred. In order to verify this, the CB is entitled and obliged to assess the relevant documentation (e.g., mass balance, auditing reports) of all relevant certification systems. This is especially important for verifying the plausibility of incoming and outgoing certified Material and aiming to ensure that no more certified Material is sold than has been received.

During the Audit, the CB shall draw up a verification plan which corresponds to the risk analysis, the Audit Scope and the complexity of the System User's activities and which defines the sampling methods to be used with respect to the System User's activities. The CB shall carry out the verification plan by gathering evidence in accordance with the defined sampling methods, in addition to any other relevant evidence.

The CB's verification decision shall be based on the evidence gathered. The System User is obligated to provide any missing elements of Audit trails, to explain variations, and to revise Claims or calculations, before the CB can reach a final verification decision (i.e., the decision to issue a Certificate). It is mandatory for auditors to use the latest version of the Audit Checklists on the digital audit tool during any Audit. The use of the conventional Audit Checklists (in Excel) is only possible in exceptional cases (e.g., severe problems with IT components, system breakdowns, etc.) or in case of new updates not yet integrated into the digital audit tool.

*Use of digital  
Audit Tool*

In the Audit Checklists, the auditor must provide general information about the Audit, such as the address where the Audit was conducted, the Audit participants, the date and duration of the Audit, the Audit setup (e.g., Audit Scope and audit intensity, kind and number of sample Audits, types and amounts of certified Material) and information on the CB and the auditor(s). The Audit Checklists must also contain data about the amounts of certified Material handled by System Users. This is necessary to enable HORTICERT to accumulate reliable information about the total amounts of certified Material covered by HORTICERT Certification and/or the total cultivation area complying with HORTICERT requirements. HORTICERT will treat the Data from individual System Users as confidential if not required otherwise by law or by competent authorities. HORTICERT is entitled to gather, accumulate and publish such data about the system (in anonymized form), especially in order to fulfill legal reporting obligations. The CB shall verify whether this data is correct during the Audit and then submit the data to HORTICERT. System Users are obliged to provide correct and complete data about the amount of certified Material handled by the CB.

*Requirements  
Audit Checklist*

Particular aspects of an Audit, the verification of traceability, mass balances and GHG calculation may be pre-checked by the auditor already remotely before going on-site. Especially the risk assessment, the analysis of land-use change after 01 January 2015 and social issues in a specific area shall be conducted by the auditor remotely before the Audit e.g., through (web-based) research to provide a reliable level of assurance.

*Remote Checks  
Prior to Audit*

In this regard, the CB is also responsible to collect any documents from the System User needed prior to the Audit, e.g., Registration Form, Sustainability Improvement Plan, results of the risk self-assessment, internal audit report, HORTI-TRACE report and the individual GHG calculator, if applicable. This also includes verifying with the System User whether an individual calculation has been conducted or not.

*Documents  
Prior to Audit*

During the Audit, the auditor must ensure that all HORTICERT requirements, including the fundamental social Sustainability

*Social Audits*

Requirements, are met. In case of an assessed high risk level for the social sustainability principles, this includes interviewing a representative number and sample of workers – especially vulnerable groups, such as women, migrant workers, and harvesters – in a private location, hidden from staff members while taking into account the interviewees' ethnic and cultural backgrounds. Different questions should be asked to workers to prevent coordinated responses. Interviews with both temporary and permanent workers shall be conducted.

(Non-)compliance with any indicator must be made clear by indicating “yes” or “no” in the Audit Checklist and providing a reference to the respective evidence. In case the auditor decides that an indicator is not relevant (“n/a”) for the System User, an explanation must be provided. After the Audit, the auditor informs the System User of any found NCs. NCs and corrective measures by the System User must be included in the audit report. The audit report must be reviewed by the CB reviewer.

*Audit Documentation  
and Review*

Once the audit report has been finalized, the CB forwards it to the System User for signature. The CB then submits the audit report to HORTICERT for final approval. If needed, e.g., in case of missing documents or errors, HORTICERT will contact the CB and request the correction of the audit report. The CB must send the audit reports to HORTICERT for every Certification or surveillance audit that it carries out. This obligation also applies to Audits that result in a negative outcome, i.e. failed Audits.

*Audit Report  
Submission and  
Approval*

Once the audit report has been approved by HORTICERT, the CB that has a CB Agreement with HORTICERT and has reviewed the Audit report issues the Certificate to the System User. As soon as the Certificate is issued, CBs must forward a copy of it, along with the final audit report and any other specified documents, to HORTICERT. The Certificates are then published on the [Certificate and License Database](#) by HORTICERT.

*Certificate Issuance*

CBs are entitled to conduct surveillance audits (i.e., an Audit of a System User to verify compliance with the System Standards during the Certification Period) if there is reasonable doubt of compliance with HORTICERT requirements or in order to verify substantiated allegations of fraudulent behavior. CBs are entitled to conduct announced or unannounced surveillance audits at any time during the Certification Period. If necessary, HORTICERT is entitled to request CBs to conduct surveillance audits at any time during the Certification Period.

*Surveillance Audits*

#### 4.2.4 Non-Conformities of System Users

**Non-Conformity** (NC) means non-compliance of a System User with the HORTICERT requirements in the Audit Checklists. The System User is solely responsible for ensuring compliance with the HORTICERT Audit Checklists and all further System Standards. Likewise, the CB bears full responsibility for the accuracy and completeness of the Audit.

*Non-Conformities*

NCs are classified based on their impact on the HORTICERT Certification System. HORTICERT distinguishes between the following classifications: **Minor, major and critical NCs**. If minor, major, or critical NCs are identified for a System User - such as during an Audit - the CB and HORTICERT may apply the corresponding measures and sanctions outlined below.

**Minor NCs** have no severe impact and can be corrected or have been corrected after detection. If such NCs are repeated after they have been detected, they may no longer be considered minor. Minor NCs, for example, result from interpretation failures and are clearly not intentional. They must be corrected by implementing appropriate corrective actions within a time frame specified by the CB, up to a maximum of 12 months or until the next Audit (surveillance audit or Recertification Audit). The corrective actions must be verified by the CB during the next Audit at the latest. If required, HORTICERT may request additional reasonable actions to help ensure future compliance with HORTICERT requirements, such as extra training for staff at critical control points.

*Minor  
Non-Conformities*

Minor Non-Conformities of System Users include but are not limited to:

- The lack of documentation and information requirements (e.g., regarding company internal administrative processes, internal trainings or internal audits).
- Insufficient implementation of HORTICERT requirements into the management system without impacts (e.g. regarding company internal organizational charts, missing or insufficient policies in first year).
- Chemical pesticides are found stored in place other than the proper chemical storeroom even though a proper chemical storeroom is available.

**Major NCs** (1) have a severe impact or do not have a severe impact but are not minor and (2) are not critical. They cannot always be corrected after detection. They are clearly not intentional.

*Major  
Non-Conformities*

In case of major NCs by System Users, the Certificate can only be issued if the NCs are corrected within 60 days after the date on which the NCs was identified. If the duration of the remaining validity period is less than 60 days, the NCs must be corrected until the expiry of the

Certificate's validity. Within this period, all NCs must be corrected by implementing appropriate corrective actions as determined by the CB. It is the responsibility of the System User to prove conformity with HORTICERT requirements. The CB shall issue the Certificate within or after this period if it confirms the successful implementation of the corrective measures and if conformity with HORTICERT requirements can be demonstrated. If corrective actions cannot be implemented within this period for exceptional reasons, the period for correction can be extended up to 20 days with the consent of HORTICERT.

If not all major NCs are corrected and/or conformity with HORTICERT requirements cannot be proven within the correction period, the Certificate becomes invalid and will be withdrawn with immediate effect. The CB has to inform HORTICERT immediately about major NCs, any intended extension of the correction period, its end or withdrawal of a Certificate. In case of withdrawal, HORTICERT may exclude the System User from Recertification (exclusion) for up to 6 months in case of ordinary negligence of the System User with regard to the NC and for up to 12 months in case of gross negligence.

Major NCs of System Users include but are not limited to:

- Severe, but **non-intentional** non-compliance with immediate ecological, social or economic sustainability indicators, as laid down in the HORTICERT Sustainability Requirements (e.g., use of agrochemicals on WHO list (tables 1 and 2), Rotterdam Convention, and Stockholm Convention, cultivation or production practices harming humans or the environment, non-compliance with human rights such as child or forced labor, discrimination, harassment, non-compliance with national or international laws and regulations on working conditions, violation of land and land use rights).
- Incorrect or incomplete GHG calculator in the case of individual calculation leading to an incorrect GHG emission value being forwarded or communicated; provision of false GHG information, in particular (individual) GHG emission values, to recipients of certified Material.

**Critical NCs** have a severe impact. They cannot be corrected, are systematic or intentional, e.g., fraud, or through gross negligence. If major NCs are repeated after they have been detected, they may be considered critical. In the case of critical NCs, the issuing CB must declare the Certificate invalid and withdraw it with immediate effect and must inform HORTICERT immediately. HORTICERT may exclude the System User from Recertification with HORTICERT for a period of up to 60 months. During the time of the exclusion from Certification

*Critical  
Non-Conformities*

the (former) System User is not allowed to handle Material declared as HORTICERT certified or use the HORTICERT Logos and Seals or make any Claims referring to a HORTICERT Certification or HORTICERT certified Material (on- and off-product). In this case, all certified Material that is still available in HORTI-TRACE is also considered as no longer certified with immediate effect and cannot be processed or sent anymore in HORTI-TRACE.

Critical NCs of System Users include but are not limited to:

- Breaches of the requirements of HORTICERT Principle 1 (no unallowed land-use change since 01 January 2015).
- **Intentional**, severe breaches of other HORTICERT Sustainability Requirements, especially regarding human rights and fair working conditions and the engagement in bribery or other forms of corruption.
- Incorrect issuance of a self-declaration with severe impact (e.g. duplication of a self-declaration).
- Intentional falsification of GHG values.
- Falsification of official documents (e.g. contracts, delivery documents, or bills).
- Selling one batch of certified Material multiple times (multiple accounting).

If a System User is found to have NCs with the HORTICERT System Standards, HORTICERT may ask the CB to provide detailed and complete information about all circumstances related to these NCs. This includes describing how cooperative the System User was in identifying the NCs, as well as outlining the measures taken to prevent or reduce any impact on the integrity of the HORTICERT Certification System and to ensure future compliance. The CB may be provided with binding instructions on which sanctions must be applied by HORTICERT. For NCs classified as major or critical, HORTICERT may additionally demand an assessment from the CB evaluating the severity of the infringement according to the respective classification criteria. All necessary documentation must be submitted to HORTICERT by the CB without delay.

*Requirements  
Information Provision*

After the Audit, the CB must inform the System User about all identified NCs and the timeframe for their correction. Minor NCs must be corrected by implementing appropriate corrective actions within a time frame specified by the CB, up to a maximum of 12 months or until the next Audit (surveillance audit or Recertification Audit). The corrective actions must be verified by the CB during the next Audit at the latest. All major and critical NCs must be resolved before a

*Requirements  
Certificate Issuance*

HORTICERT Certificate can be issued. To achieve this, the System User must implement appropriate corrective actions and the CB must verify that all corrective actions have been implemented and that the System User is compliant with all requirements. In the audit report, all NCs must be clearly marked, even if they have already been corrected and closed, to ensure transparent and complete record-keeping. In such cases, a comment must be included stating that the NC has been closed. If corrective measures for major NCs are not or cannot be implemented within 60 days of the Audit, the Audit must be regarded failed. As a consequence, no Certificate may be issued and a new Audit must be conducted. The CB must notify HORTICERT whenever an Audit is classified as failed. If the identified NCs result in an exclusion from HORTICERT Certification, a new Certificate may only be issued after the exclusion period has ended and once a subsequent Audit has been successfully passed.

**Corrective actions** can include supplementary evidence, corrections, replacement documents, records, reports, protocols, implementation of monitoring measures and other information or data showing compliance with the Sustainability Requirements and with the traceability, CoC and GHG emission calculation requirements. This may occur either during the Audit conducted by the CB or afterwards.

*Corrective  
Actions*

If any NCs are detected with a System User, HORTICERT and the CB are entitled to impose **conditions for the Recertification** of the System User which are suitable for preventing future NCs and for ensuring future compliance with HORTICERT requirements. This is particularly relevant when major NCs have an impact on the downstream supply chain. This also applies if Certificates were suspended or withdrawn or if the System User was excluded from Recertification. Conditions may include the obligation of trainings for relevant members of staff, the requirement to submit specified documents for a defined period to HORTICERT and/or to the CB, the obligation of additional surveillance audits after a specified period of time, and the application of a higher risk level for Audits. It is mandatory for the CB to apply a higher risk level for at least the next two Audits following the suspension or withdrawal of a Certificate, i.e. the risk level must be higher than the risk level applied for the previous Audit. Unless the System User is excluded from Recertification immediate Recertification is possible after the withdrawal of a Certificate. For this, the System User has to pass a Certification Audit successfully. CBs cannot issue any Certificate during the time the System User is excluded from Recertification.

*Recertification  
Conditions*

### 4.3 HORTICERT Certificates

The CB that has a CB Agreement with HORTICERT and has reviewed the Audit report issues the HORTICERT Certificate following a successful Certification Audit in which compliance with all relevant HORTICERT requirements is verified.

*Successful Audit*

Certificates are valid for a period of twelve months. The beginning and end of the Certification Period are clearly indicated on the Certificate. The validity of a Certificate starts on the date indicated on the Certificate (and not with the publication on the [Certificate and License Database](#)).

*Certification  
Period*

Certificates must be issued no later than 60 calendar days after the Certification Audit took place, including the implementation time of potential corrective actions by System Users. The CB may issue a Certificate up to seven calendar days prior to the beginning of the Certification Period. This allows the CB to issue a Certificate, for example, prior to a public holiday or non-workday and to ensure that no gap between or overlap of two Certificates occurs. The Certification Period cannot start prior to the date of issuance of the Certificate.

*Issuance Time  
Frame*

The status of a HORTICERT Certificate is one of the following:

*Certificate  
Status*

- **Valid:** Refers to an active Certificate.
- **Suspended:** Refers to a temporarily invalid Certificate.
- **Expired:** Refers to a Certificate that is no longer valid because the period of validity has ended.
- **Withdrawn:** Refers to a Certificate that was prematurely cancelled by the CB.

HORTICERT publishes all valid, suspended, expired and withdrawn Certificates on the [Certificate and License Database](#), including copies of the Certificates.

*Certification  
Database*

CBs are obliged to forward a copy of the Certificate, the final audit report and other specified documents to HORTICERT as soon as the Certificate is issued. HORTICERT publishes the Certificates on the [Certificate and License Database](#) in a timely manner. HORTICERT reserves the right to withhold the publication of valid Certificates if incomplete or inconsistent documentation is provided by the CB or if the System User has unpaid invoices to HORTICERT until all open issues have been solved.

Companies can be excluded from HORTICERT Certification for up to 60 months. The [HORTICERT website](#) contains information on excluded companies, including the period of the exclusion. During the exclusion

*Exclusion from  
Certification*

period, the company is not allowed to handle material declared as certified under HORTICERT in any way. This means that the company is not allowed to act, for example, as a dependent storage facility or a Collecting Point for a certified Third Party. Furthermore, the company is not allowed to use the HORTICERT Logos and Seals or make any Claims referring to a HORTICERT Certification or HORTICERT certified Material. The same provisions apply to companies whose Certificates are suspended for a specific period of time.

The [Certificate and License Database](#) includes a list containing information on fake Certificates brought to the attention of HORTICERT. This list is updated as soon as such information is received.

*Fake  
Certificates*

HORTICERT Certificates are site-specific, meaning that only the address of the audited operational site can be stated on the Certificate.

*Site-Specific  
Certification*

A Certificate can cover more than one Scope (i.e., the role of the certified operation in the supply chain). The CB can adjust the Audit Scope of a Certificate during the Certification Period if the System User reports a change in conditions that requires an adjustment. This is necessary to ensure that the System User continues to operate in compliance with HORTICERT. The System User's revised terms and conditions must be audited, reviewed and approved by the CB before the Audit Scope is adjusted. The adjusted Certificate must be provided to HORTICERT together with the Audit Checklists and any other relevant documents confirming the compliance of the System User with the respective requirements.

*Audit Scope*

CBs must issue Certificates via the digital Audit tool using the template provided by HORTICERT. HORTICERT may make changes to what information is required on Certificates and annexes. CBs will always be informed about System Updates to the Certificate template. The following information are included on each Certificate:

*Certificate Issuance in  
digital Audit tool*

- A unique Certificate Number.
- The HORTICERT Seal and the Logo of the issuing CB.
- (Legal) name and address of the Certificate Holder (operational site).
- Name and address of the CB issuing the Certificate.
- Start date and end date of the Certification Period.
- Date of first Certification.
- Scope of Certification, i.e., role of certified operation.
- Place and date of issuance of the Certificate.

*Information provided  
on Certificates*

- Signature of the issuing Party.
- Annexes to the Certificate.
- Version number and date of version (only relevant in case of any adjustments to the Certificate or annexes during the Certification Period).

The Certificate must include an annex with information on the certified output Material and its respective product group and GHG value, and/or an annex with information of the Group Members covered by the Certificate.

*Certificate  
Annex*

The annex must include information on the certified output Materials handled under all certified Scopes. The annex with certified Materials shall reflect the state of operation as verified during the Audit. This means that the annex may only include those output Materials for which the auditor was able to verify eligible appropriate inputs and outputs and, if applicable, internal processes. The System User is only allowed to handle certified Materials as stated in the annex.

In addition, further information must be provided in case of Group Certification of a System User, i.e., Certification as Group Manager. For these Scopes, names and addresses of the Group Members that are covered by the respective Certificate must be included in the annex but can be made confidential.

*Information  
Group Certificates*

Both types of annexes must be kept up to date by the CB. If any amendments are made, the updated annexes must be sent to HORTICERT so that they can be published on the [Certificate and License Database](#).

A Certificate Holder can stop participating in the Certification System at any time by giving notice to their CB. If a company voluntarily cancels a Certificate during the Certification Period, or if a CB cancels a Certificate due to breaches in the Certification Agreement between the CB and System User, this will be marked on the [Certificate and License Database](#) as an expired Certificate. In the event of critical NCs of the HORTICERT requirements, the CB can withdraw a Certificate at any time during the Certification Period. HORTICERT has to be notified immediately (on the same day) by the CB if a Certificate is suspended or withdrawn or if a System User voluntarily ends their participation in the Certification System so that HORTICERT can update the list of Certificates on the [Certificate and License Database](#) accordingly and take further measures to inform relevant stakeholders.

*Expired  
Certificates*

In the event of the termination of the System Usage Agreement between the System User and HORTICERT, the CB is obliged to

*Termination of the  
System Usage  
Agreement*

declare invalid all Certificates of the System User which is valid beyond the termination date of the System Usage Agreement, effective as of this termination date, and to inform HORTICERT thereof, and submit, upon written request of HORTICERT, to HORTICERT appropriate evidence thereof.

In the event of the termination of the CB Agreement between the System User's CB and HORTICERT, valid Certificates will remain valid until their regular end of validity if the System User concludes a valid Certification Agreement with a new CB within 3 (three) months after the termination date of the CB Agreement and the System User or the System User's new CB submit written evidence to HORTICERT about such conclusion of a new Certification Agreement. Otherwise, the (original) CB is obliged to declare invalid all Certificates of the System User that valid for more than 3 (three) months after the date of termination of the CB Agreement, upon expiry of this 3-month (three-month) period, and to inform HORTICERT thereof, and submit, upon written request of HORTICERT, to HORTICERT appropriate evidence thereof. HORTICERT reserves the right, to invalidate any Certificate of the System User before the regular end of validity or this 3-month (three-months) period, if the circumstances require such invalidation, in particular if the termination of the CB Agreement is due to major or critical Non-Conformities that also affect or bear on the conformity or integrity of the Certificates of the System User. Other provisions in the System Standards that allow for the suspension, withdrawal or invalidation of Certificates remain unaffected.

In case of the termination of the CB Agreement, the CB is obliged to inform in writing their System User immediately of this termination, the nature of the termination (ordinary or for good cause, initiated by HORTICERT or the CB) and the effective date of the termination so that System User may as early as possible take appropriate measures, for example contract with a new CB.

In the event of the termination of the Certification Agreement between the System User and their CB, all Certificates still valid have to be invalidated by the CB with effect to the termination date of the Certification Agreement if the System User has terminated the Certification Agreement. The same applies in case of ordinary termination of the Certification Agreement by the CB, unless the System User concludes a valid Certification Agreement with a new CB that is effective as of the termination date of the original Certification Agreement, and the System User or the new CB submit written evidence to HORTICERT about such conclusion of a new Certification Agreement. The same applies in case of a termination for good cause of the CB; however, HORTICERT reserves the right, to invalidate any Certificate of the System User with effect to the termination date, if the circumstances require such invalidation, in particular if the

*Termination of the  
CB Agreement*

*Termination of the  
Certification  
Agreement*

termination of the Certification Agreement is due to major or critical Non-Conformities that also affect or bear on the conformity or integrity of the Certificates of the System User. Other provisions in the System Standards that allow for the suspension, withdrawal or invalidation of Certificates remain unaffected.

Both, the System User and the CB, are obliged to inform HORTICERT in writing immediately about the termination of the Certification Agreement and the nature of the termination (ordinary or for good cause, initiated by the System User or the CB) and the effective date of the termination.

## 5 Digital Supply Chain Traceability with HORTI-TRACE

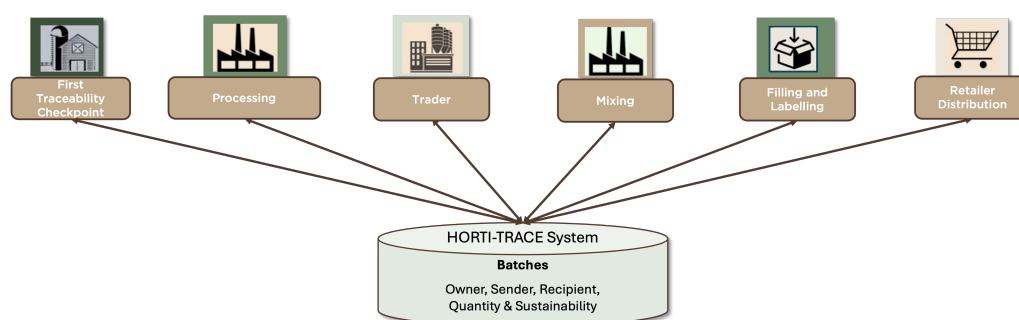
To encourage the purchase of sustainable goods over non-sustainable ones, it is crucial for buyers to have clear and quick ways to identify certified sustainable products. To combat potential fraud in international supply chains, customers seek assurance that sustainability is given at every stage of the supply chain, no unauthorized or undeclared quantities have been added, and in the case of blending and mass balancing, there's no double-selling of sustainable goods or mislabeling of non-sustainable ones.

*Identifying Sustainable Products*

Achieving this involves the assessment of Sustainability Requirements at each stage in the supply chain and ensuring correct quantity data. The process must also report and accumulate GHG emissions throughout the supply chain. These requirements can be met if every station in the supply chain is audited and certified and the flow of goods is traced without interruption.

The use of HORTI-TRACE aims to ensure thorough supply chain tracing with high data security standards. The high security requirements concern on the one hand the confidentiality of the economic data of System Users, and on the other hand the security against falsification of the data. At the same time, HORTI-TRACE reduces the administration efforts for System Users compared to conventional forwarding of sustainability information via paper or PDF documents. Furthermore, it makes it easier for auditors to verify correctness of traceability and mass balance data and compliance with the respective HORTICERT requirements during Audits.

*Benefits of HORTI-TRACE*



**Figure 3:** Use of the HORTI-TRACE System

The HORTI-TRACE system consists of a central database that contains all data in a strictly confidential, partially encrypted and secured manner. Each company sees only its own company Data, which it accesses with the help of a browser. The locally decrypted data is available for processing, dispatch and further operations.

*HORTI-TRACE Database*

## 5.1 HORTI-TRACE Functionalities

HORTI-TRACE maps the supply chain from raw material to the end product in a digital way. System Users create a 'digital twin' of physically certified products and reconstruct the respective production processes. These digital batches (lots), also referred to as "Sustainability Credits", can be passed on to customers and serve as proof of receiving certified physical goods. In this way, quantity and sustainability information is forwarded along the supply chain. The use of HORTI-TRACE is mandatory for all System Users and is reserved exclusively for companies with valid Certification. This ensures that upstream operations sending digital batches are also certified.

The data refers to one batch (lot) at a time. A batch can be of any size, but it must correspond to a verifiable amount, e.g., one delivery or one specific production time frame (e.g., one month). It must be ensured that a reference can be made to operational processes and other documents (e.g., shipping documents, ERP system, mass balance documentation from other certification systems).

The following sustainability data is transmitted in the supply chain for each batch:

- Confirmation of the currently valid Certification of the operating unit according to HORTICERT.
- Confirmation of Certification of upstream operations (according to HORTICERT or other recognized certification systems); this information concerns each subset that makes up a batch and is shown as percentage share of certified Material in the batch. Non-certified partial quantities may also be reported in a batch.
  - Type of Material, quantity and density
- All partial quantities of different Materials that make up a batch are shown as a percentage.
- Country of origin of agricultural and forestry raw materials.
- Amount of cumulative GHG emissions emitted, broken down into:
  - GHG values of the partial quantities received from the supplier as cumulative input quantities.
  - GHG values from a current processing step (sawing, mixing, etc.).
  - GHG values from transportation (at shipping or pickup).
  - GHG values resulting from the subsequent use of growing media (end-of-life).

Each batch exists only once in the system. It is visible and manageable only by its current or former owner. When it is sent, it is also visible to the recipient, who can accept or reject it. Once a batch is transferred to a new owner, the former owner no longer has the option to dispose of it. They can only see the batch in their historical data. They can also make this view available to an auditor.

HORTI-TRACE provides the following processing steps: initial creation of new batches, splitting and merging of batches, processing of raw materials into intermediate products or growing media components (e.g., sawing, composting, or de-fibered), mixing, packing, shipping and receiving, as well as recording losses. Master data must be entered into the system prior to its first use. Once this data has been provided, the system automatically calculates conversions from input to output products, mass balance and GHG emissions in the backend. A detailed description of processing steps and the required master data is available in the HORTI-TRACE Guidance.

*Processing Steps and  
Master Data*

The GHG values in HORTI-TRACE result either from default values (provided by HORTICERT) or from individual and verified GHG calculations using the HORTICERT GHG calculation methodology (as explained in HORTICERT System Document 02 “Greenhouse Gas Emissions”). The results of the GHG calculations are checked by the auditor and must be entered into the master data of a Processing Unit. Individual calculations replace the default values. The **conversions of GHG** emissions occurring from new processing steps (based on the GHG characteristics in the master data) and the accumulation of the GHG values are done automatically for each batch in the background.

*GHG Calculation*

Additionally, HORTI-TRACE verifies that **mass balancing** rules are followed, as the mass balance is automatically generated in the system. This is because only available goods can be shipped whose sustainability characteristics are known and cannot be changed. Batches can be easily merged and divided as needed for production and distribution. Thereby, mass balancing is always maintained in HORTI-TRACE. Thus, no additional system is required for mass balancing.

*Mass Balancing*

In HORTI-TRACE, the product flows are traced forward, documented and updated with all important sustainability data. Neither the names of the economic partners in the preliminary stages nor their Confidential Information (on stocks and qualities) are made visible to other HORTI-TRACE users. When a batch is received, users only see the name of the direct supplier and the respective sustainability data. The same applies to shipping. Yet, all companies and end-users have the certainty that only companies in the supply chain with a currently valid Certificate can ship goods via HORTI-TRACE.

*Confidentiality*

## 5.2 Use of HORTI-TRACE

HORTI-TRACE will be used by System Users, CBs as well as on HORTICERT system level.

### 1) System Users

HORTI-TRACE is used by System Users to transfer sustainability data along the supply chain for the production of peat substitutes and growing media. This enables companies to create proofs of sustainability and to carry out mass balancing in a simple way.

*HORTI-TRACE  
for System Users*

Before first use and prior to the initial Audit, System Users must enter master data in HORTI-TRACE for Trade Names and Processing Units.

*Master Data*

- **Trade Names** refer to company-specific product names with defined individual properties including unit, average density, and GHG emissions. Users can enter individual values or use HORTICERT default values. The Trade Names must be linked to the predefined product groups available in HORTI-TRACE. If no Trade Names are created, the predefined product groups can be used instead.
- **Processing plants** represent production processes such as processing, mixing, or packaging. System Users must provide output products, conversion factors, economic allocation factors, and process-specific GHG emissions. This data enables the system to calculate output quantities and emissions automatically. In the case of the conversion type processing, it is possible to use the provided HORTICERT default values if no individual GHG calculation is available. Conversion factors, however, must always be specified individually.

When setting up the master data for Trade Names and Processing Units, System Users must ensure that this data is correct. In case of changes in the master data during the Certification Period, the System User must inform the CB immediately. This includes also the addition of new Trade Names.

The regular use of HORTI-TRACE begins after the first Audit, once a valid Certificate is available. It is used to recreate the physical processing steps of certified Material, e.g., creating of raw materials, merging or splitting lots, production (processing, mixing, packaging), shipment and receipt of goods, packaging and claiming losses. When **creating** new certified raw materials, proof of incoming material is required to confirm physical delivery. Batches can be **split or merged** within the system. At **processing**, the conversion from input to output material is depicted. The automatically calculated output quantity and GHG emissions are based on the conversion factors as entered in the

*Processing Steps*

master data. The system allows deviations of up to  $\pm 10\%$  of output to account for production fluctuations while preventing incorrect or manipulated entries. For **sending** batches to customers, transport information such as transport type and distance must be provided. The system automatically calculates transport-related emissions based on this data. Additionally, a transport password must be entered to encrypt the data. To send and receive batches between companies, System Users must establish a mutual **agreement** within the system so that they appear as shipping partners to each other. HORTI-TRACE offers the option to generate **reports** documenting all transactions within a defined period. These reports must be shared with the Auditor by the System User during Recertification Audits. A detailed overview of all HORTI-TRACE processes and settings can be found in the HORTI-TRACE Guidance.

Paper Traders and Traders with storing facilities/logistic centers do not have to be certified but must use HORTI-TRACE.

## 2) Certification Bodies

Starting from the initial Audit, Auditors must review the **master data** stored in HORTI-TRACE for Trade Names and Processing Units, such as individual GHG calculations for raw materials, density specifications, conversion factors, economic allocation factors, and process-specific emissions. The accuracy of this master data has a significant impact on the calculation of output quantities, transport weights, and GHG emissions.

*Verification of  
Master Data*

After the initial Audit, it is recommended that the Auditor conducts a **check-up** following the first transaction in HORTI-TRACE to ensure that the System User is using HORTI-TRACE correctly.

*Check-Up*

Starting from the first Recertification Audit, the **HORTI-TRACE report** must additionally be used to verify whether HORTI-TRACE was properly applied during the Certification Period. The auditor checks, among other things, whether certified raw material was correctly created via "Create" in accordance with delivery notes or other relevant documents, whether quantity data for incoming and outgoing material matches the company's reporting, and whether shipping processes - including transport type and distance - were fully and accurately documented. Furthermore, it is verified that the system was updated at least every three months.

*Verification of  
Correct Use*

During the certification process, the auditor is allowed to access the operational data in the HORTI-TRACE system. The System User must provide the HORTI-TRACE report prior to the Recertification Audit.

### 3) HORTICERT System Level

The HORTICERT Certification System as operator of the HORTI-TRACE system has superior competences to control and monitor the processes and takes over administrative tasks. It creates product groups, transport types and standard values for GHG emissions as defaults in the HORTI-TRACE system.

The pre-defined product groups represent the eligible Materials for Certification and are the only materials that can be created in HORTI-TRACE by System Users.

Furthermore, HORTICERT is responsible for the creation of new company accounts in HORTI-TRACE and to enter new Certificates into the system. In case of withdrawal or suspension of a Certificate, the CB must inform HORTICERT immediately so HORTICERT can update the Certificate, with the consequence that the HORTI-TRACE-supported processes of the company concerned are rendered impossible and no customer receives falsely declared products.

HORTICERT also supports companies in setting up their master data. Any further insight into company data can only be granted by the respective company. In the case of Integrity Assessments, the System User must provide access to their company's HORTI-TRACE data upon request.

## 5.3 HORTI-TRACE Chain of Custody Rules

### 1) Generating digital batches only after physical production/receipt

To support transparent supply chain tracing, digital batches in HORTI-TRACE may only be created, processed, sent, or received once the corresponding physically certified Material has arrived at the site. The earliest point to create digital batches is the date the System User receives the HORTICERT Certificate. All digital steps shall follow the actual physical production process. This approach strengthens the credibility of sustainability Claims, making them more robust for clients, NGOs, consumer initiatives, and the public. It is recommended that System Users conduct the HORTI-TRACE entries for the digital batches as timely as possible upon creation, processing, sending or receipt of the physical Material. HORTI-TRACE data must be updated at least every three months.

### 2) Sustainability Credits

If a company receives a digital batch of certified Material in HORTI-TRACE together with the physical Material, the digital batch in HORTI-TRACE functions as a Sustainability Credit. These Sustainability Credits remain in the system until the System User forwards them digitally to another System User, together with a corresponding amount of physical Material.

In case the System User receives certified Material both digitally and physically, but clients request only non-certified material at a certain time, the System User can forward the physical material to its clients without forwarding the digital Sustainability Credits linked to this batch. The Sustainability Credits then remain in HORTI-TRACE and can be used for other physical batches of the same Material and of the same amount. It is not possible to transfer Sustainability Credits between different types of Materials.

*Sustainability  
Credit Usage*

In HORTI-TRACE, it is possible to carry over Sustainability Credits from one mass balance period to the next if there is continuous **(uninterrupted) Certification** and, at the time of Recertification (i.e., the transition from an expired to a new Certification and mass balance period), a **corresponding quantity of the same type of Material is physically available** at the production site. If less physical material of that same type is available at the time of the credit transfer, only a corresponding, smaller number of credits may be transferred in HORTI-TRACE to the next mass balance period. This ensures that no more material is sold as sustainable than has been certified. All Sustainability Credits that shall be transferred to the next Certification Period must be included into HORTI-TRACE prior to the Recertification Audit.

*Sustainability  
Credit Transfer*

A mass balance account may never show a negative credit balance. Such a deficit would arise if the quantity of certified Material dispatched during a mass balance period exceeds the amount received, including the certified inventory already existing at the beginning of that period. If a negative balance occurs at the end of a mass balance period, the certified company is obliged to notify the CB immediately, without awaiting any request. By the end of each mass balance period, the quantity records must either be balanced or show remaining credits that can be transferred to the next period. This is verified by the auditor during Recertification.

Mass balances must be maintained strictly site-specific and credits earned at one site are restricted to that site and cannot be transferred to the mass balance of another site.

### **3) Use of HORTI-TRACE only with valid Certificate**

Physical Material can only be claimed as certified if the System User has a valid HORTICERT Certificate and if the respective Material is digitally available in HORTI-TRACE. The use of HORTI-TRACE is only possible as long as the System User possesses a valid Certificate. In the case Recertification is not taking place or not granted or if the Certificate is suspended for a period of time or if the System User resigns within the Certification Period, creating, processing or sending certified Material in HORTI-TRACE is no longer possible.

## 6 Risk Management

Risk management is a key factor in ensuring the integrity, reliability and credibility of HORTICERT. The risk management principles set out the general process for how risks are to be identified, assessed and appropriately addressed within the Certification System and during Audits. Risk management must be based on the concrete circumstances in the various supply chains.

A risk is the probability of occurrence of an event that can or will affect the mission, objective or integrity of HORTICERT. Risk assessment is the process of identifying and evaluating a risk according to its probability of occurrence and the significance of its consequences, as visualized in the following table:

*Definition  
Risk Assessment*

**Table 2:** Matrix for the Assessment of Risks

Consequences	Probability of Occurrence		
	Likely	Occasional	Unlikely
Critical	High	High	High
Moderate	High	High	Regular
Negligible	Regular	Regular	Regular

A risk indicator describes an event or situation that could potentially pose a risk to the Certification System. Once a risk is identified, it must be evaluated according to its relevance in the specific situation. The result of the evaluation leads to the classification of the risk.

*Risk Indicators*

Risk management means the entire process of risk assessment (identification and evaluation of the risk) followed by the identification and implementation of risk control measures to reduce the probability and/or the negative consequences associated with a risk. Therefore, the risk management process within the scope of HORTICERT is carried out in two main steps: (1) Risk assessment including risk identification and evaluation, and (2) the identification and implementation of appropriate risk control.

*Definition  
Risk Management*

Risk management is relevant on three different levels in the HORTICERT Certification System: For HORTICERT as an organization, for System Users, and for CBs cooperating with HORTICERT. On each level, the principles of risk management must be considered and applied appropriately.

## 6.1 Risk Management at HORTICERT Level

On a system level, HORTICERT continuously monitors potential risks to the integrity of HORTICERT through:

- The multi-stakeholder dialogue of HORTICERT and the HORTICERT stakeholders, e.g., during Stakeholder Committees and Working Groups.
- External, risk-based Audits by third-party CBs and specific requirements for CBs.
- Regular meetings with recognized CBs to exchange feedback and practical experiences.
- Training for System Users and CBs.
- Continuous feedback from System Users, including complaints or reports of non-compliance or alleged fraudulent behavior.
- Integrity Assessments at CBs and System Users on a random and ad hoc basis.
- A continuous internal review of Audit documentation submitted to HORTICERT.

*Internal  
Risk Management  
(HORTICERT)*

If risks to HORTICERT are identified in specific regions or regarding specific topics, HORTICERT will engage with relevant stakeholders and may implement a Stakeholder Committee or Working Group for the development of appropriate risk control measures. For the development of appropriate risk control measures, a fact-based analysis of the risk must be considered.

*Risk Control  
Measures*

Furthermore, HORTICERT promotes new developments, tools and other measures to improve the risk management process. This includes the application of risk assessment tools e.g., for remote sensing analysis, to assess land use change and other land-related sustainability criteria, or databases improving the traceability of certified Material and the respective sustainability Claims and thus reducing the risk of fraud.

## 6.2 Risk Management at System User Level

HORTICERT System Users are required to carry out an internal risk assessment regarding potential risks within their operations prior to the Audit on-site. The risk assessment shall identify and evaluate risks that could lead to non-compliance with the applicable Sustainability Requirements and traceability, CoC and GHG emission calculation requirements of HORTICERT.

*Internal  
Risk Assessment  
(System User)*

Based on the identified and evaluated risks during the risk assessment, the System User must design its internal (quality) management system in a way that the identified risks are adequately addressed and minimized. By doing so, the probability of NCs with the requirements of HORTICERT is minimized. The Document “Guidance for Management System and Internal Risk Management” provides a guideline for the implementation of the internal risk management in System User’s management system.

The results of the System User’s internal risk (self-)assessment must be provided to the responsible CB before the Audit.

The CB also conducts a risk assessment in preparation for the Audit, considering the results of the internal risk assessment of the System User (see [Chapter 6.3](#)). Since under HORTICERT, the auditor must follow a risk-based approach during the Audit, the audit intensity is dependent on the outcomes of the auditor’s risk assessment (see [Chapter 6.4](#)). To allow the System User an appropriate Audit preparation, the auditor must share the defined risk level(s) of the different sustainability principles with the System User before the Audit.

### 6.3 Risk Management at Certification Body Level

For CBs cooperating with HORTICERT, risk management focuses on the CB’s internal processes, as well as on the audit services the auditor sent by the CB provides to the System Users.

Appropriate risk management procedures shall be implemented by CBs internally to cover potential risks to the integrity of HORTICERT. Additionally, CBs must have internal procedures for conducting reliable risk assessments for System Users.

In preparation for the Audit, the auditor must conduct a risk assessment for the respective System User including the definition of a risk level (regular or high) for each sustainability principle, as well as for the traceability and CoC requirements. As explained in the following [Chapter 6.4](#), the risk level influences the audit intensity. The risk assessment can be carried out remotely by desk research. The auditor must provide reasons for their definition of the risk level.

In preparation for the Audit, the auditor must define an individual risk level for **sustainability principles** 1, 2, 4, 5, and 6 based on different tools and databases as further described in Table 3. The tools and databases in Table 3 are recommended and optional to be used for providing valid reasoning for the definition of the risk levels. However, they only serve as an indication and need to be combined with further information. For example, a high risk for land use change in the GRAS

Tool+ does not necessarily mean that deforestation or degradation of natural landscape took place but could also mean that a coconut plantation was cut and replanted. Hence, results from the GRAS Tool+ must be used and interpreted with caution. While for the initial Audit HORTICERT highly recommends auditors to mainly base their risk assessment on the recommended tools and databases, from the second Audit auditors are freer to base their risk assessment e.g., on the results of the previous Audit.

Providing reasoning for the definition of a regular risk level across all sustainability principles by referring to existing law and regulations is only acceptable if the [Worldwide Governance Indicators](#)<sup>10</sup> – [Governance Effectiveness](#) (or similar indices from independent and internationally accepted organizations) indicate “good” regulatory enforcement<sup>11</sup> for the most recent year. If this is not the case, further risk assessment tools and databases have to be used as listed in Table 3 to determine the risk level for each HORTICERT sustainability principle individually.

Auditors are free to consult information from further recognized databases as well as from research on social and environmental issues, e.g., (local) news articles. The auditor can overrule the risk level from the GRAS Tool+<sup>12</sup> if short-term circumstances (e.g., critical local news) provide a valid reason or due to the System User’s specific circumstances. Overruling is only allowed for increasing the risk level from regular to high if valid reasons are provided, but not for decreasing it from high to regular.

**Table 3:** Recommended Risk Assessment Tools and Databases

Sustainability Principle	Risk Level applied?	Recommended Risk Assessment Tools and Databases	Evaluation of Risk Level
1	Yes	GRAS Tool+ maps: 'Biodiversity' ('Protected areas'), 'Carbon Stock', ('Total Biomass Carbon') 'Land Use Change', 'Fires' (last 5 years)	High: Protected areas are nearby* High: Areas with $\geq 41$ t/ha* High: Areas with Land Use Change nearby* High: Fires in the last five years* *otherwise, regular risk  As soon as one of the maps shows a high risk, a 'high' risk for the whole principle must be applied

<sup>10</sup> World Governance Indicators, Governance Effectiveness, *Interactive Data Access, Country Data View*. <https://www.worldbank.org/en/publication/worldwide-governance-indicators/interactive-data-access> (accessed July 4, 2024).

<sup>11</sup> “Good” regulatory enforcement or regular risk means if the selected country has a percentile rank  $>74.99$  (To see the score, see “Country Data View”, select the most recent year available).

<sup>12</sup> The GRAS Tool+ is a platform that provides sustainability information and risk analysis in dynamic maps. Most services are free of charge. GRAS Tool+, Home. <https://atplus.gras-system.org> (accessed July 30, 2024).

2	Yes	<u>Environmental Performance Index</u> <sup>13</sup>  <u>WWF Water Risk Filter Map</u> <sup>14</sup>	Regular: ≥60 High: <60  Regular: First six colours (light green-orange), High: Last four colours (orange-dark red)  As soon as one of the tools shows a high risk, a 'high' risk for the whole principle must be applied
3	No	-	-
4 and 5	Yes	<u>GRAS 'Social Factor' (GRAS Tool+)</u>  <u>Labour Rights Index</u> <sup>15</sup>	Regular: ≤0.3 High: >0.3  Regular: ≥70.5 High: <70.5  As soon as one of the tools shows a high risk, a 'high' risk for the whole principle must be applied
5	Yes	<u>GRAS 'Social Factor'</u> <sup>16</sup> (GRAS Tool+)  <u>Global Land Governance Index</u> <sup>17</sup> (Overall Score, if data is available)	Regular: ≤0.3 High: >0.3  Regular: ≥60 High: <60  As soon as one of the tools shows a high risk, a 'high' risk for the whole principle must be applied
6	Yes	<u>Governance Effectiveness - World Governance Indicators</u> <sup>18</sup>	Regular: Percentile <sup>19</sup> rank >74.99 (most recent year available) High: Percentile rank <sup>19</sup> <75 (most recent year available)
7	No	-	-

Regarding conformity with **traceability and CoC requirements**, the auditor must define one risk level (regular or high). The definition of the risk level shall be based on the results of the internal risk assessment shared by the System User. Further, the auditor must pay attention to risks that could lead to a material misstatement. Risk indicators are, i.e., the number, structuring, organization and documentation of work processes and their complexity, accuracy, timeliness and completeness of records, in-house quality management, involvement and monitoring of subcontractors, transparency and

*Defining Risk Levels  
for Traceability  
and CoC*

<sup>13</sup> EPI - Environmental Performance Index, Home. <https://epi.yale.edu> (accessed July 30, 2024).

<sup>14</sup> WWF Water Risk Filter Map, Water Risk Filter. <https://riskfilter.org/water/explore/map> (accessed July 4, 2024).

<sup>15</sup> Labour Rights Index, Home. <https://labourrightsindex.org> (accessed July 4, 2024).

<sup>16</sup> GRAS Tool+, Home. <https://gtplus.gras-system.org> (accessed July 30, 2024).

<sup>17</sup> Global Land Governance Index, *Index*. <https://www.landexglobal.org/en/index/> (accessed July, 30, 2024).

<sup>18</sup> World Governance Indicators, Governance Effectiveness, *Interactive Data Access, Country Data View*. <https://www.worldbank.org/en/publication/worldwide-governance-indicators/interactive-data-access> (accessed July 4, 2024).

<sup>19</sup> To see the score, see "Country Data View".

public reporting, previous and current certifications and frequency of switching between different certification systems and CBs. The risk level from traceability and CoC requirements can be changed during the Audit if the auditor provides a valid reason.

In case of Recertification, the auditor must receive the relevant audit documents and procedures from the previous HORTICERT Audit prior to the next Audit from the previous CB. This is crucial as this information must be considered for the risk assessment of the Recertification process.

*Risk Assessment for  
Recertifications*

Since under HORTICERT, the CB must follow a risk-based approach when auditing, the results of the CB's risk assessment have a great impact on the intensity, focus, and timing of the Audit as described in more detail in the following [Chapter 6.4](#). To allow the System User an appropriate Audit preparation, HORTICERT suggests providing the different risk levels defined by the auditor to the System User at least 14 calendar days before the Audit date.

*Risk Level  
Defines Audit Intensity*

## 6.4 Risk-based Audits

HORTICERT Audits are conducted using a risk-based approach. This means that a particular focus is placed on aspects where a high risk has been identified during the risk assessments by the auditor. The risk-based approach is applied in three key elements: The audit intensity and focus of Sustainability Requirements, the audit intensity of traceability and CoC requirements, and the sample size in Group Certification.

### Audit intensity of Sustainability Requirements

In the first instance, the audit intensity and focus of Sustainability Requirements are dependent on the risk levels defined by the auditor.

The following table shows how the different risk levels can be defined and what impact they have on the implementation of the Certification Audits.

*Exemplary Risk-based  
Audit Intensity*

**Table 4:** Risk-based Audit of Sustainability Requirements

Risk level	Assessment of Sustainability Requirements
Regular	Review of many Sustainability Requirements is not required, e.g. due to the legal framework.
High	Complete assessment of the Sustainability Requirements relevant for the peat substitute in question.

### Audit intensity of traceability and CoC requirements

The audit intensity of traceability and CoC requirements is derived from the results of the auditor's risk assessment.

**Table 5:** Risk-based Audits of Traceability and CoC Requirements

<b>Risk level</b>	<b>Assessment of traceability and CoC requirements</b>
Regular	Documents taken from random samples of three successive months must be checked.
High	Documents taken from random sample from three successive month plus documents from 6 complete weeks must be checked completely.

If **sample size in Group Certification** is applied during the Audit, the risk factor determined by the CB drives the sample size of Group Members to be audited.

*Risk-based  
Sample Sizing*

The overall risk factor of a System User must be calculated based on the defined risk levels for the different sustainability principles 1, 2, 4, 5, and 6. A regular risk level indicates a risk factor of 1.0 while a high risk level indicates a risk factor of 2.0. The overall risk factor is calculated by dividing the sum of the different risk factors by 5.

Further details can be found in HORTICERT System Document 03 "Group Certification".

## 7 Governance

### 7.1 Multi-Stakeholder Dialogue

HORTICERT was developed in an open multi-stakeholder process. The consortium of stakeholders includes representatives from various sectors, including the growing media industry, retail, politics, scientific institutions and NGOs. To support the continuous development of the Certification System, HORTICERT will continue to collaborate closely with existing and new stakeholders. This enables efficient implementation of Certification activities, while decisions and further development of the Certification System continue to be steered by the stakeholders.

*Multi-Stakeholder  
Dialogue*

### 7.2 Fee Structure

HORTICERT, striving towards becoming a financially independent Certification System, has developed a funding concept that includes the following types of fees.

*HORTICERT  
Fee Structure*

#### 1) Fees for System Users

- The **Certification Fee** is a one-time fee per Certificate issued (per production site) and irrespective of the number of Scopes covered by the Certificate and invoiced by the CB. It is based on the total annual turnover in Euro (€) of the registered legal entity. The total turnover includes turnover of certified and non-certified material.
- The **Quantity-Dependent Fee** is to be paid for the amount of sold certified Material declared by the System User as sustainable according to the Certificate. It is due per certified Scope, with the respective fee applicable to the quantities sold under that Scope and invoiced by HORTICERT. A minimum Quantity-Dependent Fee of 250€ must be paid if the quantity sold would result in a Quantity-Dependent Fee of less than 250€.

If a System User or its company group has more than one geographical site, the HORTICERT Certification Fee applies for each certified site depending on the turnover of the legal entity. In the case of Group Certification, HORTICERT fees apply to the Group Manager, not its members (SHs and SPUs). Since the fees for System Users vary from company to company depending on turnover, product and certified quantity, the individual fees can be determined using the HORTICERT Fee Structure, which can be found on the [HORTICERT website](#).

## 2) Fees for CBs

- **Annual License Fee** for the license to issue Certificates under the Certification System for a 12-month license period (per CB).
- **Certificate Issuance Fee** per Certificate issued under the Certification System.
- **Training Fee** for HORTICERT auditor training per participant.
- **Minimum License Fee until the first Audit.** It applies to new CBs that have never conducted an Audit or Certification under HORTICERT before the conclusion of the CB Agreement, instead of the Annual License Fee until the date of the first Audit.

## 3) Fees for brand owners and retailers

- **License Agreement Fee** for companies wanting to use the HORTICERT Logos, Seals and/or make related Claims but are not certified themselves must pay licensing fees for Logos, Seals and Claims. This can be the case for brand owners or retailers producing or selling end products containing HORTICERT certified Materials (e.g., plants grown in certified growing media). It is based on the annually sold quantity of certified growing media of the entire licensed brand/company in the contractual territory.

All fees are available on the [HORTICERT website](#) or in respective contractual Agreements between HORTICERT and the third party.

## 7.3 HORTICERT Quality Management

Certification systems shall measure and demonstrate their impact and progress towards the intended outcomes. Learning processes are regularly integrated into the Certification System and innovations are encouraged to increase benefits for people and the environment. HORTICERT is committed to continuously improving its system, and its quality management aims to contribute to this and strengthen its integrity. The objective is to maintain consistency across all HORTICERT-related processes, paying particular attention to the practical implementation and the reliable, credible verification of compliance with the Certification System. The principles of quality management apply to both management and operations of HORTICERT.

The quality management system is based on the ISO 9001 standard. Under ISO 9001, ISO defines a generally standardised process for quality management that can also be transferred to the quality assurance of certification systems. Constant measurement, analysis, planning and implementation are core components of the HORTICERT quality management process. The main measurement parameters are customer requirements and customer satisfaction. In the context of HORTICERT, this can be equated with the requirements and satisfaction of the stakeholders. HORTICERT has a diverse group of stakeholders, e.g., System Users and other representatives from the growing media industry, NGOs, CBs, research institutions, etc. Therefore, a balance between interest of the different stakeholder groups can be assumed. Figure 4 illustrates the general ISO 9001 process.<sup>20</sup>

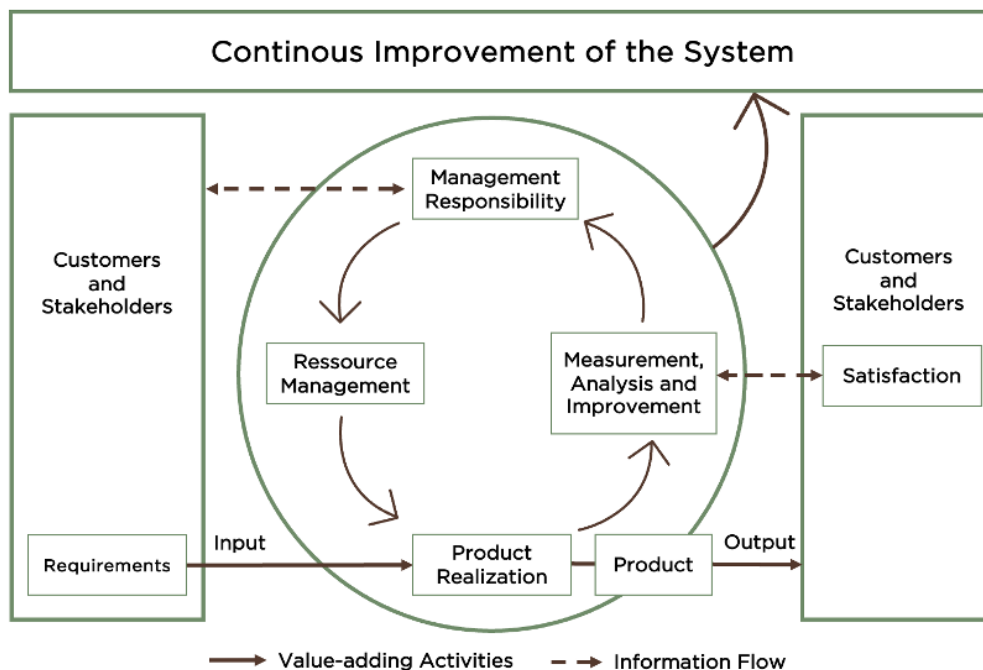


Figure 4: ISO 9001 Process<sup>21</sup>

Continuous improvement processes take place for HORTICERT. The basic features of the ISO 9001 process will be considered. Core points of the quality management are:

- **System development:** Continuous review, revision, further development, and optimization of the HORTICERT Certification System to ensure the long-term quality of Certification requirements.

<sup>20</sup> Deutsches Institut für Normung (DIN) e. V., *DIN EN ISO 9001 Quality management systems - Requirements, 5th edition*, (Berlin: DIN e.V., 2015).

<sup>21</sup> Ibid.

- **Feedback:** Regular exchange with System Users and CBs as well as the active collection of feedback to improve the quality of the Audit and Certification process.
- **Multi-stakeholder dialogue:** The development of the Certification System is based on an open multi-stakeholder process. The ongoing involvement of relevant stakeholder groups enables the joint development of stakeholder requirements, local solutions and preventive risk measures. These will take place in regular stakeholder committees and meetings with cooperating CBs, for example.
- **Integrity Program:** The HORTICERT Integrity Program aims to secure an objective and uniform Audit and Certification process by verifying the compliance of System Users and CBs with HORTICERT requirements (see [Chapter 7.4](#)).
- **Risk management:** Comprehensive risk management on the part of HORTICERT, as well as risk management requirements for System Users and CBs to ensure compliance with HORTICERT requirements (see [Chapter 6](#)).
- **Benchmarking:** Comparison with other sustainability certification systems to integrate best practices and identify potential for improvement. The results of these processes and the available feedback can then be used to continuously improve the Certification System.
- **Industry communication:** Active participation in conferences and events in the fields of horticulture and peat substitutes to inform about the Certification System, generate new ideas and receive feedback.
- **Training and capacity building:** Regular training courses for (potential) System Users, CBs, and other stakeholders, including auditor trainings, HORTI-TRACE trainings, introductory webinars, specific webinars for actors in the coconut supply chain, and bilateral support for Audit preparation.
- **Standardized internal processes:** Uniform, structured, and efficient internal processes for the Certification process to ensure reliability and quality.
- **Accessibility:** A system accessible to all interested parties, with ambitious yet realistic requirements. The Continuous Improvement Approach allows for gradual fulfillment of requirements within a defined timeframe.
- **Quality requirements for System Users:** High standards on the quality management of System Users and its continuous improvement contribute to the overall quality of the system.

- **Stakeholder service:** A reliable customer and stakeholder service ensures that inquiries are handled promptly and competently.
- **Requirements for CBs:** Clear guidelines to ensure competent, independent, and credible Audits conducted by CBs.

## 7.4 Integrity Program

The HORTICERT Integrity Program is a central instrument for quality assurance and risk management at the system level, it reinforces the consistency, objectivity, and reliability of the Audit and Certification processes. Additionally, it serves to systematically verify compliance with HORTICERT requirements by System Users and CBs, while supporting continuous improvements of the system. Insights gained through the Integrity Program should be discussed with CBs and reflected in System Updates. This contributes to the continuous improvement of the Certification System.

As an essential element of the Integrity Program are the so-called **Integrity Assessments**, the aim of which is to verify both the compliance of System Users with HORTICERT requirements and the quality of the Audits and Certification services performed by CBs and auditors. Integrity Assessments can be carried out both randomly and on a case-by-case basis and are aimed at System Users, CBs and individual auditors. The assessments are carried out either on site or remotely and may also be unannounced, particularly in cases of suspected major or critical NCs or Violations, or in cases of suspected fraudulent behaviour. **NC** means the non-fulfillment of the HORTICERT requirements, as defined in the Audit Checklists, by a System User. **Violation** means the deviation from the specifications outlined in the System Standards other than the Audit Checklists. NCs can only be committed by System Users, whereas Violations may be committed by both System Users and CBs.

*Integrity Assessments*

System Users and CBs are obliged to cooperate with HORTICERT, to grant unrestricted access to all relevant locations, documents, and information and to allow inspections of these during regular business hours. System Users must enable HORTICERT to accompany Audits and CBs must enable access to and inspection of all locations and business records where activities related to the CB Agreement are performed. HORTICERT may also request specific documents or information from System Users and CBs. Unless stated otherwise, all requested items must be provided within 14 calendar days. Furthermore, System Users must support the verification of sustainability Claims when requested. This involves providing relevant documentation of certified Material relating to suppliers, sellers,

*Rights of Inspection*

subcontractors, recipients or buyers, and ensuring that HORTICERT is referenced in all communications. HORTICERT may also contact these parties directly to gather relevant evidence. Full cooperation with this verification process is mandatory, and all parties involved must respond within 14 calendar days.

The selection of actors to be audited is made on a case-by-case basis when there are indications of increased risk. For System Users, indications of non-compliance or suspected fraud are considered grounds for an Integrity Assessment. Other risk factors may also be taken into account in the selection process, such as geographical location, the type of materials declared as certified, the Audit Scope, unusually high GHG savings and other deviations in individual GHG calculations, or the certification history. For CBs and auditors, the decisive selection criteria include, among other things, the number of HORTICERT Audits carried out and Certificates issued, as well as the general quality of the CB or auditor. The Integrity Assessments are carried out by HORTICERT or by auditors commissioned by HORTICERT at no cost to the participants. They may occur in any country where HORTICERT-related activities are conducted. These auditors operate on behalf of HORTICERT and must perform their duties independently and free from conflicts of interest. Any potential conflicts of interest must be reported, documented and reviewed.

*Selection of Candidates*

The purpose of conducting **Integrity Assessment of a System User** is to verify their compliance with the HORTICERT requirements, as defined in the Audit Checklists and further System Standards. Furthermore, auditing a sample of its certified customers helps to review the CB's Audit and Certification process.

*Integrity Assessments  
of System Users*

If an Integrity Assessment of System Users takes place, this is carried out in addition to the regular annual Certification and is mandatory upon request. If a System User refuses to participate, this will be classified as a critical Violation and will be subject to sanctions. HORTICERT may require System Users to participate on a mandatory basis for up to 18 months after their most recent HORTICERT Certificate expires. Typically, the assessment covers one HORTICERT registration and the last regular Certification Audit. However, the assessment may be extended to include additional operations or specific Materials, processes, or time periods if the auditor deems this relevant or if there are indications of major or critical NCs or Violations. The Integrity Assessment may involve a full review of all facilities and processes covered by the Certificate. Relevant farms, locations operated by subcontractors, as well as external storage sites, may also be inspected. System Users must grant the integrity assessor full access to all sites, premises and documentation relating to certified and non-certified materials and other certification systems. Any

additional information requested by the integrity assessor must be provided.

System Users and CBs will receive a formal invitation at least four weeks before the scheduled Integrity Assessment via email containing all the necessary information. The assessment will be conducted in the local language or English. Integrity Assessments may be extended if necessary to complete the process.

*Integrity Assessment  
Process*

System Users must confirm their participation in the Integrity Assessment within seven calendar days of receiving the invitation, either by the HORTICERT contact person or any other responsible person. If rescheduling is required, System Users may suggest alternative dates within the set timeframe, along with a valid justification. These dates must fall within two months of receiving the invitation. HORTICERT will review the proposed dates and the accompanying justification. Failure to respond within the deadline will be considered non-cooperation.

Once the assessment date has been confirmed, HORTICERT will provide a detailed schedule and a list of the documents (e.g., mass balances) required. To ensure a complete assessment, System Users must submit these documents at least 14 calendar days after receiving the invitation.

The Integrity Assessment may begin with an introductory meeting to define its scope and review key activities. This will be followed by facility inspections and a review of processes and documentation. The assessment will conclude with a meeting to present the findings. The final structure may differ and will be agreed with the System User. While CB representatives are encouraged to attend the Integrity Assessment as observers, their participation is optional and they must not influence the assessment process.

The results of the Integrity Assessment are recorded in a report and compared with the audit report from the last regular Certification Audit to identify any deviations or deficiencies. The report is compiled by the HORTICERT integrity assessor or a HORTICERT representative. Following an internal review, the report is shared digitally with the System User, the CB and HORTICERT management. The System User must then return a signed copy of the report. If any NCs or Violations are identified, HORTICERT may request corrective or preventive action from the System User and/or the CB. Corrective measures taken by System Users are reviewed by the CB during the next Audit.

*Integrity Assessment  
Report*

NCs are divided into three categories depending on their impact on the system: minor, major, and critical (as also described in Chapter 4.2.4).

**Minor NCs** are usually unintentional and can be corrected before the regular Recertification Audit. Their correction must be explicitly assessed by the CB at the latest during the subsequent regular Recertification Audit and then reviewed by HORTICERT.

In the event of **major NCs** identified during the Integrity Assessment, corrective measures must be implemented by the System User and documented to the CB and HORTICERT within a defined period of no more than 40 days after official receipt of the HORTICERT Integrity Assessment report. The CB and HORTICERT will then assess whether the corrective actions have restored compliance. If compliance cannot be demonstrated within this timeframe, the Certificate must be withdrawn by the CB.

If **critical NCs** are identified, the CB must immediately withdraw the current Certificate. Depending on the severity of the NCs, HORTICERT can decide to exclude the System User from Recertification for up to 60 months.

HORTICERT also reserves the right to impose sanctions on the CB and/or the auditors if NCs that should have been identified in the previous regular Certification Audit are found, or if Violations of the CB and/or auditor have occurred in the previous Certification process.

In exceptional cases, such as suspected major or critical NCs or fraudulent behaviour, HORTICERT may conduct unannounced Integrity Assessments with less than four week's notice or without prior notice. All standard rules and potential sanctions from scheduled assessments also apply to unannounced ones (except for the formal invitation).

*Unannounced Integrity  
Assessments*

Since CBs are usually monitored by accreditation bodies or national public authorities, Integrity Assessments are only carried out at the location of a CB in exceptional cases. The aim of the HORTICERT Integrity Assessment at the offices of a cooperating CB is to assess possible Violations of the requirements specified in the System Standards by the CB. The CB is obliged to participate; refusal to do so is classified as a critical Violations. The CB must promptly cooperate in scheduling, confirm the date and, if requested, submit relevant documents prior to the Audit. If rescheduling is required, the CB must provide written justification and suggest two alternative dates within two months of receiving the invitation. HORTICERT will then evaluate

*Integrity Assessments  
of CBs*

the request. Failure to respond within seven calendar days after receiving the invitation will be considered non-cooperation.

As part of the **Integrity Assessment of CBs**, the accreditation or official recognition of the CB is assessed, the professional qualifications of the auditors are verified, and the internal audit and certification processes and documentation (e.g. audit documentation, risk assessments, etc.) are evaluated.

The CB office Integrity Assessment typically involves an introductory meeting, data collection, a review of the certification process and examination of certification and auditor qualification files, followed by a closing meeting. This structure can be adapted in consultation with the integrity assessor and CB, and the assessment can be extended if more time is required. The Integrity Assessment is conducted in the local language or in English.

*Integrity Assessment  
Structure*

Violations are also classified according to severity when auditing CBs. Depending on the type and severity of the Violation, corrective measures, sanctions or contractual penalties may be imposed on the CB or the responsible persons. The assessment and determination of sanctions is carried out by HORTICERT on a case-by-case basis.

*Violations of CBs*

**Minor Violations** affect the Certification process but do not influence the quality of the Audit result or the level of assurance. Examples include unintentional incorrect information in the Audit report without serious consequences or the failure to identify minor NCs among System Users. In such cases, HORTICERT issues a warning. The CB must submit a statement within 14 days describing appropriate measures to prevent future Violations. Repeated or systematic minor Violations are treated as major Violations.

**Major Violations** have a negative impact on the quality of the Audit result or the level of assurance and jeopardize the Integrity of the Certification System. These include, among other things, incorrect risk assessments, serious misstatements in the Audit report, the use of outdated Audit Checklists, remote audits that have not been approved in advance, or incorrect quantity specifications that affect fee-based calculations. This also includes the failure to identify major NCs among System Users. The CB must also submit a statement within 14 days and, if necessary, implement further measures specified by HORTICERT within a defined timeframe.

**Critical Violations** are intentional or particularly serious breaches of HORTICERT requirements. Examples include failure to cooperate in the Integrity Program, conflicts of interest during Audits, fraud, refusal to provide access or information to authorities, and failure to identify

critical NCs during HORTICERT Audits at System Users. The initial sanction lasts between six and twelve months, depending on the degree of negligence. During this time, the CB must implement suitable corrective measures. In the event of repeated Violations within this period, the sanction is extended by a further twelve months in each case. During the sanction period, the CB may not issue Certificates to System Users. Sanctions are published on the HORTICERT website. If necessary, the competent authorities are also informed. In the event of **confirmed fraud** or if a **sanction persists** due to critical Violations even after two extensions, HORTICERT may terminate its cooperation with the CB. This decision will be communicated publicly and all System Users will be informed.

Violations can also apply to System Users. They are breaches of the HORTICERT System Standards that occur outside the scope of the Audit Checklists which are assessed during regular Audits. If a CB discovers or suspects that a System User has committed a Violation, it must notify HORTICERT immediately.

*Violations of System Users*

Major Violations of System Users include but are not limited to:

- (Unintentional) false provision of information in the context of the HORTICERT Integrity Program.
- Making false claims with direct reference to HORTICERT or using the HORTICERT Seals and Claims for product-related communication without the consent of HORTICERT.

Critical Violations of System Users include but are not limited to:

- Fraud by claiming peat to be peat substitutes.
- Acting outside the permissible Scope of Certification
- Missing or delayed cooperation in the HORTICERT Integrity Program.
- False declaration or relabeling of material or products.

Another tool used in the Integrity Program is **Witness Audits**. In these Audits, HORTICERT employees or independent auditors accompany and observe regular Audits without interfering in the process. The aim is to evaluate the quality of the Audits carried out by the CBs and to ensure that the HORTICERT requirements are implemented correctly and consistently. Any NCs or Violations on the part of the System Users and/or the CB are punished with sanctions and corrective measures may be initiated.

*Witness Audits*

After completion of an Integrity Assessment or Witness Audit, an **Integrity Assessment report** is compiled containing the essential information on the implementation and the identified NCs and Violations. Once reviewed internally by HORTICERT, this report is sent to the CB and HORTICERT management. The audited parties are required to sign the report and, if necessary, implement appropriate preventive or corrective measures within the specified deadlines to restore compliance with HORTICERT requirements.

License Holders may also be subject to the HORTICERT Integrity Program, under rules that are analogous to those applied to System Users.

License Holders

## 7.5 Recognition of Other Certification Systems

A partial or full recognition of other certification systems covering ecological or social sustainability criteria or imposing requirements on the management system or CoC is possible under HORTICERT if it can be demonstrated that all relevant requirements are met. HORTICERT has developed benchmark templates that can be used to prove compliance of other standards with HORTICERT requirements.

### FSC and PEFC on Forestry Level

If the following requirements are fulfilled, HORTICERT recognizes FSC and PEFC certification for the forestry level:

Benchmarking  
FSC and PEFC

- The risk levels of all sustainability principles must be identified as “regular” according to the HORTICERT risk assessment methodology as described in [Chapter 6.3](#) by the auditor.
- The FSC or PEFC certified wood must be sourced in regions where a regular risk level applies, according to the same methodology.

If these conditions apply, existing FSC<sup>22</sup> or PEFC<sup>23</sup> certification is sufficient for Audits where only the **Immediate Indicators** are assessed (initial audit and first Recertification Audit). Sawmills must demonstrate that the timber originates from FSC or PEFC certified forests and from regions with a regular risk level. A HORTICERT Audit of the Forestry Operation is not required in this case. The mass balance may be applied to HORTICERT in accordance with the certified share under FSC or PEFC.

<sup>22</sup> FSC, *Deutscher FSC-Standard 3-0*. [https://www.fsc-deutschland.de/wp-content/uploads/2020-02-04-Deutscher-FSC-Standard\\_3-0.pdf](https://www.fsc-deutschland.de/wp-content/uploads/2020-02-04-Deutscher-FSC-Standard_3-0.pdf) (accessed July 29, 2024).

<sup>23</sup> PEFC, German PEFC D 1002-1:2020 Standard. <https://cdn.pefc.org/pefc.org/media/2023-02/9da0f43c-5f35-4271-8861-70b87b8622e0/b826e570-a693-5722-81db-6d8c06ae4da9.pdf> (accessed July 30, 2024).

From the Certification year in which the **Development Indicators** become mandatory under HORTICERT (third Audit), HORTICERT will demand an extended self-declaration from Forestry Operations to be passed on to the HORTICERT certified sawmills they supply. In the self-declaration, Forestry Operations must confirm their compliance with HORTICERT requirements, without a HORTICERT Audit being required. The declaration will also include a clause stating that HORTICERT reserves the right to conduct random checks on individual Forestry Operations to verify compliance with the additional requirements. Random checks may be conducted when concrete indications of non-compliance exist. If NCs or Violations are identified during these checks, appropriate action will be taken in accordance with the severity of the findings, as outlined in [Chapter 4.2.4](#). This option is also only applicable in the case of regular risk level of both the sawmill and the Forestry Operation and an FSC or PEFC certification of the Forestry Operation. In case of a high risk level of the sawmill or Forestry Operation, or the Forestry Operation does not have FSC or PEFC certification, a HORTICERT Certification Audit of the forest enterprise is required.

## 7.6 Conflict Resolution

HORTICERT has implemented a conflict resolution process designed to handle conflicts consistently, impartially, fairly, efficiently, and effectively. This process upholds the integrity and credibility of the HORTICERT Certification System. Conflicts should be resolved at the lowest possible level, with direct involvement from the Parties concerned. Before initiating the formal HORTICERT conflict resolution process, involved Parties are encouraged to attempt resolution through direct dialogue. If this approach fails, the formal process outlined in this chapter may be pursued.

*Transparent  
and Impartial*

A complaint refers to an expression of dissatisfaction or grievance regarding the decisions or activities taken by HORTICERT, System Users or CBs. An appeal is a request to reconsider a decision made by HORTICERT following a complaint.

*Complaints  
and Appeals*

Complainants wishing to remain anonymous throughout the conflict resolution process must indicate this when submitting their complaint and provide a valid reason. If anonymity is granted, HORTICERT and all Parties involved will ensure the complainant's identity remains confidential throughout the process.

*Anonymous  
Complaints*

Except where legally required to disclose information to authorities or courts, HORTICERT will not share specific information about an ongoing conflict with Parties not involved in the resolution process.

## 7.6.1 Complaints

Complaints can be submitted to HORTICERT by any Party - individuals or organizations - affected by HORTICERT's activities or decisions, or with a vested interest in its operations. This includes System Users and their employees, CBs and their employees, auditors, and other interested Parties such as competent authorities, NGOs, community groups, and stakeholders. Complaints may be submitted in cases of disputes between a CB and a System User, or between HORTICERT and either CBs or System Users.

*Eligible Parties for Filing Complaints*

HORTICERT will determine the admissibility of complaints based on the following requirements.

*Formal Requirements*

Complaints must:

- Be addressed to HORTICERT management.
- Be submitted in written form by e-mail or mail.
- Include basic information about the complainant, such as name, address, and contact information. If applicable, the organization and position in the organization shall be included.
- Provide a clear and concise description of the complaint, outlining the relevant circumstances and involved stakeholders/Parties in a way that enables any impartial person or Party to have a clear idea and an unambiguous understanding of the situation.
- Be accompanied by evidence supporting the complaint, where possible.

The complainant will be notified in writing upon receipt of their complaint. HORTICERT will assess the admissibility of the complaint within 10 working days of receipt. Admissible complaints will be reviewed, investigated, and resolved by HORTICERT in an impartial and unbiased manner on a case-by-case basis. During the investigation, HORTICERT may contact relevant Parties and stakeholders to request supporting evidence, documentation or statements to gain a comprehensive understanding of the situation. This ensures that all Parties affected have the opportunity to share their views on the complaint. HORTICERT also reserves the right to initiate an independent assessment as part of the HORTICERT Integrity Program in order to collect additional evidence. Based on the findings and evidence gathered during the investigation, HORTICERT may implement measures such as initiating Certification Audits or requesting the CB to conduct surveillance audits of the System Users involved. Details on NCs by System Users, including applicable sanctions, can be found in [Chapter 4.2.4](#).

*Complaint process*

## 7.6.2 Appeals

If the complainant disagrees with HORTICERT's decision on a complaint, they may file an appeal. Appeals must be submitted in writing within 10 working days of receiving HORTICERT's decision. HORTICERT will confirm receipt of the appeal in writing.

*Filing an Appeal*

HORTICERT will re-evaluate the complaint within 10 working days of receiving the appeal. If additional evidence is needed from the complainant, the re-evaluation will be completed within 10 working days of receiving the required evidence. If the re-evaluation results in a different outcome, HORTICERT will revise its decision accordingly and inform the complainant of it.

*Re-evaluation of  
the Complaint*

If the re-evaluation does not result in a different outcome, or if the revised decision does not fully address the complaint, HORTICERT will, at the appellant's request, establish an arbitration board to review the case and issue a final decision.

## 8 Use of Logo, Seals and Claims

HORTICERT has developed a circular Logo which consists of the Certification System's name and an abstract and highly simplified form of a growing media with strong roots of a plant growing in it. The white dots are intended to represent the fertility of the growing media. The HORTICERT Logo as well as the Word Mark hold copyright protection and are registered trademarks.



Figure 5: HORTICERT Logo

**HORTICERT**

Figure 6: HORTICERT Word Mark

Besides the HORTICERT Logo and the HORTICERT Word Mark, there are also different HORTICERT Seals which can be used by System Users, CBs, Authorized Traders and License Holders for communication purposes. The HORTICERT Logo, Word Mark, and Seals can be downloaded from the [Client Section](#) of the HORTICERT website after registering. The HORTICERT Logo, the HORTICERT Word Mark and the HORTICERT Seals for on- and off-product communication must only be used according to the rules laid out in the “HORTICERT Branding Guide for Logos, Seals and Claims”, which can be found in the [Client Section](#) as well.

### 8.1 General Rules for the Use of HORTICERT Logos, Seals and Claims

All rules for the use of the HORTICERT Logos, Seals and Claims are laid out in the “HORTICERT Branding Guide for Logos, Seals and Claims” and must be followed.

The following requirements must be followed in particular when using the HORTICERT Seal for on-product communication and/or other product-related advertisement of **growing media**:

- The growing media mix must be related to at least 25 % certified Material according to the mass balance approach.
- A Claim must be provided on the percentage share and type of HORTICERT-certified components in the final product along with a reference to the mass balance approach.

*Conditions*

- The certified component must be related to 100 % certified Material according to the mass balance approach (e.g., the total amount of compost used in a growing medium must be certified according to mass balance; no partial Certification of one growing media component is possible).
- The product may only contain a maximum peat content of 30 % (hobby horticulture) or 70 % (professional horticulture).<sup>24</sup>

## 8.2 HORTICERT Claims

Using HORTICERT Claims allows companies to reference a recognized independent third-party Certification, thereby enhancing the credibility of their statements. Claims must be transparent, correct and easy to understand for end consumers.

*Approval of Claims*

Please note that the validity of HORTICERT Claims depends on the exact wording and how this wording may be interpreted by stakeholders. It is the responsibility of the System User to ensure that the HORTICERT Claims comply with legal regulations, national labeling requirements, and consumer protection laws. HORTICERT cannot be held responsible for compliance with the respective regulations in the countries where companies plan to sell and distribute the product. We strongly recommend consulting with legal counsels regarding the Claims used. Additionally, HORTICERT advises against creating the impression that general on-product claims unrelated to HORTICERT are connected to HORTICERT (e.g., by placing a general, unrelated claim adjacent to the HORTICERT on-product Seal), as this could imply a direct association with HORTICERT. **All Claims made in relation to HORTICERT must receive prior approval from HORTICERT.**

*Validity and Legal  
Responsibility for  
Claims*

Further information on on-product Claims together with the HORTICERT Seals for growing media products can be found in the “HORTICERT Branding Guide for Logos, Seals and Claims”.

## 8.3 Legal Notice

HORTICERT accepts no responsibility for any legal consequences arising from the use of the HORTICERT Logo, Seals and Claims. We recommend that companies also consult with their legal departments to ensure that their Claims comply with consumer protection laws in their target markets. It is therefore the responsibility of the System User to ensure that Claims are not only appealing from a marketing

*Liability and Legal  
Consultation for  
Claims*

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<sup>24</sup> Depending on political objectives and market developments, HORTICERT reserves the right to further reduce the maximum peat content in the future.

perspective but also legally sound to avoid potential accusations of greenwashing and damage to reputation.

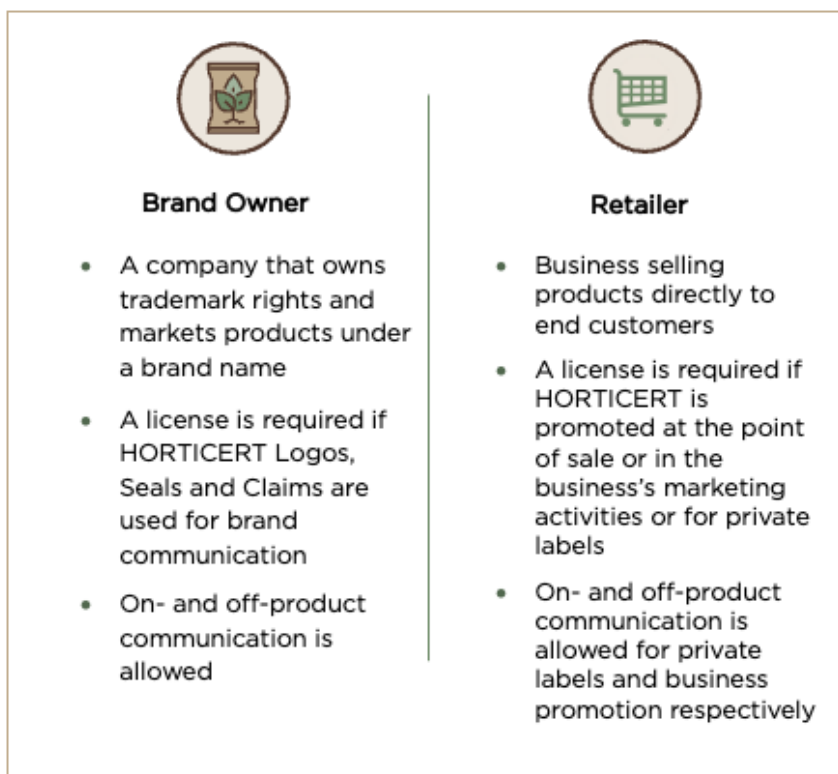
Proper and appropriate use of a HORTICERT Logo, Seal or Claim is essential to maintain the credibility of the HORTICERT Certification System. False or misleading Claims made by companies, CBs, or other organizations may lead to legal consequences. HORTICERT reserves the right to publish any instance of misuse or unauthorized use, request corrections and compliance with requirements, and/or take legal action against any Party that uses a HORTICERT Logo, Seal or Claim in a manner not aligned with HORTICERT requirements.

*Consequences of  
Misusing Claims*

## 9 HORTICERT Licensing System

HORTICERT operates the HORTICERT Licensing System, which includes the licensing of the HORTICERT Logos, Seals and Claims. The HORTICERT Licensing System can be applied by brand owners that receive HORTICERT certified final growing media products and want to use HORTICERT Logos, Seals or Claims for their brand. The Licensing System can also be applied by retailers that specifically want to promote HORTICERT at the point of sale or in a marketing campaign. Retailers do not need a license if they simply sell HORTICERT certified products from a brand owner, even if those products have the HORTICERT on-product Logo, Seal or Claim. However, if a retailer uses HORTICERT Logos, Seals or Claims to actively promote its own business or brand (private label), a license is required.

*Applicable to Brand Owners and Retailers*



**Figure 7:** Brand Owner versus Retailer

For the Licensing System, HORTICERT distinguishes between packaged and unpackaged products. Licensing is required when a company wants to market HORTICERT certified packaged products. Using the Logos, Seals and Claims for distributing unpackaged products cannot be licensed, as the Material can still be altered. In such cases, the company must undergo additional Certification and verification processes.

*Difference Certification  
and Licensing*

The use of the HORTICERT Logos, Seals and Claims by a Licensee is bound by two signed written agreements with HORTICERT and the publication of the Licensee in the HORTICERT Certification and License Database. The two contractual documents include:

*Two Legal  
Agreements*

1. the Master Licensing Agreement, which includes legal clauses
2. the Individual Licensing Agreement, which is established per brand and specifies the particular licensing details.

The Master Licensing Agreement and Individual Licensing Agreement are available on request.

After signing both contractual documents, the Licensee is entitled to:

*Granted Rights*

- use the HORTICERT Logo or Seal off-product for advertising and corporate communication, including but not limited to websites, social media, and promotional materials,
- use the HORTICERT Claims off-product and on-product,
- market, and/or sell finished goods labelled with the HORTICERT on-product Seal,
- print the HORTICERT on-product Seal on finished goods,
- commission third parties with the printing of the HORTICERT on-product Seal on finished goods.

The Licensee is required to comply with the regulations for off-product and on-product communication as stated in the “HORTICERT Branding Guide for Logos, Seals and Claims”. On-product communication is permitted if the suppliers of the growing media product are fully HORTICERT certified. If a company sources growing media from suppliers that are not all HORTICERT certified, then packaging must be available both with and without the HORTICERT Logo. Otherwise, communication is limited to off-product Claims. It is strictly forbidden to print a HORTICERT on-product Seal and/or Claim on the packaging of products that do not contain HORTICERT compliant Material.

*HORTICERT  
Branding Guide for  
Logos, Seals and  
Claims*

All Licensees must further ensure that their suppliers hold a valid HORTICERT Certificate when HORTICERT certified products are forwarded to the Licensee. The Licensee is required to use the HORTI-

*Licensee  
Responsibilities*

TRACE system to document and report the supply and sale of HORTICERT certified final products. This facilitates the mandatory annual reporting of handled Material volumes and potential Integrity Assessments under the HORTICERT Integrity Program.

Until the integration of the Licensing System into HORTI-TRACE is complete, annual reporting must be carried out using the latest version of the HORTICERT Licensee Reporting Template. The completed report must be submitted via email ([info@horticert.org](mailto:info@horticert.org)) no later than 31 March of the following year.

*Annual Reporting*

HORTICERT System Users and Licensees that communicate their efforts of sourcing HORTICERT certified Material on their website, advertisements, social media, or other communication channels are encouraged to focus on informing and educating the consumer. This applies in particular when companies source mass-balanced material. The mass balance approach facilitates the use of sustainable peat substitutes and growing media. Companies that source mass-balanced material contribute to reducing GHG emissions related to peat extraction and use and therefore support the transition to a more sustainable horticulture.

*Educating About  
HORTICERT*

The use of HORTICERT Logos, Seals and Claims must be in accordance with the “HORTICERT Branding Guide for Logos, Seals and Claims” and must be submitted officially to HORTICERT for approval before printing or public release. The Licensee shall obtain the prior approval for any use of the Logo, Seal and/or Claims by HORTICERT.

*HORTICERT Must  
Approve Each Use  
of Logos, Seals &  
Claims*

All issued licenses are presented on the HORTICERT website in a publicly available database ([Certification and License Database](#)).