

ISCC 201-5 GUIDANCE FOR THE CERTIFICATION OF INDEPENDENT SMALLHOLDERS

Version 3.0



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1 Introduction

ISCC – International Sustainability and Carbon Certification – is an independent multi-stakeholder organisation that provides a globally applicable certification system for the sustainability of raw materials and products, traceability through the supply chain and the determination of greenhouse gas emissions and savings. ISCC is a multi-feedstock system and covers agricultural, forestry and alternative raw materials. The ISCC certification system ensures the sustainability of raw materials and products for various markets, including bioenergy (liquid and gaseous biofuels and bioliquids), food, feed, and chemical/technical markets.

Scope of ISCC certification

ISCC has been developed and is being continuously improved under the involvement of stakeholders from Europe, the Americas, Asia, Australia and Africa. The ISCC system is governed by the legally registered ISCC Association (ISCC e.V.). ISCC operates different certification systems for different markets. These systems are ISCC EU and ISCC PLUS.¹

Multi-stakeholder initiative

ISCC certification audits are conducted by independent third party Certification Bodies.

In order to ease sustainability certification for Independent Smallholders (ISH), ISCC has set up a specific ISH certification program. ISCC is convinced that sustainability certification is an essential part for the economic development of ISH: As smallholders often suffer from low yield and thus low income and have limited market access, certification can help to increase the sustainable management and productivity and ensure a long-term independency, stability and growth. Furthermore, access to international markets, the ease of selling Fresh Fruit Bunches (FFBs) and funds are benefits for certified ISH. In order to reduce barriers for ISH and to reduce implementation and certification costs, essential characteristics and features of the ISH certification process are:

Independent Smallholder certification

- > Specific upfront registration program
- > GRAS monitoring tool
- > Group certification approach with Central Office (CO)
- > Specific training for ISH via Tran-the-trainer concept
- > Access to funds / price premiums

The scope and normative references of the ISCC system are described in this document (Chapter 2). This includes a table with an overview of the ISCC System Documents specifically relevant for ISH certification.

Structure of the ISCC ISH System Documents

Chapter 3 outlines the basics of ISH certification with respect to the set up of the ISH supply chain elements and relevant certification criteria regarding

¹ ISCC DE is the third system operated. ISCC DE has been recognised by the German authority BLE for the German biofuels market.

sustainability, traceability and the chain of custody, as well as greenhouse gas (GHG) emissions.

Chapter 4 introduces the registration and certification process for ISH. Registration requirements for the company who wants to set up ISH certification (i.e. economic operators who have responsibility for ISH certification), the Central Office (CO) as well as the ISH are explained. This chapter also gives a brief overview of the audit and certification process and states basic requirements for the issuance and validity of ISCC certificates.

*Registration and
certification
process for ISH*

2 Scope, Normative References and ISCC Documents

The ISCC System Basics described in this document are effective for the certification of oil palm products based on FFBs, cultivated by Independent Smallholders (ISH).

Scope

All relevant participants of the ISCC certification process for ISH must apply the requirements described in the ISCC System Basics and all further ISCC System Documents. Table 1 provides an overview of the ISCC System Documents, which are relevant for ISH, further ISCC forms and checklists based on the requirements defined in the ISCC System Documents, and that are provided by ISCC to facilitate the ISCC certification and registration process.

*Documents and
applicability*

ISCC System Documents specifically relevant for ISH

201-05 Guidance for the Certification of Independent Smallholders

Key Features of ISCC for ISH certification, Overview of Certification Criteria, Participants in the Supply Chain, Registration and Certification Processes and Issuance of Certificates and Processes of the ISCC System

202 Sustainability Requirements

ISCC Principles 1 – 6 on the Protection of Land, Good Agricultural Practice, Safe Working Conditions, Compliance with Human and Labour Rights and Health and Safety, Compliance with Applicable Laws and Relevant International Treaties, Good Management Practice.
In this document it is highlighted who takes responsibility for certain sustainability requirements

203 Traceability and Chain of Custody

Requirements for Management Systems, Audit and Information Requirements for Sustainability Declarations, Chain of Custody Options (Physical Segregation and Mass Balance). In this document it is highlighted, which further requirements need to be fulfilled for the ISH process.

204 Audit Requirements and Risk Management

Risk Assessment and Management for Certification Bodies and System Users, Audit Requirements for Certification Bodies

205 Greenhouse Gas Emissions

Application, Calculation and Verification Methodology of Greenhouse Gas Emissions. In this document it is highlighted, what kind of GHG emission requirements apply for ISH certification.

206 Group Certification

General Requirements, Internal and External Audits, Sample Size, Smallholders

ISCC Forms and Checklists based on the ISCC System Documents to Facilitate Registration and Certification Process

Audit Procedures for all relevant elements of the ISH process

Self-declaration for ISH

Table 1: Overview of ISCC System Documents and supporting ISCC Forms and Checklists

The latest versions of all normative documents and ISCC Documents are available on the ISCC website and must be applied. The original ISCC EU System Documents are in English. ISCC Documents can be identified by a unique document number, version number and date.

*Documents
available on the
ISCC Website*

Any updates to the ISCC System are published in the ISCC System Updates. These System Updates are sent to all System Users registered with ISCC as well as all Certification Bodies cooperating with ISCC. It is the responsibility of the System Users and Certification Bodies to take the system updates into account and inform all relevant members of staff about such updates. An archive of all System Updates is available on the ISCC Website. If required, ISCC may also develop guidelines to further specify certification requirements.

*ISCC System
Updates and
Guidelines*

3 The ISCC Certification System for ISH

3.1 Basics

The ISCC certification process for ISH is applicable for Independent Smallholders (ISHs) producing FFBs. All relevant elements of the supply chain must obtain a certificate in order to handle sustainable materials. ISHs as well as central offices, processing units and traders with storage facilities are relevant elements of the ISH supply chain and are subject to certification. Under this standard the elements of the supply chain relevant for certification are also referred to as economic operators. ISCC certificates are site specific. A certificate can only be issued for one geographical site based on a successful audit. For ISH a specific group certification process was set up by ISCC. This approach is further explained in chapter 4.

Applicability

Certified ISCC System Users may use the ISCC logo and claims for company relevant communication and documentation upon written request to ISCC.

*ISCC logo and
ISCC seal*

The ISCC seal must not be used for any application other than the ISCC certificate. The requirements for the use of claims and logos are laid down in ISCC Document 104 “Claims and Logo Use”.

Risk management is an integral part of all operations and decisions in the ISCC system. In order to securely fulfil the requirements of the certification system in a highly credible and reliable way, ISCC defines procedures and specific indicators for risk assessment and management. For ISH specific risks have been identified. These include e.g. the risks of storing and applying plant protection products and the compliance with ISCC Principle 1. In order to reduce the risks of ISH and to ease compliance of ISH with ISCC, certain responsibilities have been transferred for ISH.

*Risk
management of
ISH*

Conversion of land and deforestation (Principle 1)	→ GRAS assessment
Pesticide storage (Principle 2)	→ Responsibility of Central Office or a subcontractor
Pesticide application (Principle 2 and 3)	→ Responsibility of Central Office or a subcontractor
Greenhouse gas emission requirements	→ Application of disaggregated default value for cultivation
Other sustainability issues	→ ISCC training, continuous risk assessment via scorecard approach
Transportation of Fresh Fruit Bunches	→ Responsibility of Central Office or a subcontractor

Figure 1: Transferred responsibilities for ISH certification

Sustainability requirements regarding the storage and handling of plant protection products and other chemicals have been transferred to the CO or a subcontractor. The ISH is not allowed to store, handle or apply those chemicals. The verification with ISCC Principle 1 is ensured via a GRAS assessment of the ISH land. Only ISH, for which the GRAS assessment did not detect land use change, can participate in the ISH group certification. For greenhouse gas emission, the disaggregated default value will be used for ISH. For all other sustainability criteria a special training program was set up (Train-the-trainer).

3.2 Relevant Participants in the ISH Group Certification program

Economic operators that receive or trade sustainable material, so-called operational units, have to be subject to certification. In the ISCC system the term ‘operational unit’ refers to a specific site (spatial entity) of a company where sustainable material is handled. A company may have more than one operating sites, and in this case every single operational unit, i.e. operating site handling sustainable material has to be subject to certification.

*Definition of
operational units*

Subject to ISH group certification are the CO, which is managed by the CO manager, and the ISH. Cooperatives or farmer groups are not subject to certification.

*Participants of
ISH group
certification*

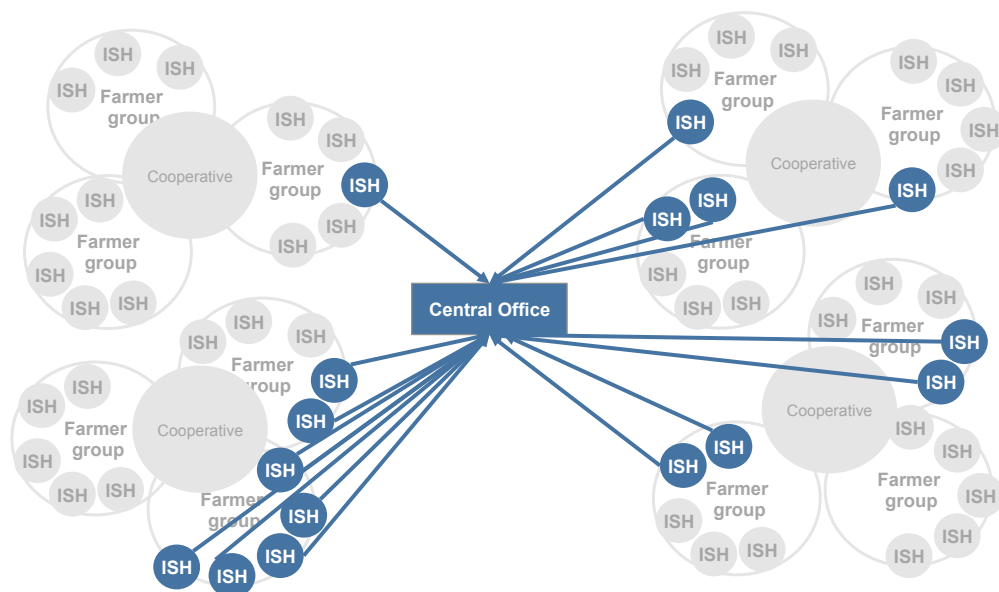


Figure 2: Example of typical ISH set up and elements, which are subject to ISH group certification (blue)

Elements, which are exclusively relevant for ISH certification, are:

- 1 **Independent Smallholders (ISH):** ISH under this standard are farms, where crops are cultivated sustainably. Land falling under the classification of ISH land is defined by:
 - Size: Planted oil palm area is less than 50 hectares
 - Family-owned: Labour is principally provided by family and farm provides the major source of income
 - Independence: Freedom to choose how to use land, which crops to plant and how to manage them. The land is not contractually bound to any oil mill and may receive support or extension services from government agencies or other support system (e.g. ISCC)

Definition ISH

Under ISCC ISH have the option to become certified under the ISH group certification approach (with a CO as representative body). In order to take part, ISH, who, according to the initial GRAS risk analysis (see chapter 3.3.1), are eligible for ISCC certification, have to do a specific ISCC training and provide a signed self-declaration/ self-assessment form to the CO. A sample of these ISH is subject to an audit.

Options for ISH certification

- 2 **Central office (CO):** A CO is the representative body of at least one group of ISH that are certified as a group, and that are independent from a first gathering point or an oil mill. In order to get certified as a group, the ISH must be located in the same area and must be homogenous in terms of size, types of crop and production processes.

Representative body of ISH group

A CO does not receive ownership of the sustainable materials. The CO is responsible for the following tasks:

Tasks and audit requirements

1. ISH Management, i.e. training, internal audit of group members, inclusion of new ISH and exclusion of ISH, planning and documentation
2. Responsibility for subcontractors, i.e. spraying, storage of chemicals, coordination of transport and logistics
3. Administration, i.e. registration at ISCC, bookkeeping, supply chain documentation
4. Certain sustainability requirements (for tasks that ISH are not allowed to carry out)
5. Management of funds (e.g. ISCC, external funds)
6. A CO is audited with respect to the management system, traceability and chain of custody, as well as GHG emissions. A sample of all ISH that are members of the group is subject to an audit.

The elements of the supply chain are allowed to receive and supply sustainable material only after the receipt of a certificate. First gathering points or oil mills may accept FFBs from the harvest of the current or the previous year as sustainable up to three months prior to the start of the certificate's validity. Relevant self-declarations have to be in place, chain of custody requirements have to be fulfilled and the dispatch of material as sustainable is only possible after the start of the certificate's validity.

*Receiving/
supplying
sustainable
FFBs*

3.3 Certification Criteria

The ISCC certification system covers three categories of criteria:

Categories

1. Sustainability requirements for biomass production and cultivation
2. Requirements for traceability and chain of custody
3. Requirements for greenhouse gas emission savings and the calculation methodology

In the ISCC System Documents these certification criteria and respective processes are outlined in detail. For ISH certification, a certain process is set up in order to ease audit and implementation of ISCC. No change of the requirements set in the RED and FQD is allowed.

3.3.1 Sustainability Requirements for the Cultivation of Palm

Farms and plantations that produce sustainable feedstocks must comply with the sustainability requirements as laid down in ISCC Document 202 "Sustainability Requirements". The requirements are divided into six principles:

*Six sustainability
principles*

Principle 1: Protection of land with high biodiversity value or high carbon stock. This includes primary forests and other wooded land of

native species, highly biodiverse grassland, peatland, wetland, continuously forested areas, areas designated for the protection of rare, threatened or endangered ecosystems or species, as well as high conservation value (HCV) areas

Principle 2: Environmentally responsible production to protect soil, water and air

Principle 3: Safe working conditions

Principle 4: Compliance with human, labour and land rights and responsible community relations

Principle 5: Compliance with applicable laws and relevant international treaties

Principle 6: Good management practices and commitment to continuous improvement

The cut-off date for land use change according to Principle 1 is January 2008. This means that every farm or plantation, where conversion of land with high carbon stock or high biodiversity took place after January 2008 is excluded from ISCC certification.

Cut-off date

In order to ease verification of compliance for ISH, compliance with Principle 1 is checked via a GRAS analysis. Only ISH that have been identified to lie within regions that are compliant with Principle 1 can participate in the ISH group certification. Further guidance on the relevant process is provided in chapter 4.1 Preparation and Scoping.

*Compliance of
ISH with
Principle 1*

The storage, mixing, application and disposal of chemicals such as plant protection products should not be performed by the ISH. Thus, it is in the responsibility of the CO or a subcontractor to perform the following tasks and reach compliance with the respective ISCC criteria:

*Storage and
handling of
chemicals*

- Prohibition of certain chemicals of the Stockholm Convention and avoidance of chemicals listed in in WHO1a and 1b as well as the Annex III of the Rotterdam Convention (Criterion 2.4.1)
- Exclusive application of plant protection products that are registered in the country of use for target crop (2.4.2)
- Restrictions on the use of plant protection products (2.4.3)
- Legitimization of seed (2.4.4)
- Invoices of plant protection products (2.4.5)
- Competence of staff dealing with plant protection products (2.6.1)
- Application of plant protection products is done appropriately (2.6.2), and application equipment is calibrated (2.6.3)
- Records of application (2.6.4)
- Appropriate measuring and mixing facilities (2.7.1)
- Maintenance and disposal of obsolete plant protection products (2.7.2) and surplus mixes and tank washings (2.7.3)
- Re-use and disposal of empty containers (2.7.4, 2.7.5, 2.7.7)

- Appropriate storage of (mineral) fertilizers (2.8.1, 2.8.2), plant protection products (2.8.3, 2.8.4) and mineral oil products (2.8.6)
- Product inventory for stock (2.8.5)
- Records for training (3.1.1) and certificates of competence (3.1.2)
- Written health, safety and hygiene policy (3.2.1)
- Suitable protective clothing (3.2.2)
- Warning signs for potential hazards (3.2.3)
- Accident procedure and equipment (3.2.4) and contamination facilities (3.2.5)

As the above activities are transferred to the CO or a subcontractor, also requirements of Principle 4 on employees' rights are applicable for them.

For ISH the requirements of Principles 3 and 4 referring to employees' rights and safe working conditions for workers are only applicable, if the ISH employs somebody, e.g. relatives or migrant workers.

Compliance of ISH with social criteria

3.3.2 Traceability and Chain of Custody

Traceability and chain of custody cover two basic requirements:

Basic requirements

- 1 The possibility of tracing sustainable products back and forth throughout the supply chain from origin to final delivery
- 2 The possibility of assigning product specific information to consignments (batches) of sustainable materials and products

Traceability describes the information and documentation requirements of the relevant amounts and properties of sustainable materials (so-called sustainability characteristics). Sustainability characteristics according to this standard include the raw material, country of origin of the raw material, quantities, information on GHG emissions, and the claim "ISCC compliant" or "EU RED compliant" (if applicable).

Traceability

To correctly assign all relevant information to the physical material according to this standard, two chain of custody methods can be applied: mass balance or physical segregation. Under the mass balance method, physical mixing of sustainable and non-sustainable material is allowed. Under physical segregation, sustainable material has to be kept separated from non-sustainable material.

Mass balance and physical segregation

Specific requirements are laid down in ISCC Document 203 "Traceability and Chain of Custody". Document 203 also includes requirements for a company's management system to ensure the implementation of all necessary requirements.

3.3.3 Greenhouse Gas Emissions

The requirements on GHG emissions apply to all relevant supply chain elements from feedstock production to the distribution of the final product, including cultivation, collection and conversion processes, as well as the

Different options to determine GHG emissions

transport and distribution of intermediate and final products. As an alternative to do an individual GHG calculation for each and every ISH, the use of a disaggregated default value for cultivation of FFBs was determined to be the most suitable option.² It can be combined with other disaggregated default values (i.e. those for processing and for transport & distribution) or with actual values. Where the FFBs are sold under an ISCC EU certificate to the EU biofuels market, the statement “Use of disaggregated default values for cultivation/extraction” must be made on the sustainability declaration. Where the end-market is Non-EU biofuels (and the material is not sold under an ISCC EU certificate), the disaggregated default value 123.04 kg CO₂eq per ton of FFB can be stated on the sustainability declaration.

All further requirements to apply, calculate and verify the greenhouse gas emissions and emission savings are specified in the general ISCC Document 205 “Greenhouse Gas Emissions”.

4 ISH group certification approach

For ISH a specific group certification process was set up by ISCC. This includes the steps “Preparation, Scoping & Risk assessment”, “Management & Implementation”, “Self-assessment, internal audit and certification”.

*Steps of ISH
group
certification*

4.1 Preparation, Scoping & Risk assessment

Preparation and Scoping includes certain actions for the company interested:



Figure 3: The actions of step “Preparation, Scoping & Risk assessment”

For ISH certification, ISCC follows a landscape approach to ensure compliance with Principle 1. Therefore, ISCC conducts a land use change analysis with the Global Risk Assessment Services (GRAS) tool for the respective ISH land. In order to perform such an analysis, the company interested in ISH certification always has to pre-register at ISCC (1).

*Pre-register and
risk assessment*

After pre-registering, the company has to provide information on the considered region (2). This includes information such as geo-coordinates of the region and coordinates of the ISH land subject to ISCC certification. ISCC will conduct a risk assessment in order to identify risk areas (overlap of the considered region with Principle 1 areas, such as primary forests, peatlands

² If the end-market of the product is the EU biofuels market (under the EU RED), the value accounts 14 g CO₂eq per MJ palm-biodiesel. If other ISCC PLUS relevant markets are the target markets also the value 123.04 kg CO₂eq per ton of FFB can be used

or biodiverse grassland) and a full GRAS analysis in order to identify Go- and No Go-areas (3). Based on the outcome, compliant ISH and COs can be determined (4). These compliant ISH can participate in the ISCC ISH training and can become part of the ISCC ISH programme. No further verification of Principle 1 is needed. Thus, effort and costs are reduced.

4.2 Management & Implementation

After Preparation and Scoping, where a GRAS analysis is performed in order to identify compliant ISH and set up a CO, the formal ISCC group certification procedure starts. The CO that would like to receive an ISCC certificate, must apply a group certification procedure that is split into four steps:

*Group
certification
procedure*



Figure 4: The actions of step “Management & Implementation”

1. Training of CO

Training is an important feature for the successful integration of ISH in sustainability certification. The targets of the ISCC training for the CO is to make them aware of ISCC certification and benefits of a certification and to explain the key framework of a certification, requirements and organizational adaptations for ISH and CO. As the access of ISH to ISCC training is a challenge, ISCC set up the “Train-the-trainer” concept. The “Train-the-trainer” concept is a three-level approach, whereby ISCC trains eligible parties or master-trainers (1st level), who then train the CO (2nd level). The CO trains all eligible ISH (3rd level).

*Train- the-trainer
concept*

1st and 2nd level trainings consist of four training modules including the introduction into sustainability and ISCC certification, ISCC sustainability requirements, ISH organisation and relevant documents. The 3rd level training consists of three modules. Where possible, ISCC trainings for ISH can be embedded into other existing training schemes such as trainings on Good Agricultural Practices. Any feedback from ISH, COs or the master trainer provided during the trainings shall be transferred to ISCC for inclusion into the training concept.

2. Registration of all potential ISH in ISH Data Management System

The CO and all ISH that shall be subject to certification, need to be registered in the ISH Data Management System. Here, data for the CO and on ISH are

*ISH Data
Management
tool*

added in order to compare results from the GRAS risk assessment on ISCC Principle 1 matches with the ISH in question.

3. Identification of ISH compliant with ISCC Principle 1, ISH training & data acquisition

With the help of the ISH Data Management System, the CO can check whether the coordinates of the ISH are within a critical area according to the GRAS analysis. Therefore the CO can include relevant ISH data or the ISH can use the Smallholder App to access and modify its data within the Data Management System. If the coordinates of an ISH are within the critical area, the ISH cannot take part in ISCC certification and has to be excluded from the ISH group certification program. If the ISH does not lie within a No Go area and thus, is compliant with ISCC Principle 1, he can take part in the ISCC certification program. ISH, who, according to GRAS, converted land after January 2008, cannot provide self-declarations or data. Those self-declarations cannot be accepted. Next steps for compliant ISH are further data acquisition and training.

ISH compliance

In order to ensure a gradual improvement of ISH, a training program on certification was set up by ISCC ("Train-the-trainer"). All ISH participating in the ISCC certification, need to participate in such a training.

Training of ISH

After or during the training, further ISH information need to be gathered. These data include information such as yield or fertilizer application rates or also the participation attestation for the training. They are listed in an excel sheet and further integrated in the ISH Data Management System.

Data acquisition

Training and data acquisition can be conducted partly in parallel. During the ISCC training for ISH, the data requirements have to be provided to the ISH. The ISH can then also provide further data in the training, via the Smallholder App or even together with the signed self-declaration to the CO. At latest, these documents shall be provided to the CO during the internal audit.

4. Organizational adaptation

After identifying the ISH, which are subject to ISCC certification, the respective organizational adaptations need to be applied. The CO needs to set up a storage for plant protection products applied by the ISH and needs to set up a spraying team for applying the plant protection products. All ISCC requirements referring to storage, handling and disposal of plant protection products must be fulfilled by the CO (for further guidance see chapter 3.3.1). As the CO is the holder of the ISCC certificate, it is also responsible for the management and compliance of the ISH (including training, self-declarations, internal and external audits, administration such as bookkeeping and supply chain documentation or also the management of funds and transportation).

Organizational set-up of CO

4.3 Self-assessment, Internal Audit and Certification

The final step of a successful ISH certification are self-assessment and audits.

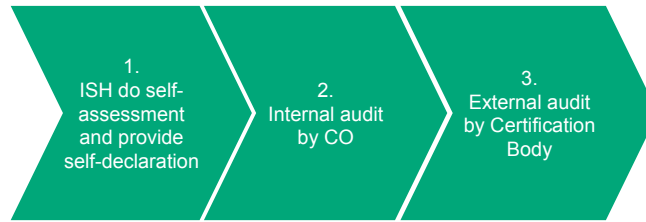


Figure 5: The actions of step “Self-assessment, Internal audit and Certification”

Not all ISH within the considered region need to be certified. Only ISH that are willing to get ISCC certified are subject to certification. If an ISH wants to get certified, he must sign a self-declaration and provide it to the CO (step 1). ISCC developed specific ISH self-declarations. They also include relevant data (for data acquisition) and a non-conformity list, where ISH have to highlight any non-conformities that they detected during self-assessment as well as actions taken to solve those non-conformities.

ISH self-declaration

Based on the self-declarations, the CO will do internal audits (step 2). The internal audit covers the ISCC requirements for ISH and must be repeated annually. Within the 1st internal audit, all ISH who have provided a self-declaration need to be checked. From the 2nd internal audit on, 25% of all ISH must be checked (if no new ISH were added within the last year). If new ISH are added and provide self-declarations during the year, FFBs from those ISH cannot be sold as sustainable as long as they have not been subject to an internal audit. In order to verify compliance with ISCC Principle 1, the internal auditor has to compare the ISH field coordinates with the GRAS analysis results. For verifying compliance with ISCC Principles 2 - 6, the internal auditor has to follow the ISCC audit procedures for ISH on-field.

Internal audit

If non-conformities are detected, corrective measures must be identified. The internal audit cannot be closed as long as those corrective measures have not been implemented. If corrective actions have not been implemented within 40 days or if the ISH refuses to implement corrective actions, he must be excluded from ISH group certification.

Non-conformities during internal audits

If the internal audit was successful, the auditor signs the audit report and hands it to the CO. The CO will mark the ISH as new ISCC-compliant group member. FFBs delivered by this ISH can now be considered as ISCC compliant.

Audit report

As soon as the internal audit has been conducted, the CO and the ISH group can be subject to an external audit conducted by a Certification Body (CB) (step 3). This includes four steps:

External audit

- 1 CO selects a CB
- 2 CO registers with ISCC for certification
- 3 CB conducts the audit

- 4 CB issues the certificate and ISCC publishes certificate on website after internal review

A certification audit can only be conducted after a system usage agreement has been concluded with ISCC. The conclusion of the system usage agreement between the System User and ISCC is confirmed by ISCC with the provision of an ISCC registration number. The receipt of the ISCC registration number does not entitle the System User to handle material as sustainable, this is only allowed after the receipt of a certificate.

ISCC registration number

For registration, the CO must use the registration form provided on the ISCC website, and must complete this form completely and truthfully. The registration form includes information on the use and/ or expulsion of any other certification schemes recognised under the RED in the previous certification period. When filing the registration the CO agrees to accept the ISCC Terms of Use in force at the time being (available on the ISCC website).

Acceptance of ISCC Terms of Use

Among other information, the CO has to name at least one member of staff who can be contacted by ISCC for all matters regarding the registration or certification. These contact persons also receive any official communications ISCC sends out to Certification Bodies and System Users (e.g. ISCC System Updates), and is responsible for internally distributing any ISCC communication to all relevant members of staff. ISCC must be informed immediately about any changes in the contact persons. Furthermore, ISCC must be informed immediately about any changes in the registration that may occur. This can include a change of the CB for the recertification audit, an adjustment of the scope of the certification, etc.

Adjustments to ISCC registrations

The CO receives a certificate upon the successful completion of a certification audit by an eligible auditor as appointed by the CB. Auditors can only conduct ISH audits after the successful participation in an ISH training for CBs. These audits are referred to as certification audits. Since ISCC certificates are valid for 12 months, a certification audit is conducted once a year.

Certificate upon successful audit

In case of reasonable suspicion CBs are entitled to conduct announced or unannounced surveillance audits at any time during the certificate's period of validity. If necessary, ISCC is entitled to request CBs to conduct surveillance audits at any time during the certificate's period of validity.

Surveillance audits

With the certification the compliance of the CO with ISCC requirements is proven. ISCC provides audit checklists (so-called audit procedures) for both, the ISH and the CO. The auditor must complete the audit procedures that are based on the requirements laid down in the ISCC System Documents, to prove evidence of compliance of a System User with the requirements. These procedures are available on the ISCC website and should also be used by CO to prepare for the audit as well as for the internal audits.

Within ISH certification, the auditor will check at the CO the compliance with the relevant ISCC sustainability requirements, the bookkeeping and supply chain documentation as well as training documentation and participant lists. At the ISH, compliance with the applicable sustainability requirements, correctness of the self-declarations and participation in the ISCC training is verified. Where subcontractors take certain tasks, the auditor will also check compliance with respective ISCC requirements. The procedure of ISH sampling and verification is further described in ISCC 206 “Group Certification”.

ISH specific requirements during verification

If during the audit non-conformities are detected they can be corrected within 40 days of the date of the audit. The auditor has to verify if and what corrective measures are implemented by the ISH or CO, and if all ISCC requirements are fulfilled before a certificate can be issued. If non-conformities cannot be corrected within 40 days of the audit, no certificate can be issued to the System User. In this case the audit is deemed to be as failed. The CB has to inform ISCC immediately about failed audits and has to provide the respective audit documents to ISCC.

Correction of non-conformities

The auditor has to get access to any audit reports from previous audits under this standard. Economic operators have to declare the names of all certification schemes they participate in and have to provide the auditor with all relevant information, including the audit reports and chain of custody information, such as mass balances, for verification.

Transparency on other schemes used

Certificates are valid over a period of twelve months as stated on the certificate. The beginning and end of the period of validity are clearly indicated on the certificate. The validity of a certificate starts on the date as indicated on the certificate (not the date of publication on the ISCC website). Not all ISH have to be subject to certification directly. They can also be continuously added over time. However, FFBs from ISH can only be accepted under ISCC if ISH successfully participated in an ISCC training, provided a self-declaration and were subject to an internal audit.

Process flow to conduct audits

Appendix: Definitions

ISH: Independent Smallholders (ISH) are farmers who grow oil palm alongside with other crops. The labour on the farm is principally provided by the family and the farm provides the major source of income. ISH are free to choose how to use land, which crops to plant and how to manage them. The land is not contractually bound to any oil mill and may receive support or extension services from government agencies or other support systems (e.g. ISCC). The planted oil palm area is less than 50 hectares.

CO: A Central Office (CO) is the representative body of at least one group of ISH that are certified as a group and that are independent from a first gathering point or an oil mill. A CO does not receive ownership of the sustainable materials. It is responsible for ISH management (training, internal audit, certification audit), administration, certain sustainability requirements and management of funds (if applicable).