ISCC Update

Andreas Feige, ISCC System GmbH
ISCC Technical Committee Southeast Asia, Kuala Lumpur, 24 October 2018
ISCC facts & figures

- System users in 100+ countries
- 19,000+ certificates
- 3,300+ system users
- 32 certification bodies
- 360+ ISCC trained auditors
- Training Program (68 Trainings so far for auditors and system users)
- Innovative tools and procedures to facilitate audits
- Use remote sensing to verify land use change
- Multi-stakeholder standard:
  - 106 ISCC Association members
- Stakeholder dialogue:
  - 4 Regional and 2 Technical Committees
- ISCC Integrity Program
  - 3 auditors
- 8 Voluntary add-ons to address specific customer requirements

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ISCC is applied on a global scale for different feedstocks and markets
ISCC is a multi-stakeholder initiative organized in an association with more than 100 members.
ISCC cooperates with 32 certification bodies from 16 countries to conduct the audits for ISCC certification

*CBs cooperating with branches in several countries
401 of the currently valid 3,287 ISCC certificates have been issued for Indonesia and Malaysia

*Numbers as of 15 October 2018*
ISCC in Indonesia: All 237 certificates are ISCC EU, palm is dominating

<table>
<thead>
<tr>
<th>Type of operation</th>
<th>No. of certificates</th>
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</thead>
<tbody>
<tr>
<td>Plantation</td>
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<tr>
<td>Central Office</td>
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<td>Central Office ISH</td>
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<td>First Gathering Point</td>
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<tr>
<td>Point of Origin (w/r)</td>
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<tr>
<td>Collecting Point (w/r)</td>
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<tr>
<td>Oil Mill</td>
<td>130</td>
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<td>Refinery</td>
<td>36</td>
</tr>
<tr>
<td>Biodiesel Plant</td>
<td>11</td>
</tr>
<tr>
<td>Trader/Storage</td>
<td>53</td>
</tr>
</tbody>
</table>

Numbers as of 15 October 2018. Each certificate may be issued for more than one product and type of operation

* No (raw) materials are indicated on certificates only issued for trader and/or storage

** Palm includes all materials based on palm, e.g. FFB, CPO, Pome, Palm Sludge Oil, PFAD etc.
ISCC in Indonesia: Location of certified operations (all scopes)
ISCC in Malaysia: 164 certificates divided between ISCC EU and ISCC PLUS

Numbers as of 15 October 2018. Each certificate may be issued for more than one product and type of operation
* No (raw) materials are indicated on certificates only issued for trader and/or storage
** Palm includes all materials based on palm, e.g. FFB, CPO, Pome, Palm Sludge Oil, PFAD etc.

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<tr>
<th>Type of operation</th>
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</thead>
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<td>First Gathering Point</td>
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<tr>
<td>Point of Origin (w/r)</td>
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<td>Collecting Point (w/r)</td>
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<tr>
<td>Oil Mill</td>
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<td>Refinery</td>
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<td>19</td>
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</table>

Raw materials as indicated on certificates:
- UCO 10%
- Spent bleaching earth 8%
- Palm 82%

Certificates per ISCC System:
- 83% ISCC EU
- 17% ISCC PLUS
ISCC in Malaysia: Location of certified operations (all scopes)
ISCC has developed an approach for the certification of independent smallholders

- ISCC has developed an approach for Independent Smallholder (ISH) certification
- Approach enables ISH to increase their productivity and income without further pressure on land to increase agricultural activities
- Specific training for ISH approach available
  - Online training available for auditors and master trainers. However, also company representatives, NGO’s, research bodies/authorities may attend the training
  - Duration: ½ day (excluding the time required for the pre-read material)
  - Registration will open on 25 October 2018
- The ISCC Smallholder Academy in cooperation with SNV will help to implement Good Agricultural Practices (GAP) and become certification ready
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Visit: https://www.iscc-system.org/smallholder-academy/iscc-deforestation-free-certification
Update of ISCC Document 203 Traceability and Chain of Custody

- A summary of changes is incorporated
- Relevant changes include (among others):
  - Clarification regarding the issuing of a PoS for a batch of material that has already been counted towards a national biofuel quota (following the clarification by the EC)
  - Adjusted statement for waste/residue raw materials (“proof of non-modification” relevant for recognition in The Netherlands)
  - Clarifications regarding mass balance requirements
- Updated document comes into effect on 01 January 2019
- Earlier application is possible
- Templates for Sustainability Declarations and Proofs of Sustainability have also been updated to incorporate the adjusted wording
ISCC Integrity Program 2018: Effectively ensuring highest standards for credibility and quality under ISCC

- **66 independent on-site** integrity audits to be conducted by ISCC in 2018
- **Desk audits**, e.g. to verify individual GHG calculations, are conducted in addition to on-site audits
- Audits are conducted on a risk basis (e.g. in case of allegations of non-compliance or fraud) and on a random basis

- ISCC analyzes the results from the Integrity Program and derives adequate measures:
  - Adaptations of existing ISCC system documents, audit procedures, templates
  - Development of new documents
  - Communication in System Updates, CB meetings, ISCC trainings, specific mailings to clarify requirements

- Non-conformities and sanctions are evaluated according to fixed procedure outlined in ISCC System Document 102:
  - Withdrawal of **nine certificates** and suspension of **six System Users** for a period of 12-60 months
  - Two „yellow cards“ have been issued to CBs by ISCC
  - **Sanctions for individual auditors** in case of poor performance (e.g. suspension for conducting ISCC audits, additional training)
ISCC is partner of the Food Security Standard (FSS) Project by WWF, Welthungerhilfe and Center for Development Research

- Partners:
  - WWF
  - World Hunger Aid
  - Center for Development Research University Bonn
  - German Federal Ministry of Food and Agriculture
  - FNR – Agency for Renewable Resources

- Human Right to Adequate Food as a new building block for sustainability standards
- **Practicable and measurable food security criteria**
- Pilot tests and feedback to the project, the developed standard and checklist by ISCC, its system users and auditors
RED II: The post 2020 era – EU energy and climate targets
RED II - The main elements

- At least **32%** RE by 2030 at EU level
- At least **14%** RES-T; obligation on fuel suppliers
- Sub-target of **3.5%** advanced biofuels in 2030 (mandatory)
- **7%** cap on crop-based biofuels with strings attached
- High ILUC-risk biofuels to be **0%** by 2030
- Novel fuels allowed
- Various multipliers set
- Higher GHG emission saving targets
- New fossil fuel comparator: **94 gCO2eq/MJ** (instead of 83.1 now)
RED II – Agricultural crop-based materials: Mandate and cap

- The crop-based biofuels cap is set at each MS’ crop-based biofuels contribution in 2020, with 1% flexibility, and with a maximum of 7%:
  - MS below 1% can go up to 2%
  - MS may also set lower limits for oil crop-based biofuels considering their ILUC risk

- Examples:
  - MS that has 0% crop-based biofuels in its mix can go up to 2%
  - MS that has 2% crop based biofuels can go up to 3%
  - MS that has 6.5% in 2020 can go up to 7%
  - MS that has 7% can keep the 7%
RED II – Waste and residues: Mandate and cap

  - Two kinds of these fuels based on level of technology:
    - A) advanced technology: multiple feedstocks allowed
    - B) mature technology: only 2 feedstocks allowed
  - For Part A mandates set: at least 0.2% in 2022, 1% in 2025 and 3.5% in 2030
  - Volume of Part B capped to 1.7% but exemption possible
  - Fuel suppliers that supply electricity or Renewable Fuel of non-Biological Origin are exempted from fulfilling the mandate
  - Feedstock can be added to Annex IX if proposed by the COM but cannot be removed. Evaluation of the lists every 2 years; first one already next year
RED II – GHG emission thresholds

- New GHG emission saving thresholds for biofuels, biogas, bioliquids as well as a new FF comparator:
  - **50%** for installations in operation prior to 5 October 2015
  - **60%** for installations in operation from 5 October 2015
  - **65%** for installations operating after 1 January 2021
  - From 1 January 2021 onwards **70%** for Renewable Fuels of non-biological Origin
  - LCA method to be developed for GHG threshold of Recycled Carbon Fuels by 1 January 2021
  - Comparator set at **94 gCO2eq/MJ** instead of 83.1 now
Many thanks for your attention!

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