Learnings and Results from the ISCC Integrity Programme

Sascha Wüstehöfer, ISCC System GmbH
ISCC Stakeholder Meeting Europe, Berlin, 21 May 2019
Integrity measures are a core pillar of ISCC

On-site audits
Desk audits
Internal review
Stakeholder involvement
Trainings and Qualifications
Sanctions
Internal review and analysis

- **ISCC** reviews **100% of the certification documents received** from the certification bodies.

- **Internal data analysis** (e.g. addresses, names of contact persons, legal representatives) to avoid the circumvention of suspension periods by setting up new companies.

- To assure the correct reporting of amounts of material declared as sustainable under ISCC, **plausibility checks** are conducted:
  - E.g. POME amounts reported by certified palm oil mills are automatically compared to the overall production capacity.

- **ISCC** has developed the **Audit Procedure System (APS)** to further improve automatic data analysis and impact assessment.
Stakeholder involvement

- **Mailings & Clarifications**: onsite sample audits farms / points of origin, document comparison to verify statements
- Biannual feedback meetings with Certification Bodies
- **Annual feedback round** with the ISCC integrity auditors
- **Technical Committee** Waste, Residues and Advanced Low Carbon Fuels and **Working Group** on waste/residues
- **ISCC encourages its stakeholders and third parties to raise complaints** in case of non-conformities and/or fraudulent behaviour of ISCC certificate holders or CBs
- **ISCC increasingly receives information from third parties**
  - Complaints from market operators received via phone/mail/letter
  - Information from authorities (e.g. quarterly GHG data from national authority (BLE), bilateral clarification requests, European Commission)
- **To facilitate the submission of complaints ISCC has developed a web template**, available on the ISCC website
Trainings and qualifications

- ISCC auditors must be qualified according to international standards:
  - ISO 19011 (e.g. ethical, open-minded, diplomatic, observant, culturally sensitive, etc.)
  - Requirements of ISAE 3000

- In addition, every auditor must participate in a three day ISCC Basic Training in order to conduct ISCC audits

- ISCC has developed further trainings to gain specific knowledge:
  - ISCC Greenhouse Gas Training is mandatory to become a GHG expert
  - Independent Smallholder Training is mandatory in order to conduct ISCC audits of ISH and Central Offices for ISH
  - ISCC waste and residues training covers specific requirements for the certification of materials classified as waste/residues

- In the case of malperformance of auditors, follow-up qualifications may be requested
On-site integrity audits: In 2018 more than the square root of certified companies were assessed independently by ISCC

- ISCC Integrity Assessments are planned on a risk basis (indication of non-compliance or fraud) and based on random selection.
Desk integrity audits

- Increased **additional focus on desk audits** as part of the ISCC Integrity Programme
- Desk audits are an efficient way to verify e.g. GHG calculations
- ISCC uses remote sensing tools like the GRAS tool, to verify land use change

Heatmaps provide information on the occurrence of land use change
Key findings – Majority of non-conformities concern mass balance & traceability*

Mass Balance & Traceability: 61%
Documentation: 21%
GHG Emissions: 18%
Management System: 18%
Basic Data: 18%
Sustainability Criteria: 7%

* Based on findings from ISCC Integrity Assessments conducted in 2018
Learnings from Integrity Assessments are used to improve the ISCC System Documents

Shortcomings detected during Integrity Assessments

- Incorrect mass balances (e.g. not site- or material-specific)
- False declaration of materials
- Incorrect GHG calculation of emissions from land use change (negative emissions from land use change might lead to lower overall emissions)
- Use of non-certified dependent collecting points
- False declaration of land category

Clarifications in the ISCC System Documents

- Audit procedures demand specific statement of the auditor in case of land use change
- Update of the ISCC System Documents to provide clear guidance for auditors
- Development of tools such as APS
- Promotion of the use of remote sensing tools like GRAS
- Clear communication in ISCC System Updates
- Amendments of ISCC templates (e.g. self declaration, Sustainability Declaration, PoS)
The ISCC Integrity Programme: role of sanctions

- To ensure credibility of the system ISCC has the possibility to impose sanctions in case non-conformities are detected
- Sanctions for System Users:
  - Withdrawal of certificates (five*)
  - Suspension from recertification of system users (seven*)
- Sanctions for Certification Bodies:
  - Suspension of auditors (five*)
  - Issuance of “yellow cards” (three*) and “red cards” (one*) to CBs by ISCC
- Withdrawn certificates, suspended System Users and fake certificates are published on the ISCC website
- Suspension periods for companies from other certification schemes apply under ISCC to avoid ”scheme hopping” with the goal to circumvent sanctions
- In the case of malperformance of auditors, follow-up qualifications may be requested

*Figures from 2018
Reasons to withdraw a certificate or to suspend a company

- Reasons to withdraw a certificate and suspend system users are for example cases in which the system user:
  - issues ISCC sustainability declarations or PoS for sustainable goods without a valid certificate
  - is culpable of „double-accounting“ of sustainable material
  - accounts and declares material to be sustainable, even though the sustainability cannot be fully traced, verified or validated (e.g. missing self declarations, non-certified suppliers)
  - does not allow an ISCC integrity assessment to take place
  - violates major must criteria for sustainable biomass production (particularly violations of ISCC principle 1)

- Certificates are withdrawn by the certification body and communicated to ISCC to be published on the website

- The suspension of companies is carried out by ISCC following an assessment of the individual case
Summary

- To ensure and protect the integrity and credibility of the ISCC System is one of the **core responsibilities of ISCC**
- ISCC has implemented **various measures** to assure compliance with ISCC requirements
  - E.g. on-site integrity audits, desk audits and the internal review of documents
- Reports / Complaints of **third parties** become increasingly important for the selection of participants in an integrity assessment
- Learnings from Integrity Assessments are **monitored** and used to **continuously improve ISCC** and to further strengthen ISCC audits
- ISCC imposes **sanctions** in case non-conformities with ISCC requirements are detected
Many thanks for your attention!

Sascha Wüstenhöfer, ISCC System GmbH
Hohenzollernring 72, 50672 Cologne, Germany
Email: wuestenhoefer@iscc-system.org