



GRIEVANCE MANAGEMENT PROCEDURE, V1.0
TERO GOVERNANCE
TERO CARBON AVALIAÇÕES E CERTIFICAÇÕES S.A.



GRIEVANCE MANAGEMENT PROCEDURE

– DC.GOV.004 –

VERSION 1.0

TERO GOVERNANCE

TERO CARBON AVALIAÇÕES E CERTIFICAÇÕES S.A.



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LIST OF ACRONYMS

COI	Conflict of Interest
NGO	Non-Governmental Organization
SBCE	Brazilian Greenhouse Gas Emissions Trading System (<i>Sistema Brasileiro de Comércio de Emissões de Gases de Efeito Estufa</i>)
VVB	Validation/Verification Body



LIST OF PROGRAMS

ID	NAME
DC.CER.001	Certification Program
DC.MET.001	Methodologies Program
DC.REG.001	Asset Program



LIST OF SUPPORTING DOCUMENTS

ID	NAME	SOLUTION
DC.COM.001	Definitions	All
DC.GOV.001	Tero Carbon Governance Structure	All
DC.GOV.002	Tero Carbon Conflict of Interest Policy	All
Law nº 15.042/2024	Establishes the Brazilian Greenhouse Gas Emissions Trading System (SBCE)	All

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1. INTRODUCTION AND OBJECTIVE

Tero Carbon Assessments and Certifications, Inc. ("Tero Carbon") values feedback from all its stakeholders and is committed to providing an accessible, transparent, and effective mechanism for the submission and management of grievances. We understand that listening and responding to concerns, suggestions, complaints, or claims is fundamental to the continuous improvement of our programs, methodologies, certified projects, and general operations, as well as to maintaining trust and integrity. This procedure is an essential component of the "Tero Carbon Governance Structure (DC.GOV.001)" and aims to ensure Tero Carbon's responsiveness and integrity, including in the context of its potential role as a certifier under the Brazilian Emissions Trading System (SBCE), as established by Law No. 15,042/2024.

This document establishes the formal procedure for the receipt, analysis, handling, and resolution of grievances related to the activities and scope of Tero Carbon.

The objective of this procedure is to:

- Ensure that all stakeholders have a clear and accessible channel to submit their grievances.
- Ensure that all grievances are logged, analyzed, and handled in a fair, impartial, and timely manner.
- Respect confidentiality and anonymity when requested by the claimant.
- Use the information obtained through grievances as a tool to identify risks, correct shortcomings, and enhance the Tero Programs.

2. SCOPE OF APPLICATION

This procedure applies to any grievance submitted by an external stakeholder (individual, community, organization, company, etc.) regarding:

- The Tero Programs (Certification, Methodologies, Asset) and their associated documents.
- Methodologies approved or under the approval process by Tero Carbon.
- Projects certified or in the process of certification by Tero Carbon (aspects under Tero Carbon's governance).
- The conduct of Validation/Verification Bodies (VVBs) accredited by Tero Carbon during audits of Tero projects.
- The operation of the Tero Carbon Registry.
- The conduct or decisions of Tero Carbon itself and its personnel.

This procedure does not apply to purely commercial disputes between third parties (e.g., between a developer and a proponent), unless they involve allegations of a breach of Tero Carbon's rules or policies.

3. COMPLEMENTARY DEFINITIONS

- **Grievance:** Any formal communication received from an external stakeholder expressing a concern, suggestion, complaint, claim, or feedback on any aspect within the scope of application defined in Section 2.
- **Claimant:** The individual, group, or organization that submits the grievance.
- **Grievance Officer:** The Tero Carbon personnel designated as the initial focal point for the receipt, logging, and triage of grievances.
- **Steering Committee:** As defined in the Tero Programs, this is the body responsible for the final analysis and judgment of complex, serious grievances or those involving potential internal conflicts of interest.

4. PRINCIPLES OF GRIEVANCE MANAGEMENT

Grievance management by Tero Carbon will follow these principles:

- **Accessibility:** The grievance channel must be easy to find and use.
- **Confidentiality/Anonymity:** The claimant's identity will be kept confidential if requested and technically possible (via the form). Anonymity will be respected.
- **Impartiality and Fairness:** Each grievance will be evaluated objectively, based on evidence and applicable rules, free from bias or conflicts of interest (in accordance with the "Tero Carbon Conflict of Interest Policy (DC.GOV.002)").
- **Timeliness:** Grievances will be acknowledged and handled within reasonable timeframes.
- **Transparency:** The management process will be clear, and the claimant (if identifiable) will be informed of the progress and resolution. Aggregated and non-confidential information about grievances may be used for transparency reporting.
- **Effectiveness:** The process will seek to identify the root cause of problems and implement appropriate and lasting solutions, contributing to continuous improvement.

5. SUBMISSION CHANNELS

The **primary and preferred** channel for submitting grievances to Tero Carbon is the online Grievance Form, which is permanently available and accessible via the direct link:

<https://forms.gle/f55oUYc6KpsH3y2F7>

This form can also be found in the "Contact" section of the official Tero Carbon website (www.terocarbon.com/en/). Using this form ensures standardized logging and facilitates the efficient handling of the grievance, including the option for anonymous submission, as selected by the claimant.

Grievances submitted through other channels (such as direct emails to personnel or general contacts) may be redirected to the official form to ensure proper documentation and tracking in accordance with this procedure.

6. GRIEVANCE MANAGEMENT PROCESS

6.1. Receipt and Initial Logging

1. Grievances submitted via the online form are received by the Tero Carbon Grievance Officer.
2. Each grievance is assigned a unique tracking number for internal monitoring.
3. Basic information is logged in a secure internal system (Date, Grievance Type, Summary, Anonymity Status, Claimant Contact if provided).
4. An acknowledgement email is sent to the claimant (if contact information was provided and the submission was not anonymous) within **5 (five) business days**.

6.2. Triage and Assignment

1. The Grievance Officer performs an initial triage to determine:
 - Whether the grievance falls within the scope of this procedure (Section 2).
 - The nature of the grievance (suggestion, complaint, claim, etc.).
 - The urgency and potential severity of the matter.
 - The most appropriate Tero Carbon area or department for analysis (e.g., Technical, Legal, Registry Operations, VVB Liaison) or if it requires direct attention from the Steering Committee.

6.3. Analysis and Investigation

1. The assigned responsible person conducts an in-depth analysis of the grievance, seeking relevant information and evidence.
2. This may involve reviewing documents, records, policies, and consulting other internal or external parties (including VVBs or developers, if appropriate and respecting confidentiality).
3. If the claimant is not anonymous and has consented, they may be contacted to provide additional information.
4. The investigation must be objective and documented. Potential conflicts of interest of the investigator must be declared and managed according to the "Tero Carbon Conflict of Interest Policy (DC.GOV.002)".

6.4. Response and Resolution

1. Based on the analysis, a formal response is drafted.
2. The response should include:
 - a. A summary of the grievance received.
 - b. The steps taken during the investigation.
 - c. Tero Carbon's conclusions on the validity of the grievance.
 - d. e corrective or preventive actions that have been or will be taken (if applicable).
 - e. The justification if no action is deemed necessary.
3. The response is communicated to the claimant (if identifiable).
4. For complex or serious grievances, the final decision and response may be formulated or approved by the Steering Committee.

6.5. Closure and Final Record-Keeping

1. After the final response has been communicated, the grievance is marked as "Closed" in the internal log.
2. All relevant documentation (original grievance, analysis, evidence, final response) is securely archived.

7. RESPONSE TIMELINES

Tero Carbon will strive to meet the following target timelines:

- **Acknowledgement of Receipt:** Within 5 business days of submission.
- **Substantive Response/Resolution:**

- For simple grievances or suggestions: Within 30 calendar days.
- For complex grievances requiring detailed investigation: Within 60 calendar days.
- If the resolution requires a longer period, the claimant (if identifiable) will be informed of the status and the estimated timeline for completion.

8. CONFIDENTIALITY AND ANONYMITY

- If the claimant chooses to remain anonymous on the online form, Tero Carbon will take all reasonable measures to protect this status throughout the process. No information that could identify the claimant will be disclosed.
- If the claimant identifies themselves but requests confidentiality, their identity will not be disclosed to third parties without their explicit consent, unless required by law or court order.
- Information collected during the investigation will be treated confidentially and used exclusively for the purposes of managing the grievance.

9. APPEALS AND ESCALATION

If an identified claimant is not satisfied with the resolution or handling of their grievance, they may request a review of the decision. The request for review must be made in writing (via email to the Grievance Officer) within 15 calendar days of receiving the final response, stating the reasons for dissatisfaction. The Tero Carbon Steering Committee (or a designated sub-committee that did not participate in the initial decision) will review the case and issue a final decision.

10. MONITORING AND CONTINUOUS IMPROVEMENT

The Grievance Officer will maintain an aggregated and anonymized log of grievances received, their types, related areas, and resolutions. This data will be analyzed periodically (at least annually) by the Steering Committee to identify trends, systemic risks, and opportunities for improvement in Tero Carbon's Programs, policies, and procedures.

11. PROCEDURE REVIEW

This procedure will be reviewed by Tero Carbon annually, or sooner if necessary, to ensure its continued effectiveness and alignment with best practices and the accountability mechanisms that may be expected of certifiers operating under the SBCE (Law No. 15,042/2024).



VERSION HISTORY

VERSION	DATE	NOTES
1.0	06/16/2025	Initial version published. Standardization of references and IDs. Inclusion of contextual considerations on the importance of the grievance mechanism within the Tero Governance Structure and its relevance for operating in regulated systems like the SBCE (Law No. 15,042/2024).