ISCC Technical Committee Southeast Asia
2nd meeting
Jakarta, April 23, 2014

Update on ISCC and ISCC PLUS and developments in Southeast Asia

Jakarta, April 23, 2014

ISCC System GmbH
Weissenburgstr. 53
D-50670 Köln
www.iscc-system.org
e-mail: info@iscc-system.org
### Key issues of ISCC development in the last twelve months

#### System use
- 5,400+ certificates being issued
- 2,500 system users
- System users in 89 countries
- 26 certification bodies
- 560+ ISCC auditors

#### System and processes
- ISCC EU, ISCC EU Waste and Residues
- ISCC DE, ISCC DE 36. BImSchV
- ISCC PLUS
- Procedures, checklists and tools being developed
  - Updates / Improvements
  - Counselling-"Hotline"
  - Internet platform

#### Quality
- 23 regular 3-day ISCC trainings in 9 countries
- 3 waste, 2 Nabisy trainings
- **“GHG trainings”**
  - 1,200+ participants in trainings
  - Integrity program
  - Participation in benchmarking exercises

#### Governance
- 250+ stakeholders involved in ISCC development
- 70+ ISCC e.V. members
- 5 Technical Committees to facilitate regional stakeholder dialogue
- General assemblies and sustainability conferences in Europe and overseas
ISCC is used by companies in 90 countries

as of April 14, 2014
More than 5,300 ISCC certificates have been issued until April 2014 – sharp increase since June 2013 mostly due to waste certificates

* Numbers as of April, 2014
ISCC cooperates with 26 certification bodies and has trained more than 500 auditors

Certification bodies using the ISCC scheme
Different technical committees to discuss national and biomass specific adaptations

- **TC North America**
  - Next meeting: 08/07/14 in Chicago
  - Working groups:
    - National adaptations
    - ISCC PLUS

- **TC Wood**
  - Last meeting: 2013
  - Issues:
    - Sustainability certification solid biomass

- **TC Europe**
  - Last meeting: 08/08/13 in Berlin
  - Working groups:
    - National adaptations

- **TC South East Asia**
  - Next meeting: 23/04/14 in Bangkok
  - Working groups:
    - Land use
    - Waste and residues
    - Smallholders

- **TC Latin America**
  - Next meeting: September 2014
  - Working groups:
    - National and biomass specific adaptations
    - Biodiverse grassland
    - ISCC PLUS

As of April 14, 2014
ISCC covers important environmental, economic and social sustainability criteria – however there is always room for improvement

**ISCC Principles**

**PRINCIPLE 1:** Biomass shall not be produced on land with high biodiversity value or high carbon stock and not from peat land. HCV areas shall be protected.

**PRINCIPLE 2:** Biomass shall be produced in an environmentally responsible way. This includes the protection of soil, water and air and the application of Good Agricultural Practices.

**PRINCIPLE 3:** Safe working conditions through training and education, use of protective clothing and proper and timely assistance in the event of accidents.

**PRINCIPLE 4:** Biomass production shall not violate human rights labour rights or land rights. It shall promote responsible labour conditions and workers' health, safety and welfare and shall be based on responsible community relations.

**PRINCIPLE 5:** Biomass production shall take place in compliance with all applicable regional and national laws and shall follow relevant international treaties.

**PRINCIPLE 6:** Good management practices shall be implemented.
Continuous improvement of the ISCC certification system – Example WWF benchmarking

**Benchmarking Ergebnisse November 2013**

<table>
<thead>
<tr>
<th>EU RED-Kriterien</th>
<th>SYSTEM-Anforderungen</th>
</tr>
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<tbody>
<tr>
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<td>System Entwicklung und Organisation</td>
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<tr>
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<td>Konformität</td>
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**Umwelt & Soziale Anforderungen**

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<tr>
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**Discussion of benchmarking results with WWF**

**ISCC proposal of changes for selected criteria**

**Benchmarking Ergebnisse April 2014**

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**Implementation of changes within ISCC system documents**

**Joint discussion of changes**

**Change Prozess**
ISCC offers solutions for different markets

<table>
<thead>
<tr>
<th>Energy</th>
<th>Waste &amp; Residues</th>
<th>Food</th>
<th>Feed</th>
<th>Chemicals</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Biofuels</td>
<td>• UCO</td>
<td>• Cereals</td>
<td>• Canola / rape meal</td>
<td>• Sugar</td>
</tr>
<tr>
<td>• Bioliquids</td>
<td>• Animal fat</td>
<td>• Sugar</td>
<td>• Soy meal</td>
<td>• Vegetable oils</td>
</tr>
<tr>
<td>• (Solid biomass)</td>
<td>• Spent bleaching earth</td>
<td>• Vegetable oils (canola / rape, soy, palm)</td>
<td>• DDGS</td>
<td>• Starch</td>
</tr>
</tbody>
</table>

|               | • Palm sludge oil      | • Potatoes                 | • …                          | • Cellulose                   |
|               | • Starch slurry (low grade) | • …                      |                              | • Bioplastics                 |
|               | …                      |                           |                              | • …                           |

<table>
<thead>
<tr>
<th></th>
<th>ISCC EU</th>
<th>ISCC PLUS</th>
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• ISCC EU
• ISCC DE
Continuous improvement of the ISCC certification system – Example ISCC module 202-01 developed to comply with Unilever SAC

Improvement of the ISCC sustainability requirements – additional development of an environmental management and biodiversity module (202-01)
ISCC certification system serves both regulated and non regulated markets based on core requirements and voluntary add-ons

<table>
<thead>
<tr>
<th>ISCC PLUS</th>
<th>ISCC EU/DE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Products</strong></td>
<td>Biofuels</td>
</tr>
<tr>
<td>Food, Feed, SRC (short rotation coppice), Bioplastics</td>
<td></td>
</tr>
</tbody>
</table>

<table>
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<tr>
<th>Core Requirements</th>
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<tbody>
<tr>
<td>• Sustainability criteria on farm level</td>
</tr>
<tr>
<td>• GHG emissions on farm level</td>
</tr>
<tr>
<td>• Chain of Custody requirements</td>
</tr>
<tr>
<td>− Traceability</td>
</tr>
<tr>
<td>− Quantity bookkeeping</td>
</tr>
<tr>
<td>• Quality management</td>
</tr>
</tbody>
</table>

<table>
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<tr>
<th>Voluntary Add-ons</th>
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<tbody>
<tr>
<td>• Environmental management and biodiversity (202-01)</td>
</tr>
<tr>
<td>• Classified chemicals (202-02)</td>
</tr>
<tr>
<td>• GHG emission requirements downstream farm level (205-01)</td>
</tr>
<tr>
<td>• Consumables of a production process (205-02)</td>
</tr>
</tbody>
</table>

• Non GMO Module (public consultation)
ISCC PLUS provides a pragmatic tool set for sustainable bio-based material supply chains – utilizing an already certified supply infrastructure

- New system users can benefit from already ISCC certified raw material and supply chains
- For bio-based material only those parts of a supply chain which has not been ISCC certified, needs to prepare for an audit
- Certification process is straightforward with moderate costs in the order of 0.02% to 0.2% of the material value
Database tools have been developed to improve ease of use and integrity of the ISCC system.
ISCC Technical Committee Southeast Asia (SEA): Inaugural meeting in Bangkok on April 8 2013

- Inaugural meeting of the TC SEA
- Chairs: Adrian Suharto and Chew Jit Seng
- Almost 60 participants attended
- Object of TC SEA:
  - to support and extend the stakeholder dialogue in SEA
  - to consider specific regional requirements for further development of the ISCC System
- Three working groups were founded:
  1. Land use change
  2. Waste and residues
  3. Smallholders
ISCC in Southeast Asia

- More than 750 certificates have been issued for Southeast Asia since 2010
- Currently, there are 358 valid certificates for Australia and six countries in Southeast Asia
- Indonesia holds 47% of all currently valid certificates in Southeast Asia
- Malaysia holds 39% of all currently valid certificates in Southeast Asia
- Palm is the major raw material
- Since the beginning of 2013 UCO has become another important raw material
Currently, 358 valid ISCC certificates in Southeast Asia and Australia – in comparison to only 200 valid certificates in March 2013

- Positive development of ISCC certificates in SEA since last year:
  - In March 2013 200 ISCC certificates were valid in the region
  - Increase of almost 80% by April 2014
  - April 2014: 45 certificates are related to waste and residues (8 in March 2013)
  - 9 ISCC PLUS certificates in April 2014 (none in March 2013)

*Numbers as per April 14, 2014
Numbers of valid certificates in Southeast Asia and Australia per ISCC System

- **ISCC EU**: 326 certificates
- **ISCC PLUS**: 9 certificates
- **ISCC DE**: 23 certificates

Numbers as per April 14, 2014
Types of operations ISCC certified in Malaysia*

*Each certificate may be valid for more than one type of operation

Numbers as per April 14, 2014

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Types of operations ISCC certified in Indonesia*

*Each certificate may be valid for more than one type of operation

Numbers as per April 2014
Types of operations certified in Southeast Asia and Australia (without MY and ID)*

*Each certificate may be valid for more than one type of operation

Numbers as per April 14, 2014
Three working groups of the ISCC Technical Committee Southeast Asia

- Establishment at inaugural meeting of the TC SEA in April 2013:
  1. **Land use change** (group leader: Simon Siburat)
  2. **Waste and residues** (group leader: Adrian Suharto)
  3. **Smallholders** (group leader: Donald Ginting)

- Regular activities of the working groups since last year, e.g. by conference calls
- Essential involvement in initiation and compilation of e.g. the ISCC guidance document on smallholder certification and identification of farms and plantations (see next slide for further information)
- Introduction of smallholder funding companies, such as IDH to ISCC
ISCC workshop with certification bodies on smallholder certification in Southeast Asia on June 6 in Cologne

• Workshop and creation of guidance document was initiated by smallholder working group of TC SEA
• ISCC invited all eight cooperating certification bodies that are active in SEA
• Six CBs attended (agroVet, ASG Cert, DQS, GutCert, SGS, TÜV Rheinland)
• Issues discussed included:
  ▪ ISCC requirements in the regional context of SEA
  ▪ Detection of land use change
  ▪ Analysis of definition of a farm in SEA
• Outcome: Table with different set ups of palm production
• Further discussion of table in working group of TC SEA
• Compilation and publication of ISCC guidance document on identification of farm/plantations and smallholder certification
Guidance for smallholder certification was developed to ensure a consistent approach when carrying out audits, in particular in Asia.

<table>
<thead>
<tr>
<th>Characteristic of set-up</th>
<th>1. Independent legal entity and management</th>
<th>2. Centrally managed rented land</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal status</td>
<td>Independent legal entity (e.g. farm/plantation/smallholder)</td>
<td>Landowners renting land to a company</td>
</tr>
<tr>
<td>Management of land* (see indicator list above)</td>
<td>Independent management</td>
<td>Land centrally managed by company</td>
</tr>
<tr>
<td>Centralized support in farming (by CO or FGP)**</td>
<td>No centralized support</td>
<td>Everything done centrally</td>
</tr>
</tbody>
</table>

| Implications for certification                  |                                                     |
| Which entity is considered the "farm/plantation"? | The independent legal entity (e.g. farm/plantation/smallholder) | The management company                               |
| Type of certificate                             | • Individual farm certificate or                     | • Individual farm certificate or                     |
|                                                | • Part of CO/ FGP                                   | • Part of CO/ FGP                                    |
| Self-declaration                                | Signed by farmer (independent legal entity)         | Signed by management company                        |
| Consequence of non-compliance of farm           | • Individual certification not possible              | • Individual certification of management company not possible |
|                                                | • Exclusion from group and farm sample size at CO/ FGP doubled | • Exclusion of management company from group and farm sample size at CO/ FGP doubled |