Sustainability Certification Beyond Deforestation

Andreas Feige, Managing Director, ISCC System GmbH
Certification is a credible solution for ISCC system users. However, it does not solve the deforestation challenge in general

**Advantage of ISCC certification**
- Strict no deforestation requirements without loopholes
- Compensation for deforested areas not accepted
- High level environmental ans social requirements
- Full traceability back to the origin (no book & claim)

**Current implications**
- Several palm growers (plantation, smallholder) will not qualify for ISCC certification
- Growers with high sustainability standards may even not qualify due to deforestation of small parcels of land (which may be more environmental friendly than those compensating for large areas)
- Even ISCC certified oil mills may source non-sustainable FFBs from unknown sources (illegal origin cannot always ruled out)

ISCC certification is a credible solution for ISCC system users but does not solve deforestation and sustainability problems for a region
In order to tackle sustainability challenges for a region ISCC has introduced the Landscape Approach

**Challenges**
- Several palm growers (plantation, smallholder) will not qualify for ISCC certification
- Growers with high sustainability standards may even not qualify due to deforestation of small parcels of land (which may be more environmental friendly than those compensating for large areas)
- Even ISCC certified oil mills may source non-sustainable FFBs from unknown sources (illegal origin cannot always ruled out)

**Key pillars of the Landscape Approach**
- Concentrate on the sourcing area of an oil mill (e.g. radius of 50 km to 100 km)
- Provide transparency about the sustainability status and risk exposure of suppliers
- Provide full traceability back to the origin for non certified suppliers
- Support smallholders to become more sustainable and increase their yields (in order to reduce pressure on land expansion)
ISCC system users can apply the GRAS tool in order to assess risk exposure and sustainability status, especially deforestation after 2008.

Conducted steps:

1. Risk assessment of sourcing areas
   - According to:
     - Deforestation & grassland conversion
     - Biodiversity
     - Carbon stock
     - Social issues

2. Calculate risk factor different sourcing areas
   - Calculation of risk factor for different sourcing areas based on a defined radius
   - Ranking of risk areas

3. Provide transparency on sustainability status
   - Assessment of suppliers / smallholders with respect to their sustainability status, deforestation after 2008

4. Detailed analysis of plantations (if necessary)
   - For suppliers / smallholders with high risk a detailed verification of Land Use Change based on Landsat EVI possible

Risk assessment
Risk factor per oil mill
Sustainability status per supplier / smallholder
Plantation analysis
Providing full transparency about the sustainability status – Example deforestation after 2008 (LUC: Land Use Change)

Detailed land use change analysis of growers within a high risk sourcing area

<table>
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<tr>
<th>Categories</th>
<th>Plantation Name</th>
<th>Certified</th>
<th>LUC after 2008</th>
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<tr>
<td>5</td>
<td>Plantation 3</td>
<td>✔*</td>
<td>yes</td>
</tr>
</tbody>
</table>

* Certified under a certification system other than ISCC
Provide full traceability back to the origin for non certified suppliers

**Steps to achieve full traceability**

- Analyse the sourcing area and identify suppliers by name and organisation
- Contact suppliers and analyse the physical supply chain within the sourcing area (middlemen, plantation / smallholder)
- Convince suppliers to establish standard delivery documentation which allows traceability
- If appropriate use track & trace tools

**Example of a track & trace tool**

[Diagram showing supply relationships: supply relationship refinery with oil mill, supply relationship oil mill with smallholder, Smallholder, Oil mill, Refinery]
Enable smallholders to become more sustainable and increase their yields (in order to reduce pressure on land expansion)

Sustainability and GAP Training for Smallholder

- Explain advantages of a training program and offer training opportunities
- Conduct a baselining audit in order to identify gaps
- Receive GAP and ISCC training
- Implement corrective measures
- Evaluate improvements and further training needs
- Setting up a CO organisation
- Become certified
- Monitor progress
Many thanks for your attention!

Contact

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