Benefits of ISCC Certification for Enterprises and Impact for Environment, Climate and Society

Dr Norbert Schmitz, Managing Director, ISCC System GmbH
ISCC Regional Stakeholder Dialogue Latin America
Antigua, Guatemala, 21 January 2020
Anti Trust Clause

The ISCC Association will not enter into any discussion, activity or conduct that may infringe, on its part or on the part of its members and participants, any applicable competition laws. By way of example, members and participants shall not discuss, communicate or exchange any commercially sensitive information, including non-public information relating to prices, marketing and advertisement strategy, costs and revenues, trading terms and conditions and conditions with third parties, including purchasing strategy, terms of supply, trade programmes or distribution strategy. This applies not only to discussion in formal meetings but also to informal discussions before, during or after meetings.
ISCC Regional Stakeholder Dialogue Latin America

21 January 2020

Content:

New Regulations in EU and Latin America
Market Requirements
Success Stories and Innovative Tools
Stakeholder Discussions

AGENDA

Hotel Museo Casa Santo Domingo
3a Calle Oriente 28 A, Antigua, Guatemala

08.30 – 09.00 am
Registration and Welcome Coffee
Alejandra Rueda, NES Naturaleza, ISCC Chair Latin America, Dr Norbert Schmitz, Managing Director, ISCC, Germany

09.00 – 09.15 am
Welcome Addresses
Dr Norbert Schmitz, Managing Director, ISCC, Germany

09.15 – 09.30 am
Benefits of ISCC Certification for Enterprises and Impact for Environment, Climate and Society
José Santiago Molina, President, Grepalma, Guatemala

09.30 – 09.45 am
No Deforestation Commitment of the Palm Oil Sector in Guatemala
Juan Carlos Fernandez, Executive Director, Central American Sugar Association, Guatemala

09.45 – 10.00 am
Sustainability Challenges in the Sugar Cane Sector in Central America
Dr Jan Henke, Director, Meo Carbon Solutions, Germany

10.00 – 10.15 am
New Regulative Framework in the EU (RED II) – Opportunities for Latin America
Alex Guerra, General Director, Private Institute for Climate Change Research, Guatemala

10.15 – 10.30 am
Carbon Inventories and Carbon Footprint of the Sugar Industry
María Silvia Pineda, CSR & Sustainability, Association of Sugar Producers, Guatemala

10.30 – 10.45 am
Policy Framework and Innovations in the Sugar Industry
Alejandra Rueda, Director, NES Naturaleza, Colombia

10.45 – 11.00 am
Low ILUC CPO – Concept and Practical Approach for Verification

11.00 – 11.30 am
Coffee Break and Networking

08.30 – 09.00 am
Registration and Welcome Coffee

09.00 – 09.15 am
Welcome Addresses

09.15 – 09.30 am
Benefits of ISCC Certification for Enterprises and Impact for Environment, Climate and Society

09.30 – 09.45 am
No Deforestation Commitment of the Palm Oil Sector in Guatemala

09.45 – 10.00 am
Sustainability Challenges in the Sugar Cane Sector in Central America

10.00 – 10.15 am
New Regulative Framework in the EU (RED II) – Opportunities for Latin America

10.15 – 10.30 am
Carbon Inventories and Carbon Footprint of the Sugar Industry

10.30 – 10.45 am
Policy Framework and Innovations in the Sugar Industry

10.45 – 11.00 am
Low ILUC CPO – Concept and Practical Approach for Verification

11.00 – 11.30 am
Coffee Break and Networking

© ISCC System GmbH: For personal use only. Reproduction and distribution is prohibited.
### Market Requirements

<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
<th>Speaker(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.30 – 11.45 am</td>
<td>Sustainability and Carbon Emissions Requirements within International Markets</td>
<td>Jennifer Jimenez, Trader Ethanol and Molasses, Pantaleon, Guatemala</td>
</tr>
<tr>
<td>11.45 – 12.00 pm</td>
<td>Sustainable Development in the Palm Industry</td>
<td>Karen Rosales, Executive Director, Grepalma, Guatemala</td>
</tr>
<tr>
<td>12.00 – 12.15 pm</td>
<td>Sustainability Commitment in Honduras</td>
<td>Erlín Geovany Benavides Pineda, Sustainability Coordinator, Palmasa, Honduras</td>
</tr>
<tr>
<td>12.15 – 12.30 pm</td>
<td>The role of Certification to Fulfil Sustainability Requirements — the View of an NGO</td>
<td>Rafael Rodríguez, Climat Change Expert, IUCN, Guatemala</td>
</tr>
<tr>
<td>12.30 – 12.45 pm</td>
<td>Latin America Market Perspective Along the Supply Chain</td>
<td>Juan Carlos Bastidas, Group Lead Sustainability, Palmeiras, Colombia</td>
</tr>
<tr>
<td>12.45 – 01.45 pm</td>
<td>Lunch Break</td>
<td></td>
</tr>
</tbody>
</table>

### Success Stories and Innovations

<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
<th>Speaker(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>01.45 – 02.00 pm</td>
<td>Benefits of Certification for the Rum Industry in Guatemala</td>
<td>Maria Mercedes Sanchez, Industrias Licoreras de Guatemala, Guatemala</td>
</tr>
<tr>
<td>02.00 – 02.15 pm</td>
<td>The Real Case of Continuous Improvement of Sustainable Practices</td>
<td>Carlos Chinchilla, Sustainability Manager, Aceites, Colombia</td>
</tr>
<tr>
<td>02.15 – 02.30 pm</td>
<td>Social Responsibility in the Palm Oil Sector</td>
<td>Héctor Herrera, Sustainability Manager, NaturAceites, Guatemala</td>
</tr>
<tr>
<td>02.30 – 02.45 pm</td>
<td>Reduction of Environmental Discharges, Opportunities Identification for Optimization and Productivity</td>
<td>Alejandro Chacon, Corporate Manager Environmental Issues, Olmeca, Guatemala</td>
</tr>
<tr>
<td>02.45 – 03.00 pm</td>
<td>GHG Performance of Sugar Mills</td>
<td>Juan Luis Gomez, Executive Director, Ingenio Tuluá, Guatemala</td>
</tr>
<tr>
<td>03.00 – 03.15 pm</td>
<td>Climate Change Impacts on Sugar Cane in Latin America</td>
<td>Jennifer Wiegel, Country Manager Sustainable Food Systems, CIAT, Nicaragua</td>
</tr>
</tbody>
</table>

### Stakeholder Discussions

<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
<th>Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>04.30 – 05.00 pm</td>
<td>Feedback from Stakeholders in Latin America and Next Steps for the Committee</td>
<td>All</td>
</tr>
<tr>
<td>from 05.00 pm</td>
<td>Networking Reception</td>
<td></td>
</tr>
</tbody>
</table>

### Additional Information

Contact ISCC
- Email: info@iscc-system.org
- Phone: +49 221 5080 2010
- Website: www.iscc-system.org

Or visit us on
01
Recent Sustainability Market Developments

02
ISCC Impact: Facts & Figures

03
Benefits of an ISCC Certification
Consumers demand traceable and sustainable global supply chains, institutions and companies have to react

8 out of 10 consumers aim to make more sustainable consumption decisions!

“Climate change and environmental concerns pose the number one risk for companies’ growth!”

Sources: Company websites
Global brand owners communicate their efforts to contribute to the bio-based and circular economy

“Coca-Cola HBC increased the percentage of sustainably sourced sweeteners to 65% and juices to 35% by the end of 2018.”

Ensure traceability of palm oil and palm kernel oil to our supplier mills by December 31, 2015 and to plantations by 2020 to ensure zero deforestation in our palm oil supply chain, with a commitment to working with small farmers.

“As of March 2019, the company reported that 77 percent of its palm oil, pulp and paper, soy, and meat was verified as deforestation-free, up from 63 percent in 2018.”

“Our Sustainable Palm Oil Sourcing drives our efforts to transform the palm oil industry. (...) we brought forward our target of 100% physically certified palm oil and its derivatives for our core volumes from 2020 to 2019.”

The European Green Deal offers new opportunities

- **European Green Deal** (communicated December 2019)
  - Sets out how to make Europe the first climate-neutral continent by 2050
  - Sets out how to cut emissions, restore the health of natural environment, protect wildlife, create new economic opportunities and improve the quality of life
  - During 2020/2021 further regulative frameworks and action plans will follow

**Key statements:**

- Reliable, comparable and verifiable information plays an important part in enabling **buyers to make more sustainable decisions**
- The **Farm to Fork Strategy** will strengthen the EU’s efforts to tackle climate change, protect the environment and preserve biodiversity
- Measures such as eco-schemes should **reward farmers for improved environmental and climate performance**
- Increased level of ambition to **reduce significantly the use and risk of chemical pesticides, as well as the use of fertilizers and antibiotics**

➔ ISCC supports many topics of the Green Deal!

Almost 4,000 companies in more than 100 countries prove the credibility and global acceptance of the ISCC scheme.
Crops with largest certified cultivation area and amounts of certified waste/residues materials

<table>
<thead>
<tr>
<th>Crops - Certified Cultivation Area (in hectare)</th>
<th>Waste and Residues (Amount in MT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rapeseed / Canola</td>
<td>Used cooking oil</td>
</tr>
<tr>
<td>4,079.778</td>
<td>2,609.184</td>
</tr>
<tr>
<td>Corn / Maize</td>
<td>Animal fat / tallow</td>
</tr>
<tr>
<td>1,799.260</td>
<td>2,074.788</td>
</tr>
<tr>
<td>Oil Palm Fresh Fruit Bunches</td>
<td>Empty palm fruit bunches</td>
</tr>
<tr>
<td>1,625.270</td>
<td>812.805</td>
</tr>
<tr>
<td>Wheat</td>
<td>Manure</td>
</tr>
<tr>
<td>625.900</td>
<td>808.621</td>
</tr>
<tr>
<td>Sunflower</td>
<td>Food waste</td>
</tr>
<tr>
<td>578.654</td>
<td>603.815</td>
</tr>
<tr>
<td>Soybean</td>
<td>Grape marc</td>
</tr>
<tr>
<td>272.867</td>
<td>535.692</td>
</tr>
<tr>
<td>Other crops</td>
<td>Starch slurry (low grade)</td>
</tr>
<tr>
<td>75.113</td>
<td>459.542</td>
</tr>
<tr>
<td>Sugar cane</td>
<td>Sewage sludge</td>
</tr>
<tr>
<td>72.335</td>
<td>391.504</td>
</tr>
<tr>
<td></td>
<td>Spent bleaching earth</td>
</tr>
<tr>
<td></td>
<td>378.327</td>
</tr>
</tbody>
</table>

© ISCC System GmbH: For personal use only. Reproduction and distribution is prohibited.
Almost 15 million tonnes of biofuels and bioliquids are certified under ISCC.
Colombia, Argentina and Guatemala are the countries with most ISCC certificates in Latin America

Valid certificates by region

- LATAM: 63%
- EU: 22%
- Asia: 6%
- Rest of Europe: 5%
- Africa: 1%

Top ten countries in Latin America
187 certificate holders in Latin America*

- Colombia: 26%
- Argentina: 19%
- Guatemala: 13%
- Honduras: 13%
- Chile: 12%
- Paraguay: 12%
- Peru: 11%
- Uruguay: 9%
- Brazil: 6%
- Others: 7%

*Numbers as of 17 January 2020

© ISCC System GmbH: For personal use only. Reproduction and distribution is prohibited.
ISCC cooperates with 29 CBs from 16 countries – Most of them conduct audits for ISCC worldwide
The multi-stakeholder initiative of the ISCC counts today 131 members. The association is open for new members.
ISCC published its first Impact Assessment Report

- Critical review of what has been achieved, and what is the impact on the ground
- Definition of the ISCC Theory of Change
- Gathering of data about impact is challenging
- Assessment includes sample data taken from audit reports and a survey with certification bodies
- Improvements in the ISCC system will provide more digitally accessible data about impact
- Continuous improvement process with involvement of stakeholders
- ISCC will report about impact on a regular basis in the future
5 good reasons why you should choose ISCC

# 1 We are **recognized** by global initiatives and brand owners

# 2 We perform outstandingly well in **benchmarks**

# 3 We use **innovative tools** for credible and efficient audits

# 4 We are a living **multi stakeholder** initiative

# 5 We provide **credible claims** and marketing guidelines
#1: ISCC is increasingly recognized by different governments, voluntary initiatives and individual companies

**Energy**
- Renewable Energy Directive (RED) and Fuel Quality Directive (FQD) of the European Union
- Japanese Government
- Liquid Fuel Supply Regulation of Queensland
- Participation in CORSIA for sustainable alternative jet fuels
- AIREG – Aviation for renewable energy in Germany

**Industrial Applications**
- Der Blaue Engel
- Textile Exchange’s “2025 Sustainable Cotton Challenge”
- Sustainable supply of raw materials for the industrial use of biomass (INRO)
- Green Deal, sustainability criteria for biobased polymer products

**Food**
- Sustainable Agriculture Initiative (SAI) Platform
- Coca Cola’s Sustainable Agriculture Guiding Principles
- Retailers’ Soy Group (RSG) requirements for responsible soy of the Consumer Goods Forum
- Unilever Sustainable Agricultural code
- Diageo’s Sustainable Agricultural Sourcing Requirements

**Feed**
- ISCC in line with FEFAC Soy Sourcing Guidelines
- Soy Network Switzerland
- Soy sourcing supply chains of Mars petcare
- Soy sourcing supply chains of ADM

**Others**
- Responsible sourcing practices in areas that are exposed to high risk of deforestation

© ISCC System GmbH: For personal use only. Reproduction and distribution is prohibited.
The National Committee of the Netherlands (IUCN NL) has published a comparative study on voluntary soya certification schemes that comply with the FEFAC soya procurement guidelines.

#2: ISCC is one of the best certification systems for sustainable soya

- ISCC was rated outstanding in the areas of protection against deforestation and conversion of wetlands and protection of areas with high conservation value.
- Many company standards do not meet minimum criteria.
- The report places a special focus on the prevention of deforestation in connection with European soybean production and imports of soybean into Europe.

The report places a special focus on the prevention of deforestation in connection with European soybean production and imports of soybean into Europe.

Link to the report: https://www.iucn.nl/files/publicaties/setting_the_bar_for_deforestation_free_soy_190606_final.pdf
#3: ISCC has recently released an update of the Audit Procedure System (APS) to further facilitate the audit process

What is APS and what are its benefits?

- Electronic application supporting the audit preparation and simplifying the audit process for ISCC auditors
- Latest version APS 4.1 was released in August 2019
- Automatized step-by-step process contributes to an increased audit efficiency
- Reduces the risk for mistakes by leading the auditor only through the relevant questions
- In the future, ISCC will use APS also for automatic analysis and evaluation of ISCC’s impact and other KPIs

"I am sure that this new feature will help us a lot to make our audits (even) more structured and reliable."

Michael Köster, Lead Auditor, ASG Cert GmbH, Germany
66 independent on-site integrity audits have been conducted by ISCC in 2019
Increased additional focus on desk audits and cooperation with CBs additionally to on-site audits
Growing importance of risk-based audits and interconnected supply chains

ISCC analyzes the results from the Integrity Program and derives adequate measures:
- Adaptations of existing ISCC system documents, audit procedures, templates
- Communication in System Updates, CB meetings, ISCC trainings, specific mailings to clarify requirements
- New Complaint template on the ISCC website
- Amendment Terms of Use

Non-conformities and sanctions:
- Withdrawal of 18 certificates
- Suspension of 20 System Users for a period of 12-60 months
- Three „yellow cards“ have been issued to CBs by ISCC
- Suspension of four auditor
- New mandatory online auditor test implemented since 2020 after ISCC Basic Trainings
#4: ISCC continues to put major emphasis on a regular and regional stakeholder dialogue

- Regional Stakeholder Committee North America: Since 2012
- Regional Stakeholder Committee South America: Since 2010
- Regional Stakeholder Committee Europe: Since 2010
- Regional Stakeholder Committee Southeast Asia: Since 2013
- Global Events: Since 2011
- Technical Committee on Solid Biomass: Since 2011
- Technical Committee on Waste, Residues and Advanced Low Carbon Fuels: Since 2018

2019 Participants at ISCC Events: 600+
#4: In 2020 ISCC will celebrate the 10th anniversary of its Global Sustainability Conference

- The ISCC Global Sustainability Conference is a well-established platform for industry and trade representatives, NGO’s, associations, research bodies and authorities.
- **Next date:** In 2020 ISCC will celebrate its 10th anniversary on 12 February 2020
- Regular Fee: 200,- EUR + VAT
- Registrations **limited to 200 participants**
- Yearly growing number of participants with approximately **over 250 in 2019**
- Insights on market developments and networking opportunities
- **Speakers** from (inter)national authorities as European Commission, from industry and scientific institutions
#4: Companies interested in conducting Food Security Standard (FSS) audits are invited to contact ISCC

- ISCC is partner of the Food Security Standard (FSS) Project by WWF, Welthungerhilfe and Center for Development Research
- Human Right to Adequate Food as a new building block for sustainability standards
- Practicable and measurable food security criteria
- Several pilot audits successfully conducted
- Companies that would like to start with a gap analysis should contact directly ISCC key persons at the event

www.iscc-system.org/about/food-security/
#5: Example of ISCC certified users around the world – ISCC certified rum from Guatemala
#5: Example of ISCC certified users around the world – Sustainable wheat for cookies from Italy

The first rule of „La Carta del Mulino“ – a project that advocates the use of sustainable flour – is the ISCC PLUS Certification.
#5: Further examples of ISCC PLUS certified products in the food market

- **ISCC certified rapeseed oil from Poland**
- **ISCC certified sugar from Guatemala**
- **ISCC certified sunflower oil from Bulgaria**
- **ISCC certified sugar from Bolivia**
Follow us on Social Media and stay up-to-date on events, sustainability news and central ISCC-related topics
Many thanks for your attention!

Dr Norbert Schmitz, ISCC System GmbH
Hohenzollernring 72, 50672 Cologne, Germany
Email: schmitz@iscc-system.org