

# GSS CERT System Book

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**GSS** **CERT**  
Voluntary Carbon Offsets System

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## Introduction

1. The GSS CERT system is a voluntary offset system for projects that belong to the LULUCF sector and biogas facilities. This documentation sets out the rules for the operation of the GSS CERT system.
2. Detailed rules regarding the organization of the System, the decision-making process, accountability, avoidance of conflicts of interest, principles of transparency and public participation, complaints and appeals, whistleblower policy, document management and data security are contained in this system document entitled "GSS CERT System Book" and the Regulations, general terms and conditions of contracts and model contracts published at <https://gsscert.com>.

## Preamble

1. Climate change is having an increasingly serious impact on the planet's ecosystems, and consequently on biodiversity, health and food production. Atmospheric temperatures are rising, and this phenomenon is already affecting the daily lives of citizens. A special report by the Intergovernmental Panel on Climate Change (IPCC) on the impact of a global warming of 1.5°C compared to pre-industrial levels and related global greenhouse gas emission scenarios confirms that with an increase in average global temperature, the effects of climate change are becoming increasingly acute, and indicates that already in the case of a 2°C warming, the world will suffer a dramatic effect caused by climate change. Finding a solution to climate change is a matter of urgency. EU citizens see climate change as a serious problem and demand more intensive action on it (a special April 2019 Eurobarometer 490 survey on climate change shows that 93 percent of EU citizens see it as a serious problem, and a large majority of EU residents demand more intensive action on it<sup>1</sup>). The authors of the IPCC report estimate that in order to be able to limit the temperature rise to 1.5°C, global greenhouse gas (GHG) neutrality needs to be achieved by around 2050. This is the goal adopted by the European Union as the basis of the European Green Deal - a long-term strategy to set the course for the climate in accordance with the Paris Agreement, while respecting a level playing field for each country (the so-called Fair Transition).
2. The EU's long-term goal of achieving climate neutrality was supported by both the European Parliament and the European Council.
3. In its March 14, 2019 resolution on climate change. The European Parliament supported the EU's goal of achieving greenhouse gas neutrality by 2050. In its resolutions of November 28, 2019, it stressed that the Union, as a world leader and in cooperation with the world's other most economically developed countries, must strive to achieve zero net greenhouse gas emissions as soon as possible, by 2050 at the latest, and declared that the world is in a climate and environmental crisis. The European Parliament also called on the Commission to comprehensively assess the climate and environmental impact of all relevant legislative and budgetary proposals and ensure that they are fully consistent with the goal of limiting global warming to below 1.5 °C and do not contribute to the loss of biodiversity, and to carry out wide-ranging reform of agricultural, trade, transportation, energy, investment and infrastructure policies. In

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<sup>1</sup>see also: European Commission, Citizen support for climate action, [https://ec.europa.eu/clima/citizens/citizen-support-climate-action\\_en](https://ec.europa.eu/clima/citizens/citizen-support-climate-action_en)

its January 15, 2020 resolution on the European Green Deal, the European Parliament called for the necessary transformation of European society into a climate-neutral society by 2050 at the latest.

4. In order to increase the level of environmental protection by redirecting capital from environmentally harmful investments to greener alternatives, a number of regulations have been adopted in the European Union. The Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (Text with EEA relevance) is of particular importance for the sector to which GSS CERT is directed.
5. In order to achieve the above ambitious reduction target, it is necessary to intensify action on Climate Change in all economic sectors of the EU. The SSE CERT system is a response to this need and the LULUCF and biogas sector's commitment to reducing greenhouse gasses.

## Purpose and principles of the GSS CERT system

1. GSS CERT is a voluntary greenhouse gas program. The system refers directly to European Union legislation and the principles covered by ISO 14064-2 Greenhouse gasses - Part 2: Specification with guidance at the project level for quantification, monitoring and reporting of greenhouse gas emission reductions or removal enhancements. The system is an instrument aimed at achieving the goal of reducing greenhouse gas emissions and meeting EU commitments to amend climate change agreements.
2. The purpose of the System is to produce an environmental effect through the reduction of GHG emissions or increase GHG removals. The basis of the System is the commitment of Participants to reduce emissions or increase GHG removals.
3. The system covers Projects from the Land Use, Land Use Change and Forestry (LULUCF) sector and from installations intended for the production of biogas ("biogas" as defined in the provision of Article 2, point. 1 of Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources, OJ EU.L.2018.328.82 of 2018.12.21: the so-called RED II Directive).
4. The methodology for calculating emission reductions or enhancement of GHG removals in the System is based on the principles established in the 2018/2001 RED II Directive, the ISO 14064-2 standard at the Project level, and Clean Development Mechanism (CDM) methodologies.
5. As part of the GSS CERT System, Protocols are created - sets of documents for the designated industry containing: (a) a set of guidelines for calculating GHG avoidance, GHG reduction and GHG removals, (b) a set of methodologies for monitoring and reporting GHG emissions, and (c) a set of industry-specific and country-specific indicators.
6. All entities, regardless of their country of establishment, that meet the requirements of the System can participate in the System.
7. The following bodies operate within the GSS CERT System:
  - (a) Administrator - the entity managing the GSS CERT System; the Administrator is GSS S.A.

- (b) Verifiers and Validators – entities independent of the Administrator, accredited in accordance with the provisions of Regulation (EC) No 765/2008 of the European Parliament and of the Council of 9 July 2008 setting out the requirements for accreditation and repealing Regulation (EEC) No 339/93 (Text with EEA relevance), (OJ L 218 13.8.2008, p. 30) responsible for conducting verification and validation of procedures covered by the GSS CERT System;
  - (c) Participant – an enterprise with which an agreement for participation in GSS CERT has been concluded as to the Installation it owns, whose monitoring and reporting system has passed the validation process by a Validator recognized in the GSS CERT System;
  - (d) User – Participant and any other entity, registered on the GSS IT Platform, which allows, among other things, to manage GSS Units;
  - (e) Scientific Council – a body independent of the Administrator, consisting of scientists and experts, which oversees the quality and completeness of the System.
8. In addition, the System rules ensure that:
- (a) The potential for increased emissions elsewhere has been assessed and prevented,
  - (b) The Project does not cause environmental and social damage.
9. As a requirement for participation in the GSS CERT System, the Participant must ensure that it has not submitted a project – identical to the one submitted to GSS CERT – to any other program or system.
- (a) The purpose of this requirement is to ensure that there is no confirmation of a reduction in GHG emissions or an increase in GHG removals from an installation previously covered by another program or system.
  - (b) The assurance provided by the Participant is subject to oversight conducted under the rules of the System.
  - (c) Notwithstanding the supervision rules adopted by the System, the Administrator shall ensure publication of the register of Projects. The data covered by the register should allow verification of the Project also by third parties.
  - (d) If it is determined that, contrary to the Participant’s assurance, the reduction of GHG emissions or an increase in GHG removals reported under the GSS CERT System has previously been covered by another program or system, the Administrator implements a remedial procedure, in particular consisting in replacing the questioned GSS Units with other GSS Units.
10. GSS Units are created based on the principles of the GSS CERT System and on the basis of Project verification. The GSS Unit is recorded in the GSS CERT Register and confirms that the reduction of GHG emissions or the increase in GHG removals in the amount of one (1) metric ton of CO<sub>2</sub> equivalent has been verified in accordance with the rules of the Scheme. GSS Units are recorded using blockchain technology.
11. A GSS Unit may be traded: the owners of a GSS Unit may be: Administrator, Participant and User. A GSS Unit may be surrendered to a third party – other than the Participant or the User.
12. The system refers to basic criteria, allowing to ensure that each GSS Unit:
- (a) meets the requirements in terms of additionality ,

- (b) is based on a realistic and credible baseline scenario,
  - (c) is calculated, subject to monitoring, reporting and is independently verified,
  - (d) has a clearly defined and transparent system for controlling its origin and managing its creation process,
  - (e) represents a sustainable reduction or absorption of GHG,
  - (f) is used only once to fulfill a GHG reduction commitment – and the surrender of a GSS Unit is irreversible and recorded on the blockchain.
13. In the GSS IT System, blockchain technology records data for tracing information about each GSS Unit – from the moment the Participant joins the GSS CERT System, validation of the Project implemented by the Participant, monitoring, verification, creation of GSS Units, change of ownership of a GSS Unit and surrender of a GSS Unit.
14. The Administrator shall ensure that the GSS IT System is subject to periodic audits, conducted by an external entity accredited in accordance with EU law. The purpose of this audit is to confirm that the GSS IT System and the methods of managing, monitoring and reporting on GHG emissions information and GSS Units are adequate, provide correct results and the ability to provide Users with the data necessary for their legal and economic interests.
- (a) The above takes into account that the Administrator complies with the standards indicated by the European Union, including those concerning unfair business-to-consumer commercial practices in the internal market. These standards emphasize that statements about the carbon neutrality of companies' operations through investments in projects that offset CO<sub>2</sub> emissions must be robust, transparent, reported, monitorable, verifiable, credible and should guarantee additionality.
15. To ensure compliance with such a standard, the GSS CERT System provides access to data on Participants, Projects and GSS Units through GSS IT. In addition, to ensure compliance with the standard required by the European Commission, GSS CERT uses blockchain technology.
- (a) The solutions adopted in the GSS System – including the description of GSS Units using blockchain technology – seeks to ensure the certainty and immutability of the Project data from which the reduction or removal is derived.
  - (b) The use of blockchain technology is linked to the realization of the goals set out in the European Parliament's resolution of December 13, 2018 on blockchain: a forward-looking trade policy (2018/2085(INI), OJ. EU. C. of 2020. No. 388, p. 141). The resolution indicated that EU trade policy: „(30) Acknowledges the opportunities, including for SMEs, deriving from the introduction of blockchain technology as part of the EU's trade policy, which could bring, among other benefits, lower transactional costs and greater efficiency; acknowledges, furthermore, that blockchain technology offers the potential to improve trust and confidence in the current trade system by providing an immutable record of transactions“.
16. The GSS IT system provides Participants and Users with an appropriate set of data to confirm to which entity – and in which country – GSS Units have been used (surrendered). Data on the surrender of a GSS Unit is subject to disclosure to administrative bodies responsible for maintaining national GHG registers.

17. The GSS IT system ensures that it is not possible to manually create or modify tokens. Blockchain is not used as a simple registry, it is a whole certain system for performing audits, calculations and creating GSS Units.
18. Taking into account the principles of European Union law, the Administrator requires confirmation from Users that the funds from which they will pay the purchase price of the GSS Units come from lawful sources and that both past and future activities of User will not meet the definition of "money laundering" and "terrorist financing" within the meaning of the Polish law: Anti-Money Laundering and Countering the Financing of Terrorism Act of March 1, 2018 (Journal of Laws of 2021, item 1132, as amended).
19. The requirement for participation in the System is that the Participant develops and implements an effective source data monitoring system in accordance with the requirements of the System, and that the Validator validates this system and installation.
  - (a) Then, as part of the System, the reduction of emissions or increase in GHG removals from the Project conducted by the Participant is calculated.
  - (b) On this basis, a monitoring report is prepared, which must be verified by an external, independent Verifier. GHG units are recorded in the GSS IT system using blockchain technology.
  - (c) GSS Units are created from verified GHG units. All operations performed on the GSS Units are carried out on the blockchain through the use of the GSS IT system.
20. The System assumes trading (disposal) of GSS Units for the benefit of Users - entities (companies and individuals) that are not Participants of the System, under market conditions.
  - (a) The term "at market conditions" is defined in accordance with Article 2 para. 89 of Commission Regulation (EU) No. 651/2014 - according to which the terms of the transaction between the contracting parties do not differ from those that would be determined by independent companies, and do not contain any element of collusion.
  - (b) The System Administrator is authorized to create conditions aimed at ensuring an open, transparent and non-discriminatory procedure aimed at obtaining a market price for certificates.
  - (c) For this purpose, the Administrator may create platforms, providing for the disposal of GSS Units to third parties, or enter into agreements with companies, operating commodity exchanges or regulated markets, on the basis of which these companies will provide conditions for the disposal of GSS Units to third parties under market conditions.
21. The disposition of GSS Units may be carried out by the Administrator, acting on behalf of and for the benefit of System Participants.
22. The Administrator may dispose of GSS Units belonging to the Participant acting as an intermediary between the Participants and third parties. In this case, the Administrator acts as an agent within the meaning of Polish law, applicable to the agency contract (Civil Code, Articles 758-764 of the Act of 23 April 1964, Journal of Laws of 2020, item 1740), taking into account the rules in force in the System.
23. Through a dedicated platform, the Participant may offer a specific number of GSS Units for sale at a given minimum price, and the Administrator also has the option to buy back these Units directly. The Participant may also order the management of the sale of GSS Units to the Administrator for the commission specified in the System regulations. Detailed rules of settlements are included in the agreement between the System Participant and the Administrator.

## Organization of the system

1. The Administrator of the GSS CERT Scheme is the Green Savings Scheme Joint Stock Company (GSS S.A.).
2. GSS S.A. is an enterprise within the meaning of Article 1 of Annex I to Commission Regulation (EU) No. 651/2014 of June 17, 2014 declaring certain types of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (Official Journal of the EU L 2014.187.1 of 2014.06.26). The shares of GSS S.A. are not controlled directly or indirectly, jointly or individually, by any public authority.
3. The System Administrator is a joint stock company within the meaning of Article 1 (1) (a) of Directive 2013/34/EU of the European Parliament and of the Council of June 26, 2013 on annual financial statements, consolidated financial statements and related reports of certain types of units, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (Official Journal of the EU L 2013.182.19 of 2013.06.29). The Administrator's company statute comply with the requirements set forth in the provisions of Directive 2017/1132 of the European Parliament and of the Council (EU) of June 14, 2017 on certain aspects of company law (Official Journal of the EU L 2017.169.46 of 2017.06.30).

## Decision-making process and accountability

1. The Administrator – as a company with its registered office in the Republic of Poland – is subject to Polish law.
2. Information about the Administrator and the financial statements filed by the Administrator are published in the official collection of documents, available at: <https://ekrs.ms.gov.pl>, <https://prs.ms.gov.pl> and through the portal <https://e-justice.europa.eu>.
3. The Administrator's Board of Directors has an overriding function over the various bodies established within the System – with the exception of the Scientific Council, which is independent of GSS S.A.
4. The Administrator represents the System and is responsible for the strategic development of the System, the System Registry and the approval and supervision of Verifiers and Validators.
5. The Administrator appoints a Scientific Council, consisting of scientists and experts, to oversee the quality and completeness of the System. The rules of its operation are specified in the Regulations of the Scientific Council. The Regulations ensure the independence and autonomy of the Scientific Council, as well as the fact that the Administrator cannot dismiss a member of the Council on the basis of an arbitrary decision. The Scientific Council has the right to give recommendations and opinions on the Administrator's activities, as well as to conduct inspections of selected procedures.
6. The organizational functions of the System, supervision of documentation and internal and external communication of the System are carried out by the GSS CERT System Secretariat.
7. The Administrator is bound by the rules set forth in the System Book as well as the Regulations and the contract templates used, which ensures that Participants and Users can enforce the responsibilities assigned to him. In particular, the Administrator shall act in accordance with



clearly defined rules and responsibilities. The order in which the rules and obligations are formulated in the individual documents does not determine their importance – all of these rules and obligations are of identical (equal) value and importance for the implementation of the System.

8. The Administrator acts in accordance with the principle of legalism – complying with all applicable provisions of European Union and national law (both public and civil law) applicable to the administration of the Scheme and the performance of the Agreements concluded with the Participants and Users.

### **Avoidance of conflicts of interest, transparency and public participation**

1. The Administrator shall act in a manner that precludes the occurrence of conflicts of interest. For the purposes of the System, conflict of interests exists when the impartial and objective fulfillment of duties or powers within the GSS System is threatened due to family considerations, emotional considerations, political sympathies or connections with any country, economic interest or any other direct or indirect personal interests of persons, responsible for conducting the duties of the Administrator, Participant, User or any other entity acting directly or indirectly the GSS System.
2. For the interpretation of the rules related to conflicts of interest, the rules arising from the provisions of the Regulation of the European Parliament and of the Council (EU, Euratom) 2018/1046 of July 18, 2018 shall apply accordingly. on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No. 1296/2013, (EU) No. 1301/2013, (EU) No. 1303/2013, (EU) No. 1304/2013, (EU) No. 1309/2013, (EU) No. 1316/2013, (EU) No. 223/2014 and (EU) No. 283/2014 and Decision No. 541/2014/EU, and repealing Regulation (EU, Euratom) No. 966/2012 (Official Journal of the EU L 193/1 of 30.7.2018) or the provisions that will replace this act.
3. The administrator has established a procedure to avoid conflicts of interest. The implementation of this procedure is verified in the compliance procedure. The compliance procedure provides, inter alia, conducting due diligence of Participants and Users joining the system. The person responsible for the compliance process is a Attorney-at-law who, in accordance with European Union law an Polish law, is obliged to objectively assess all events within the System.
4. The Administrator shall act in such a way as to ensure that all enterprises interested in joining the System have equal access to information about the conditions of operation of the System.
5. The Administrator shall ensure that all Participants in the System have equal access to information about their responsibilities.
6. The Administrator shall act in a transparent, fair and impartial manner, striving to ensure that all Participants in the Scheme are able to obtain equal benefits from participating in the Scheme.
7. The Administrator shall act in accordance with the principle of non-discrimination. The Administrator shall ensure the accessibility of information about the System and access to the System's information system for persons with disabilities.
8. In addition, the Administrator shall take measures to prevent any form of discrimination on the basis of gender, race or ethnicity, religion or belief, disability, age or sexual orientation during the implementation of the System. This principle refers to all persons, in any way connected with the implementation of the System and entities, involved in the operation of the System.

9. The Administrator shall act in accordance with the principle of contractual loyalty to all persons and entities with whom it enters into contracts.
10. The Administrator is guided by the principle of trading (disposing) of certificates to entities (enterprises) that are not Participants in the System, on market terms. The term "at arm's length" is defined in accordance with Article 2 para. 89 of Commission Regulation (EU) No. 651/2014.
11. At least once every three years, a stakeholder analysis is carried out and a dialogue is held on the operation of the System. The conclusions of the analysis are then implemented in the SSE System. Stakeholder representatives are appointed to the Steering Committee.

### Rules on complaints and appeals

1. The Administrator shall ensure effective handling of disputes within the System, including providing for the possibility of filing complaints by System Participants against the actions of the Administrator, Validator or Verifier. System Participants have the right to file complaints regarding all areas of the activities of the Administrator and the Validator and Verifier units recognized under the System. All complaints should be submitted in writing, with the exact contact information of the complainant and a description of the complaint, to the Administrator's registered address. It is permissible to submit a complaint electronically, to the e-mail address indicated at <https://gsscert.com> with the requirement to provide contact information for the entity sending the complaint.
2. The Administrator assures that disputes regarding agreements concluded with Participants and Users will be submitted to the Arbitration Court at the National Chamber of Commerce in Warsaw for resolution. In the applicable Regulations, the Administrator shall introduce provisions that constitute an arbitration court.

### Whistleblower policy

1. The Administrator shall ensure effective protection of confidentiality for persons who report or disclose information in the public interest, including in the European public interest, concerning illegal or prohibited acts, or that pose a threat or cause damage, which harms the public interest or puts it at risk.
2. All irregularities should be submitted in writing to the Board of Directors of GSS S.A. at the Administrator's registered office address. It is permissible to report electronically, to the e-mail address indicated on the website <https://gsscert.com>. The Management Board of GSS S.A. does not take any action to determine the data of the persons reporting the irregularity, except in a situation where the reported irregularity exhausts the elements of a crime. In such a case, all contacts with the person reporting a suspected irregularity are confidential to the extent that the circumstances of the reported irregularity are duly clarified and appropriate action is taken.

### Document management and data security

1. The Administrator shall ensure effective protection of business secrets and confidential information provided by companies interested in participating in the System and by Participants and Users of the System.

2. The Administrator shall ensure the legality of personal data processing and effective protection of data sets - in accordance with the provisions of the Regulation of the European Parliament and of the Council (EU) 2016/679 of April 27, 2016 on the protection of individuals with regard to the processing of personal data and on the free flow of such data and repealing Directive 95/46/EC (General Data Protection Regulation), Official Journal of the EU L 119/1 of 4.5.2016.

### **Steps in performing the duties of a Scheme Participant**

1. Conclusion of the contract with the Administrator.
2. Development of Project documentation with the monitoring plan in accordance with the requirements and methodology of the GSS CERT System.
3. Validation of the monitoring plan and monitoring system for GHG data from the Participant's installation by the Validator.
4. Monitoring and reporting of GHG data in accordance with the successfully validated monitoring plan.
5. Collection and management of source data collected in accordance with the validated monitoring plan by the Participant. Based on this data, the GSS IT System calculates avoidable GHG emissions.
6. Verification of the monitoring report by the Verifier.
7. Permanent recording of information on calculated GHG reductions or GHG removals in the GSS IT System.
8. Establishment of GSS Units based on verified information on the number of units of GHG reduction or increase in GHG removals from the Project.
9. Trading of GSS Units, or surrender of GSS Units. The rules for trading, as well as the surrender of a GSS Unit, are set forth in the Regulations.
10. Surveillance - carried out by the Administrator at all stages of implementation of the Agreement with the Participant, with particular emphasis on the stage of collection and management of source data, collected by the User in accordance with the validated monitoring plan.

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