

ISCC Japan FIT: Principles and Criteria – Palm Kernel Shells and Palm Trunks



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1 Introduction

Within the framework of the Japanese Feed-in Tariff (FIT) the Japanese Ministry of Trade and Industry (METI) has introduced specific requirements for the certification of palm kernel shells and palm trunks under the FIT system. The ISCC Japan FIT standard for palm kernel shells and palm trunks sets out the requirements in compliance with the Japan FIT system. Products certified under this standard will thus be eligible for the Japanese market. In line with METI requirements, palm kernel shells and palm trunks eligible for the Japanese market must be certified against sustainability Principles and Criteria (P&Cs).

*Solution provider
for sustainable
supply chains*

2 Scope of this document

This document provides the respective ISCC Principles and Criteria that need to be complied with by the economic operators wanting to deliver their palm kernel shells and palm trunks into the Japanese market. This document covers the entire supply chain from the Point of Origin towards the final user. The document is valid in combination with the provisions laid out in the ISCC Japan FIT System Document – Palm Kernel Shells and Palm Trunks.

*Principles and
Criteria Japan*

This version of the standard becomes valid after official approval by the Ministry for Economy, Trade and Industry Japan (METI). Whenever any contradiction or inconsistency exists between this version and previous versions of this standard, the latest version shall prevail. All aspects of this standard are considered to be normative, including the intent scope, standard effective date, references, terms and definitions, tables and annexes, unless otherwise stated.

In the event of any inconsistency between this ISCC Standard and other ISCC Standards, the ISCC Japan FIT standard for palm kernel shells and palm trunks shall prevail.

The ISCC Japan FIT P&Cs for palm kernel shells and palm trunks cover social, ecological and economic mandatory criteria¹. They are divided into 'immediate requirements', 'short-term requirements', 'mid-term requirements' and 'best practice requirements'. The System User has to comply with the 'immediate requirements' by the time of the first certification, 'short-term requirements' must be complied with after 3 years of certification, 'mid-term requirements' must be implemented after 5 years of certification.

*ISCC Japan FIT
P&Cs*

Additionally, System Users can choose to implement the 'best practice requirements'. Best practice requirements fulfilled by a System User can be highlighted on Sustainability Declarations and/or certificates. The level of implementation of each requirement will be stated in-text for every criterion.

¹ The terms 'requirement' and 'criterion' are used synonymously in this document.

3 Principles and Criteria

The following chapter includes the Principles and Criteria for the certification of palm kernel shells and palm trunks under ISCC Japan FIT. The following table provides an overview on all P&Cs including guidance on the level of implementation (i.e. highlighting which requirements have to be covered by what scope: point of origin (PoO), collecting point (CP), traders/ storage facility and/ or processing unit (PU).

*Overview and
scopes of
implementation*

3.1 Overview

No.	Criterion	PoO	CP	PU	Trader/ Storage
3.2 Environmental Protection					
3.2.1	Environmental impact assessment for certain actions	X	X	X	
3.2.2	Avoidance of damage or deterioration of habitats	X	X	X	
3.2.3	Natural vegetation areas around springs and natural watercourses are to be maintained or re-established	X	X	X	
3.2.4	Prohibition of chemicals	X	X	X	
3.2.5	Local restrictions on the use of chemicals are followed	X	X	X	
3.2.6	Appropriate facilities for measuring and mixing chemicals	X	X	X	
3.2.7	Redundant chemicals must be disposed of via authorized or approved channels	X	X	X	
3.2.8	Surplus application mix or tank washings are disposed of in a way that does not contaminate the ground water	X	X	X	
3.2.9	Avoidance of re-usage of empty chemical containers	X	X	X	
3.2.10	Empty chemical containers are cleaned prior to disposal	X	X	X	
3.2.11	The premises must have adequate provisions for waste disposal	X	X	X	X
3.2.12	During disposal of empty chemical containers exposure to humans and the environment is avoided	X	X	X	
3.2.13	Chemical products are stored in accordance with local regulations in a secure, appropriate storage facility	X	X	X	
3.2.14	Liquids are not to be stored on shelves above powders	X	X	X	
3.2.15	The product inventory must be documented and readily available	X	X	X	
3.2.16	Mineral oil products are stored in a safe manner	X	X	X	
3.2.17	Respect existing water rights in the context of social and environmental sustainability	X	X	X	
3.2.18	Waste management includes reduction, reuse and recycling. It reduces wastage and avoids the use of landfills or burning	X	X	X	X
3.2.19	Reduction of pollution and emissions including GHG	X	X	X	X
3.3 Safe Working Conditions					
3.3.1	Records kept for training activities and attendees	X	X	X	X
3.3.2	Certificates of competence are available for dangerous or complex work	X	X	X	X
3.3.3	All workers received adequate health and safety training and they are instructed according to the risk assessment	X	X	X	X
3.3.4	The System User has a health, safety and hygiene policy and procedures including issues of the risk assessment	X	X	X	X
3.3.5	Work-related accidents are covered by contracts or adequate compensation is received	X	X	X	X
3.3.6	Workers are equipped with suitable protective clothing	X	X	X	X
3.3.7	Potential hazards are clearly identified by warning signs	X	X	X	X
3.3.8	Restrictions related to hazardous activities are followed	X	X	X	X
3.3.9	Accident procedures and equipment are available	X	X	X	X
3.3.10	There are facilities to deal with accidental operator contamination	X	X	X	X

No.	Criterion	PoO	CP	PU	Trader/ Storage
3.4 Compliance with Human, Labour and Land Rights					
3.4.1	A self-declaration on good social practice regarding human rights is available	X	X	X	X
3.4.2	Negative environmental, social, economic and cultural impacts are avoided	X	X	X	
3.4.3	Provision and disclosure of information	X	X	X	X
3.4.4	Residents at the site of the System User have access to basic services	X	X	X	X
3.4.5	All children living at the site of the System User have access to quality primary school education	X	X	X	X
3.4.6	Other forms of social benefits are offered by the employer to workers and their families and/or community	X	X	X	X
3.4.7	Workers and affected communities must be able to make a complaint	X	X	X	X
3.4.8	Mediation is available in case of a social conflict	X	X	X	X
3.4.9	There is no forced labour at the site of the System User	X	X	X	X
3.4.10	There is no child labour at the site of the System User	X	X	X	X
3.4.11	There is no discrimination at the site of the System User	X	X	X	X
3.4.12	Employment conditions comply with equality principles	X	X	X	X
3.4.13	Respect and ensure gender equity	X	X	X	X
3.4.14	Regular employment is available wherever possible	X	X	X	X
3.4.15	Workers are treated with dignity and respect	X	X	X	X
3.4.16	All workers are to be provided with fair legal contracts	X	X	X	X
3.4.17	The employment conditions of individual workers comply with legal regulations and/or collective bargaining agreements	X	X	X	X
3.4.18	A living wage is paid which meets at least legal or industry minimum standards	X	X	X	X
3.4.19	An elected worker or a workers' council represents the interests of the workers	X	X	X	X
3.4.20	Labour organisations and collective bargaining are allowed for negotiating working conditions	X	X	X	X
3.4.21	There is a person responsible for workers' health, safety and good social practice	X	X	X	X
3.4.22	The management communicates openly with workers	X	X	X	X
3.4.23	Records on all workers and employees are available	X	X	X	X
3.4.24	Working times and overtime are documented	X	X	X	X
3.5 Compliance with Laws and International Treaties					
3.5.1	Legitimacy of land use	X	X	X	X
3.5.2	Compliance with applicable laws and treaties	X	X	X	X
3.5.3	A written anti-bribery and -corruption statement must be in place	X	X	X	X
3.5.4	Any conflict of interest with ISCC must be declared to ISCC prior to entering in a business relationship	X	X	X	X
3.6 Good Management Practices and Continuous Improvement					
3.6.1	Basic economic documentations	X	X	X	X
3.6.2	Business plan	X	X	X	
3.6.3	Good relationship with customer	X	X	X	X
3.6.4	Establishment of a recording system for each unit of production	X	X	X	
3.6.5	Commitment of continuous improvement for each unit of production	X	X	X	
3.6.6	Subcontractors must fully comply with the ISCC sustainability requirements	X	X	X	X

3.2 Environmental Protection

3.2.1 Environmental impact assessment for certain actions

The environmental impacts of new cultivation areas, new buildings, restructuring rural land holdings, drainage systems and other constructions or systems (including land and soil characteristics, rare and endangered species, potential off-site contaminants, neighbouring human settlements), water management projects (including water pollution and water availability), etc., are assessed in an environmental impact assessment and are minimised where possible.

*Activities for
environmental
impact
assessment*

If any of these activities are carried out, a report must be available to show that environmental aspects have been considered and negative impacts have been minimised where possible. If applicable, the plan needs to be continuously updated. Direct and indirect effects of a project on the following factors are assessed in an appropriate manner:

*Direct and
indirect effects
on different
factors*

- (a) Human beings, fauna and flora;
- (b) Soil, water, air, climate and the landscape;
- (c) Material assets and the cultural heritage;
- (d) Interaction between the factors referred to in points a, b and c.

Degree of obligation: immediate requirement

3.2.2 Avoidance of damage or deterioration of habitats

Evidence is provided that the production or processing of the palm kernel shells and palm trunks does not interfere with the protection of habitats and appropriate management measures are identified and implemented to avoid damage to or deterioration of habitats. Legal requirements related to the protection of species and habitats must be met, any constraints must be followed and damage to or deterioration of habitats or species prevented. Wild species or products from their natural habitat shall be gathered only when permitted by law and shall do so only in a manner that assures those species will continue to flourish in their natural habitat along with other species that normally depend on the gathered species. Illegal or inappropriate hunting, fishing, trapping or collecting activities in these areas are controlled as far as possible and, if necessary, prohibited.

*Protection of
species and
habitats during
cultivation*

Existing ecological corridors and important landscape elements shall be maintained or, if necessary, restored to minimise the fragmentation of protected habitats. This shall take place in accordance with the type of terrain, wildlife and production/processing practices.

*Ecological
corridors and
landscape
elements*

Degree of obligation: immediate requirement

3.2.3 Natural vegetation areas around springs and natural watercourses are to be maintained or re-established

Natural watercourses can be streams, rivers, canals or other routes, through which constantly or ephemeral/intermittent water flows, regardless of whether they are still unaffected by human intervention or corrected, straightened or otherwise regulated. The System User knows the status of riparian vegetation around springs and natural watercourses. Appropriate riparian buffer zones (in accordance with applicable national and regional legislation) to protect watercourses and wetlands are established, maintained and restored. Where natural vegetation in riparian areas has been removed there is a plan with a timetable for recovery.

Riparian buffer zones

Degree of obligation: immediate requirement

3.2.4 Prohibition of chemicals

Chemicals listed in the Stockholm Convention on Persistent Organic Pollutants must not be applied on any (own and leased) land of the System User.² The use of chemicals listed in the WHO classes 1a and 1b lists is also not allowed under ISCC. Chemicals listed in Annex III of the Rotterdam Convention (UNEP's Prior Informed Consent (PIC) Program list) shall be avoided. Alternatives should be taken into consideration where available and a phase-out shall be considered. In case chemicals listed in WHO 1a or 1b are still in use, a phase-out plan must be in place ensuring that none of these substances will be used anymore by January 2023. In cases where there are no alternatives to a chemical substance named in WHO 1a and 1b, an external expert must be consulted to confirm this. This expert must have the professional background and expertise to analyse the situation appropriately and take a decision.

Avoidance of hazardous chemicals

Degree of obligation: immediate requirement

3.2.5 Local restrictions on the use of chemicals are followed

It must be documented and ensured that the System Users are aware and observing any local restrictions on the use of chemicals.

Degree of obligation: immediate requirement

3.2.6 Appropriate facilities for measuring and mixing chemicals

The storage and filling/mixing facilities for chemicals are appropriate. They should have measuring equipment and should be equipped with utensils, e.g. buckets or water supply points for the safe and efficient handling of all chemical products. The graduation of containers and the calibration of scales are regularly verified by the System User to assure the accuracy of mixtures.

Safe and efficient mixing and filling

There should be facilities and procedures available to deal with spillage to avoid contamination of the ground water. The chemical storage facilities and

Avoidance of spillage and contamination

² <http://chm.pops.int/Convention/ConventionText/tabid/2232/Default.aspx>

all designated fixed filling/mixing areas should be equipped with a container of absorbent inert material such as sand, a floor brush and dustpan and plastic bags, which must be signposted and kept in a fixed location, to be used in case of spillage of a chemical product.

Degree of obligation: immediate requirement

3.2.7 Redundant chemicals must be disposed of via authorised or approved channels

There must be documented records that indicate that obsolete chemicals have been disposed of via officially authorised channels. When this is not possible, obsolete chemical products must be identifiable and stored securely. They shall be removed and recycled or, if this is not possible, disposed of following internationally recognised best practices.

Best practices during disposal

Degree of obligation: immediate requirement

3.2.8 Surplus application mix or tank washings are disposed of in a way that does not contaminate the ground water

It must be ensured and documented that the System User is aware of national or local legislation and that the legislation is observed on a continuous base. When surplus application mix or tank washings are applied on designated fallow land, it can be demonstrated that this is legal practice and all the treatments have been recorded in the same manner and detail as an allowed chemical application. Surface water contamination must be avoided.

Avoidance of surface water contamination

Degree of obligation: immediate requirement

3.2.9 Avoidance of re-usage of empty chemical product containers

There must be evidence that empty chemical containers have not been or currently are not being reused for anything other than containing and transporting the same product as stated on the original label. The re-use of empty chemical containers for purposes other than containing and transporting the same product must be avoided. If no official disposal system exists and the risk of unsafe reuse of containers is present, then workers and adjacent communities should be educated on the risks of reusing empty containers.

Re-usage of empty containers

Degree of obligation: immediate requirement

3.2.10 Empty chemical containers are cleaned prior to disposal

Empty containers are rinsed either via the use of an integrated pressure rinsing device on the application equipment, or at least three times prior to disposal. There shall be clear written instructions for rinsing the containers available to all workers. The rinsing water is always returned into the application equipment tank, either via the use of a container-handling device or via a written procedure for the application equipment operators. Compliance with the existing legislation and all relevant national, regional and

Rinsing of empty containers

local regulations regarding the disposal or destruction of empty chemical containers must be ensured.

Degree of obligation: immediate requirement

3.2.11 The premises must have adequate provisions for waste disposal

National and regional legislation must be followed when storing and disposing of waste. The System User should have designated areas to store litter and waste which do not create a safety or health hazard.

*Designated
waste storage
areas*

The risks of different types of waste are identified, and waste is stored according to risk identification. Especially, the disposal of hazardous waste must be done in a safe and environmental-friendly way. Hazardous wastes include for example different types of waste include e.g. chemical waste, fuels, lubricants, batteries, tyres, etc. If applicable, waste burning and disposal should always be done by official, authorised systems. If not available, on-site disposal should follow best practices. The following rules must be applied:

*Risk
management*

If waste is burned on-site, the following rules must be applied:

*Waste burning
on-site*

- > Burning hazardous waste like solvents, certain plastics or chemicals on-site is not allowed;
- > PVC (polyvinyl chloride) and certain other plastics that cause harmful fumes such as dioxins are prohibited to be burned in on-site incinerators (especially in open fires or low-temperature incinerators);
- > Incinerators and burning sites are in legally permitted locations and fit for purpose.

If disposal takes place on the site of the System User, certain requirements shall be fulfilled:

*Waste disposal
on-site*

- > Sanitary landfills on the site of the operation must be designed according to the requirements of national legislation or, where not available, governed by best practice guidelines defined by the management;
- > Litter and other general waste must not be thrown into ditches, stream ways or holes that might flood;
- > During disposal, burned waste must be covered with a suitable layer of soil.

Degree of obligation: immediate requirement

3.2.12 During disposal of empty chemical product containers exposure to humans and the environment is avoided

The system used to dispose of empty chemical containers must ensure that people cannot come into physical contact with the empty containers. The risk of contamination of the environment, watercourses, flora and fauna must be

*Contamination
risk during
disposal
minimised*

minimised. Where official collection and disposal systems exist, there must be documented records that the System User uses these systems.

Degree of obligation: immediate requirement

3.2.13 Chemical products are stored in accordance with local regulations in a secure, appropriate storage facility

The chemical storage facilities should comply with all relevant current national, regional and local legislation and regulations. The chemical storage facilities are kept secure under lock and key.

Potential contamination of ground water must be avoided. Appropriate storage facilities:

- (1) Are structurally sound and robust;
- (2) Have a sealed floor;
- (3) Are built of materials and/or located so as to protect against temperature extremes;
- (4) Are built of materials that are fire resistant (Minimum requirement RF 30, e.g. 30 minutes resistance of fire);
- (5) Have sufficient and constant ventilation of fresh air to avoid a build-up of harmful vapours;
- (6) Are located in areas with sufficient illumination both by natural and by artificial lighting, to ensure that all product labels can be read easily on the shelves;
- (7) Are located in a separate space isolated from any other materials.

All chemicals that are in the store should be kept in their original containers and packaging. In the case of breakage, the new package must contain all the information provided on the original label.

Degree of obligation: immediate requirement

3.2.14 Liquids are not to be stored on shelves above powders

All the chemicals that are liquid formulations must never be stored on shelving which is above products that are powder or granular formulations.

Degree of obligation: immediate requirement

3.2.15 The product inventory must be documented and readily available

A stock inventory of operating resources, which indicates the contents (type and quantity) of the store, must be available and updated at least every three months. Quantity refers to the number of bags, bottles, etc., and is not to be calculated on milligram or centilitre basis.

Degree of obligation: immediate requirement

Storage of chemicals

Original packaging

Storage of liquids and powders

Inventory reporting

3.2.16 Mineral oil products are stored in a safe manner

Storage facilities are constructed using suitable materials and are consistent with the best available technology and relevant laws in order to reduce the risk of contamination to humans and the environment. The type and location of storage for mineral oil prevents spillage, flooding and contamination caused by the stored materials. Contamination or dilution of fuels and chemicals can be avoided by separating them.

Storage of mineral oil products

Degree of obligation: immediate requirement

3.2.17 Respect existing water rights in the context of social and environmental sustainability

Water rights have been legally obtained and the producer shall respect and protect existing water rights, both formal and customary, including the rights of pastoralists, indigenous people, artisanal fishers and other comparable users. No acquisition of new or modification of the existing rights can happen without the Free Prior and Informed Consent of the parties affected.

Water availability

Local communities are not denied access to clean water and adverse effects for downstream users, local communities and customary users must be prevented. If the System User treats water on-site, it must be ensured that the water use is in compliance with applicable regulations and local legislation.

Degree of obligation: immediate requirement

3.2.18 Waste management includes reduction, reuse and recycling. It reduces waste and avoids the use of landfills or burning

Best practices must be addressed in the waste management plan. They refer to:

Waste management practices

- > The prevention of waste;
- > The prevention of on-site burning of certain waste materials;
- > The prevention of contamination of on-site landfill disposal;
- > The prevention of contamination with respect to the disposal of ash;
- > The prevention of contamination from grey water runoff and disposal.

The waste management plan should include the phases (1) risk assessment, (2) target-setting, (3) risk management and (4) monitoring phases.

Phases

Waste reduction, reuse and recycling avoids or reduces waste and avoids the use of landfills or burning. It should be documented if on-site burning or landfill disposal took place. An assessment of risks to humans (both workers and neighbouring communities) and the environment should be conducted if burning or disposal take place on the premises of the System User. Appropriate management measures could be, inter alia, the minimisation of waste materials, energy recovery or efficient burning sites/incinerators. Record keeping must be in place for the amounts of waste produced and on-

Waste management measures

site disposal (including discharge to landfill, drains, sewers, surface water, land or groundwater). If burning takes place, further records on the types of waste burned and the type of burning practice (e.g. open fire, low temperature incinerators) should be available. Records of the risk assessment as well as appropriate monitoring and management measures must be kept for at least five years. A comprehensive, current, documented plan that covers waste reduction, pollution and waste recycling must be available. Air, soil, water, noise and light contamination must be considered.

Degree of obligation: immediate requirement

3.2.19 Reduction of pollution and emissions including GHG

Each System User must calculate and minimise greenhouse gas emissions and air pollutants. Therefore, a plan appropriate to the scale and intensity of operations must be in place to describe and implement the minimisation of greenhouse gas emissions and air pollutants. The plan identifies and describes any GHG emissions and air pollution minimisation strategies that are employed. Major air pollutants include carbon monoxide, nitrogen oxides, volatile organic compounds, particulate matter, sulphur compounds, dioxins and other substances recognised as potentially harmful for the environment or human health. The minimisation of air pollution and greenhouse gas emissions must be implemented as part of the plan.

Minimise GHG emissions and air pollutants

The plan includes the following steps:

- > **General minimisation measures:** fossil fuel and energy reduction, the use of renewable energies, e.g. biofuels, biogas, solar or wind energy, are encouraged. If fossil energy such as grid electricity or fossil diesel is replaced with renewable energy, this leads to fossil fuel saving and a reduction in greenhouse gas emissions
- > **For points of origin and processing units (e.g. oil mills):** including e.g. methane capture, mulching of EFBs, co-composting, implementation of devices for removal of bio-mass from POME ponds, etc.

Degree of obligation: immediate requirement

Implementation and monitoring of minimisation measures

For transparent monitoring and documentation, the System User shall calculate the GHG emissions along the supply chain related to the collection, transport and processing of palm kernel shells and palm trunks from the first element of the supply chain the point of delivery. Thereby the System User can verify the compliance with GHG reduction requirements set by national and/ or regional or local regulations. The reporting of lifecycle GHG emissions can be done by using one of the following options:

- > EU Renewable Energy Directive Methodology (see document ISCC EU 205),
- > Biograce GHG calculation tool

- > Greenhouse gases, Regulated Emissions, and Energy use in Transportation (GREET) Model, developed and maintained by the Argonne National Laboratory

Degree of obligation: immediate requirement

3.3 Safe Working Conditions

Compliance with national and local laws on working conditions is required. The company should be familiar with the relevant legislation and should remain informed about changes in legislation.

Training and competence

3.3.1 Records are kept for training activities and attendees

Staff members responsible for certain tasks within the company should participate in training activities. If applicable, local population and/or may participate in training programs. Training should include the following topics:

- > The handling of hazardous chemicals;
- > Waste management;
- > The handling of protective equipment for chemicals, fuels, gas and electricity.

A record is kept for training activities for workers including the topic covered, the trainer, the date and the attendees. Evidence of attendance is required. If useful, it is possible to collaborate with training programs for the local population.

Degree of obligation: immediate requirement

3.3.2 Certificates of competence are available for dangerous or complex work

All workers handling and/or administering chemicals, disinfectants, or other hazardous substances and all workers operating dangerous or complex equipment as defined in the risk assessment must have certificates of competence and/or details of other such qualifications. Records must identify workers who carry out these tasks and show certificates of training or proof of competence.

Degree of obligation: immediate requirement

Competence of workers to ensure health and safety

Record-keeping for training

Qualifications for dangerous works

3.3.3 All workers have received adequate health and safety training and have been instructed according to the risk assessment

Workers should be able to demonstrate competency in responsibilities and tasks through visual observation. If at the time of audit there are no ongoing activities, there must be evidence of instruction. At least one worker/person responsible with first aid skills should be on the premises of the System User whenever there are risky activities taking place.

Competence of workers

Degree of obligation: immediate requirement

3.3.4 The System User has a written health, safety and hygiene policy and procedures including issues of risk assessment

The risk assessment includes important health and safety risks, such as the use of (agro)chemicals, liquid fuels, lubricants, machines, generators, boilers, pumps, power tools, electrical installations, power lines and, where appropriate, measures of food safety (e.g. clean, dry, and if applicable, cooled storage facilities). Within the risk assessment, risks connected with transporting, storage, handling, spillage and disposal of the materials named above shall be considered.

Health and safety risks

The health, safety and hygiene policy must at least include the points identified in the risk assessment. Policy measures could include, inter alia, accident and emergency procedures, hygiene procedures, and dealing with any risks identified in typical work processes, such as e.g. the handling of chemicals. The health, safety and hygiene policy shall also include specific health and safety issues for women. The policy must be made clearly understandable for all workers, reviewed and updated when the risk assessment changes.

Risk measures

Regarding all implemented health and safety requirements, a warning system including legally permitted sanctions should exist for workers who do not fulfil the health and safety requirements. Complete and maintained first aid kits and procedures (including records and evaluations of accidents) according to national regulations and recommendations must be available and accessible at all permanent sites and available for transport to the vicinity of the work. First aid medical services must be provided in case of emergencies.

Implementation of measures

Degree of obligation: immediate requirement

3.3.5 Work-related accidents are covered by contracts or adequate compensation is received

Workers who are unable to carry out their regular activities due to an occupational/ work-related accident are protected by contract or receive adequate compensation.

Degree of obligation: immediate requirement

3.3.6 Workers are equipped with suitable protective clothing

Workers (including subcontractors) are equipped with suitable protective clothing in accordance with legal requirements and/or label instructions or as authorised by a competent authority. Complete sets of protective clothing for certain work (e.g. handling chemicals, working with electric equipment) are available and are used to ensure compliance with label instructions, legal requirements and requirements as authorised by a competent authority. They are in a good state. Examples of protective clothing are rubber boots, waterproof clothing, protective overalls, rubber gloves and facemasks as well as appropriate respiratory, ear and eye protection devices. The use of personal protective clothing is mandatory during the handling and application of toxic substances or while carrying out other hazardous tasks.

Protection of workers and reduction of accidents

Protective clothing is regularly cleaned after use, according to a schedule adapted to the type of use and degree of soiling. Cleaning of the protective clothing and equipment should be carried out separately from private clothing. Gloves should be washed before removal.

Cleaning of protective clothing

Dirty, torn and damaged protective clothing and equipment and expired filter cartridges should be disposed of. Single-use items (e.g. gloves, overalls) have to be disposed of after one use. All the protective clothing and equipment, including replacements filters, should be stored in a well-ventilated area which is physically separate from chemicals in order to prevent contamination of the clothing and equipment.

Disposal of protective clothing

Degree of obligation: immediate requirement

3.3.7 Potential hazards are clearly identified

Permanent and legible signs must indicate potential hazards, e.g. waste pits, fuel tanks, workshops, access doors to the chemical storage facilities. Warning signs must be placed where appropriate.

Warning signs

Degree of obligation: immediate requirement

3.3.8 Restrictions related to hazardous activities are followed

Young workers (15-18), pregnant or breast-feeding women, disabled workers or workers who suffer from chronic or respiratory diseases must not undertake hazardous work that jeopardizes their health, safety or morals. All persons who have been injured or are ill must not perform activities that are detrimental to their health and safety or that of other workers. Instead, they shall be offered alternative work.

Young, disabled and pregnant workers

Degree of obligation: immediate requirement

3.3.9 Accident procedures and equipment are available

An accident procedure must display the basic steps of primary accident care and be accessible by all individuals within ten meters of the chemical storage

Accident procedure at storage

facilities and designated mixing areas. Procedures and equipment must be available to deal with accidents and chemical spills.

Degree of obligation: immediate requirement

3.3.10 There are facilities to deal with accidental operator contamination

All chemical storage facilities and all filling/mixing areas present on the site of the System User must have eye washing capability, a source of clean water no more than 10 meters away, a complete first aid kit and a clear accident procedure with emergency contact telephone numbers or basic steps of primary accident care, all permanently and clearly indicated.

Eye wash and first aid kit

Degree of obligation: immediate requirement

3.4 Compliance with Human, Labour and Land Rights

The criteria listed here are based on internationally recognised requirements concerning social factors (International Labour Organisation, core ILO standards: ILO 29, 105, 138, 182, 87, 98, 100, 111). In addition, compliance with relevant national and local laws is required.

3.4.1 A self-declaration on good social practice regarding human rights is available

A self-declaration on good social practice regarding human rights must have been communicated to the workers. The System User's management and the workers' representative must have signed and displayed a self-declaration assuring good social practice and the human rights of all workers. The self-declaration must be in a language appropriate to the workers and surrounding communities. This declaration contains the following:

Commitment to good social practices

- > a commitment to the ILO core labour standards
- > respect for a living wage
- > respect for the social environment
- > respect for legal land titles
- > sufficient compensation for communities
- > commitment to solving social conflicts
- > commitment to reduce key economic, environmental and social impacts

Degree of obligation: immediate requirement

3.4.2 Negative environmental, social, economic and cultural impacts are avoided

All environmental, social, economic and cultural impacts for surrounding areas, communities, users and landowners are taken into account. Local historical, cultural and spiritual properties and sites are protected. Prior to the

Social impact assessment

audit, potential negative environmental, social and cultural impacts must be identified.

Where there is an indication found for negative environmental, social and/ or cultural impacts in context with the System User, a participatory social impact and legal compliance assessment shall be conducted, where all relevant stakeholders, including local communities and indigenous people, are engaged. A report about this assessment shall be made publicly available in a language appropriate to surrounding communities.

Degree of obligation: immediate requirement

On the basis of that report, an action plan to address the impacts identified and to ensure continued dialogue with surrounding communities is in place. Negative impacts must be avoided or, if this is not possible, minimised, restored and/or compensated. The action plan will be verified during the audit, including the consultation of relevant stakeholders during the audit. Documents of regular meetings with communities (with two-way communication) and local government with listed risks and/or impacts and evidence of minuted negotiations or resolution processes must be compiled.

Degree of obligation: short-term requirement

3.4.3 Provision and disclosure of information

The System User shall provide adequate information to relevant stakeholders on legal, social and environmental issues related to the ISCC requirements. The information must be presented in an appropriate language and must be accessible to stakeholders. Information include e.g. management procedures comprising the results of Free, Prior and Informed Consent (FPIC) processes, human rights policies, results of participatory social impact and legal compliance assessments, etc. There are communication channels (written sign or website with the following information: email, cell-phone, mailbox) that adequately enable communication between the System User and the community. The communication channels have been made known to the local communities.

Commercially sensitive and confidential information as well as details relating to customers and/or suppliers and personal privacy shall remain confidential.

Degree of obligation: immediate requirement

3.4.4 Residents at the site of the System User have access to basic services

All people on the premises of the System User must have access to clean food storage areas, designated dining areas, hand washing facilities (including soap), safe and potable drinking water, and hygienic toilets. A place to store food and an eating area must be available. In addition, hand washing facilities and potable drinking water must be available to workers. Workers who live on the site of the System User must be provided with access to appropriate cooking facilities and clean and safe accommodation. The living quarters for

*Well-being of
employees and
families*

workers on the site of the System User must be habitable (including, where necessary, protection such as mosquito nets), have a sound roof, windows and doors, and have the basic services of running water, toilets and drains.

Degree of obligation: immediate requirement

3.4.5 All children living on the premises of the System User have access to quality primary school education

All children of primary schooling age (according to national legislation) living on the premises of the System User must have access to primary school education, either through provision of transportation to a public primary school or through adequate on-site schooling.

Education of employees and families

Degree of obligation: immediate requirement

3.4.6 Other forms of social benefits are offered by the employer to workers and their families and/or community

Incentives including incentives for good working performance, bonus payments, support of professional development, family friendliness, medical care/health provisions, and the improvement of social surroundings are offered. Where possible, System Users should preferentially offer local businesses the opportunity to supply goods and services and support local community development programs. Workers should be encouraged to take out health insurance by creating awareness and providing information about available insurance policies. Health insurance can include long term compensation in case of disability and payment of medical costs. If appropriate, the employer should make employment opportunities known locally.

Incentives for workers

Degree of obligation: immediate requirement

3.4.7 Workers and affected communities must be able to make a complaint

A complaint form and/or procedure must be available at the site of the System User, on which workers and surrounding communities can make a complaint. The procedure should allow for complaints to be made anonymously (if desired), yet also allow verification of validity of the complaints. Workers and surrounding communities shall have been made aware of its existence and shall be able to make complaints or suggestions at any time.

The System User shall engage with affected stakeholders and document measures taken to resolve appearing disputes. Complaints must be dealt with in a timely manner. Complaints and their solutions from the last five years must be documented and accessible. The policy should further include a procedure to describe steps taken in order to reduce barriers for complaints and reprisals against those who issue a complaint.

Stakeholder consultation

Degree of obligation: immediate requirement

Local labour tribunals should be recognised by the System User if these are the mechanism chosen by workers for raising grievances.

Degree of obligation: best practice requirement

3.4.8 Mediation is available in case of a social conflict

An independent mediator should be assigned by name and address by the elected person of trust.

Degree of obligation: best practice requirement

3.4.9 There is no forced labour at the site of the System User

There must be no use of forced, bonded or involuntary labour as described in ILO Conventions 29 and 105. Workers shall not be forced to hand over their identity cards or passports to the management of the System User or any other third party. If workers voluntarily surrender their passports to the employer for safekeeping, they shall have unrestricted access to their identity cards or passports. Access must be free of charge, but documented. An agreement on the safekeeping of passports shall be available in written form, in a language understood by the worker. Retaining workers' salary, property grants or other grants from them or illegal or excessive deduction of fees from wages for disciplinary purposes, personal protective equipment, deposits for accommodation or tools is prohibited unless permitted by law.

*Forced labour
and retaining
salary, property*

Degree of obligation: immediate requirement

3.4.10 There is no child labour at the site of the System User

Child labour at the site of the System User is prohibited, as well as all forms of slavery or practices similar to slavery. The minimum age must comply with all local and national legislation as well as with ILO Conventions 138 and 182. No minors are to be employed on the site of the System User. Documents must include records of workers' dates of birth and documented evidence that the employer is aware of relevant legislation.

*Child labour is
prohibited*

Degree of obligation: immediate requirement

3.4.11 There is no discrimination at the site of the System User

There shall be no indication of discrimination (distinction, exclusion or preference) practiced that denies or impairs equality of opportunity, conditions or treatment based on individual characteristics and group membership or association. For example, on the basis of: race, caste, nationality, religion, disability, gender etc. A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment must exist.

*Equal
employment
conditions*

Degree of obligation: immediate requirement

3.4.12 Employment conditions comply with equality principles

Evidence is available that the System User provides equality of opportunity and treatment regardless of race, colour, sex, gender, religion, political opinion, nationality, social origin or other distinguishing characteristics. All workers receive equal remuneration for work of equal value, equal access to training and benefits and equal opportunities for promotion and for filling all available position.

Equality of opportunities

Degree of obligation: immediate requirement

3.4.13 Respect and ensure gender equity

Special attention shall be paid to ensure that women and minority groups can participate meaningfully in meetings and negotiations in order to articulate/communicate their concerns/ideas. In all stakeholder consultation processes, including the FPIC, women and minority groups shall be appropriately included and their voices equally heard and respected.

Equal participation in meetings and consultations

Degree of obligation: immediate requirement

3.4.14 Regular employment is available wherever possible

Employment relationships shall be established through national law and practice. The employment of contract or temporary workers for permanent or ongoing tasks, e.g. to eliminate or reduce pay and benefits, shall not take place. This can be supported by a regular assessment of ways to promote the use of permanent and local labour.

Employment relationships

Degree of obligation: best practice requirement

3.4.15 Workers are treated with dignity and respect

The company shall not engage in or tolerate the use of corporal punishment, mental or physical coercion, verbal or physical abuse or sexual harassment or any kind of intimidation of workers. No harsh or inhumane treatment is permitted. A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the work force, subcontractors and service providers.

Punishment or abuse

Degree of obligation: immediate requirement

3.4.16 All workers are to be provided with fair legal contracts

All workers are to be provided with fair legal contracts in written form and in the languages understood by workers and explained carefully to them in case of low literacy. Copies of working contracts must be able to be shown to the auditor for every worker indicated in the records. Both the worker as well as the employer must have signed them. Personnel records for each employee must be kept for at least 24 months. Where a registration system exists, copies of working contracts must be registered with the labour authority of the country of production. In those countries where there are no requirements for formal

Signed working contracts

labour agreements between workers and employers, alternative documented evidence of a labour relationship must be present.

Degree of obligation: immediate requirement

3.4.17 The employment conditions of individual workers comply with legal regulations and/or collective bargaining agreements

Employment conditions shall comply with legal regulations and/or collective bargaining agreements, whichever is higher, (e.g. on working hours, breaks, rest days, overtime, deductions, sickness, holiday entitlement, paid leave, maternity leave, reasons for dismissal, period of notice, working from home, wages, etc.). They must be documented in the working contract in the languages understood by workers and explained carefully to them by the manager or supervisor in case of low literacy.

Conformity of employment conditions

Records must indicate that regular weekly working hours do not exceed 48 hours. This criterion is not applicable for supervisors or management. Rest breaks/days should also be documented during peak seasons. Every six sequential days of work, workers should receive at least one day off. Overtime, in excess of 12 hours per week, shall be voluntary and is only allowable if it happens in extraordinary, limited periods where there are time constraints or risks of economic loss and where conditions regarding overtime in excess of 12 hours per week have been agreed between workers and management. Overtime shall always be compensated at a premium rate, in accordance with local and national laws or sector agreements. Workers should be informed about overtime work in a timely manner.

Working hours

Workers who take maternity leave are entitled to return to their employment subject to the same terms and conditions employment as before. They must not be subject to any discrimination, loss of seniority or deduction of wages. For further guidance on the protection of maternity, ILO Convention 183 can be consulted³.

Maternity leave

Conditions of employment should follow negotiations with trade unions or similar organisations if they are available.

Pay slips document the conformity of payment with at least legal regulations and/or collective bargaining agreements. Wages and overtime payment documented in the pay slips must be in line with legal regulations (minimum wages) and/or collective bargaining agreements (whichever sets the higher standard). If payment is calculated per unit, workers (on average) shall be able to gain the legal minimum wage within regular working hours. Any deductions from wages, e.g. for recruitment fees must be documented, and an agreement in accordance with the law must be signed by the worker. A process to prevent workers' debt as a result of the recruitment process shall be in place and be regularly monitored.

Pay slips

³ See also ILO 183,

https://www.ilo.org/dyn/normlex/en/f?p=1000:12100:0::NO::P12100_ILO_CODE:C183

Degree of obligation: immediate requirement

3.4.18 A living wage is paid which meets at least legal or industry minimum standards

The company's pay slips demonstrate that living wages meet at least legal or industry minimum standards and are sufficient to meet the basic needs of workers and to provide some discretionary income. Gross wages are paid to workers at least monthly.

Payment

Degree of obligation: immediate requirement

3.4.19 An elected worker or a workers' council represents the interests of the workers

An organigram is in place including the named person responsible for the interest of workers. This person shall be able to represent the interests of the workers and to communicate complaints to the management.

*Represent of
workers*

Degree of obligation: immediate requirement

In addition, a worker or a workers' council elected freely and democratically is in place. Documentation is available to demonstrate that a clearly identified, named person of trust and/or a workers' council representing the interests of the workers to the management is elected by all workers and recognised by the management.

Degree of obligation: best practice requirement

3.4.20 Labour organisations and collective bargaining are allowed for negotiating working conditions

All workers are free to establish and join labour organisations of their own choice or to organise themselves to perform collective bargaining. Workers must have the right to organise and negotiate their working conditions. There should be evidence (workers' interviews with self-selected/anonymous workers) that the employer supports the establishment or at least does not block the effective functioning of worker committees and worker organizations in which the workers elect representatives that can operate without interference or influence by the System User management or group manager. There is evidence of acceptance of collective bargaining agreements. Trade union members are guaranteed the opportunity to fulfil their tasks at least outside of regular working hours. Workers exercising this right should not be discriminated against or suffer repercussions. The employment conditions regarding freedom of association and collective bargaining are in accordance with all national and local legislation and ILO Conventions 87 and 98.

*Labour
organisations*

Degree of obligation: immediate requirement

3.4.21 There is a person responsible for workers' health, safety and good social practice

An organigram is in place including the responsible person for workers' health, safety and good social practice.

Competence of represent

Degree of obligation: immediate requirement

The responsible person demonstrates awareness and/or access to national regulations and/or collective bargaining agreements concerning: gross and minimum wages, working hours, union membership, anti-discrimination policy, child labour, labour contracts, holiday and maternity leave, medical care and pension/gratuity, and regular two-way communication.

Degree of obligation: short-term requirement

3.4.22 The management communicates openly with workers

The management must hold regular two-way communication meetings with their workers where issues affecting the business, or which are related to worker health, safety and welfare can be openly discussed. At least two meetings a year are to be held between management and workers. Matters related to the business and workers' health, safety or welfare should be discussed without fear, intimidation or retribution. Records from such meetings should be kept and the concerns of the workers recorded. The elected person of trust should assign an independent mediator by name and address.

Continuous communication with workers

Degree of obligation: best practice requirement

3.4.23 Records on all workers and employees are available

Records should clearly demonstrate an accurate overview of all workers and employees (including seasonal workers and subcontracted workers) working on the premises of the System User. The records must indicate full names, a job description, date of birth, date of entry, wage and the period of employment. Records must be accessible for the last 24 months.

Record-keeping of employees

Degree of obligation: immediate requirement

3.4.24 Working times and overtime are documented

There is a time recording system that makes daily working time and overtime on a daily basis transparent for all workers and employers. Working times of all workers during the last 24 months are to be documented. Rest breaks/days should also be documented during peak seasons.

Record-keeping of working times

Degree of obligation: immediate requirement

3.5 Compliance with Laws and International Treaties

3.5.1 Legitimacy of land use

The System User should be able to prove that the land is being used legitimately and that traditional and customary land rights or tenure have been secured. Documents must show legal ownership or lease, history of land tenure and the actual legal use of the land. The System User must identify and respect existing land rights. The rights of indigenous people must be respected. Within this context, the use of the land by pastoralists, indigenous people, artisanal fishers and other comparable users is allowed, excluding any illegal hunting, illegal fishing and illegal collection of products. The process of Free Prior and Informed Consent (FPIC) is applied in case of new land acquisitions.

Ownership of land

Degree of obligation: immediate requirement

3.5.2 Compliance with applicable laws and treaties

There is awareness of, and compliance with, all applicable local, regional and national laws and ratified international treaties. The System User should be able to demonstrate awareness of their responsibilities according to the applicable laws. Applicable laws shall be complied with. They apply to:

Legitimacy and legal commitment

- (1) Nationally and internationally protected areas
- (2) Environmental impact assessments
- (3) The handling of chemical products
- (4) Water conservation and management (relating to, for example, abstraction, use and discharge of water, protection of water bodies, water quality)
- (5) Energy use and related emissions and air pollutants
- (6) Reuse, recycling and disposal of hazardous and non-hazardous waste
- (7) Health and safety of workers
- (8) Rights of permanent and temporary workers (e.g. overtime work, paid holiday-, sick- and parental leave)
- (9) Rights of local communities and indigenous groups.

The company should be familiar with the relevant legislation, should remain informed about changes to legislation.

Degree of obligation: immediate requirement

3.5.3 A written anti-bribery and -corruption statement must be in place

There is a prohibition on any and all forms of bribery, corruption, extortion or embezzlement. Adequate procedures are in place to prevent bribery in all commercial dealings undertaken by the System User. This must be confirmed

by every System User by signing a statement not to offer or accept bribes or engage in any other form of corruption. Awareness for the topic should be raised in trainings.

Degree of obligation: immediate requirement

3.5.4 Any conflict of interest with ISCC must be declared to ISCC prior to entering in a business relationship

All and any conflict of interest in any business dealings with ISCC, of which the System User is aware, will be declared to ISCC in order to allow ISCC the opportunity to take appropriate action. Any ownership or beneficial interest in a System User's business by a government official, representative of a political party or an ISCC worker are declared to ISCC prior to any business relationship with ISCC being entered into.

Degree of obligation: immediate requirement

3.6 Good Management Practices and Continuous Improvement

3.6.1 Basic economic documentations

Records shall be kept with respect to yields, costs, income and profitability of the System User.

Record-keeping

Degree of obligation: immediate requirement

3.6.2 Business plan

System Users shall develop a business plan that reflects a commitment to long-term economic viability. Market requirements as well as risk mitigation strategies (e.g. of drought, price fluctuations, changing climate) shall also be taken into account.

*Social well-being
through
economic
sustainability*

Degree of obligation: immediate requirement

The plan includes measures and activities to support the long-term economic viability of the System User. It shall take into account social and environmental principles, e.g. the sustainable optimisation of yield and input efficiency. Risk mitigation strategies should include the analysis of potential impacts due to the changing climate as well as potential improvement measures.

Business plan

The measures described in the plan shall be integrated into the overall business planning and be operationalised step-by-step.

Degree of obligation: short-term requirement

3.6.3 Good relationship with customers

Best timing for deliveries should be discussed with customers to ensure good prices and to maintain quality.

*Customer
relationship*

Degree of obligation: best practice requirement

3.6.4 Establishment of a recording system for each unit of production

A recording system should be established for each unit of production. These records must be kept systematically and up-to-date and should be available for at least five years. Current records must provide a history of palm kernel shells and palm trunks production of all production areas.

Record-keeping

Degree of obligation: immediate requirement

3.6.5 Commitment of continuous improvement for each unit of production

The management regularly monitors and reviews all activities and takes actions to continuously improve management with respect to environmental, social and economic sustainable development. This includes the compliance with all ISCC short- and medium-term requirements according to the given timeline and with the best practice requirements where possible. A plan shall be in place describing the measures taken to reach the different levels of compliance.

Improvement in activities

Degree of obligation: mid-term requirement

3.6.6 Subcontractors must fully comply with the ISCC sustainability requirements

Relevant subcontractors are enterprises that work on behalf of the System User.

If subcontractors are engaged, they must comply fully with the ISCC sustainability requirements and provide the respective documentation and information. Relevant subcontractors must be regarded in the audit. The System User must provide evidence of contracts with the subcontractor ensuring that the auditor has access to relevant information. The System User must also accept that ISCC approved certifiers are allowed to verify the assessments through an on-site audit where there is doubt.

Full compliance of subcontractors

The System User is responsible for monitoring the control points applicable to the tasks performed by the subcontractor by checking and signing the assessment of the subcontractor for each task and season contracted.

Degree of obligation: immediate requirement