Developments at ISCC: Integrity, Digitalization and Integrating the UDB

Andreas Feige, Managing Director, ISCC System GmbH
14th ISCC Global Conference, 22 February 2024; Brussels

ISCC is committed to the continuous improvement of the integrity of the certification system – the focus is on three areas

Certification System Require-ments

Audit quality

ISCC Integrity

Risk Management

ISCC works continuously on improving system requirements

Certification System Require-ments

ISCC Integrity

Audit quality

Risk Management

Improvement measures (selected examples*)

- **November 2022:** all palm oil mills generating and supplying waste and residues as sustainable under ISCC have to be audited on-site, no sampling

- **March 2023:** New Self-Declaration for Liquid Waste and Residue Materials from Palm Oil Mills

- **April 2023:** Certificate scope and material must Reflect Actual Material Flows and Business Activities

- **April 2023:** All material deliveries to barges and vessels require storage facilities at the port

- **August 2023:** high risk level for w/r annex IX biofuel audits at Points of Origin, Collecting Points, and Central Offices

- **August 2023:** Individual certification for palm oil mills and refineries

See ISCC system updates April 18/28 and June 9, 2023

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International Sustainability & Carbon Certification

Audit quality is a key responsibility of the certification body. However, ISCC has its part to play

Certification System Require-ments

Audit quality

ISCC Integrity

Risk Management

Areas where ISCC has an impact on audit quality

- Auditor trainings

    - Broad range of trainings (ISCC EU, PLUS, GHG, W/R, FSS, support tools, etc.)
    - 3470 participants
    - 1269 active auditors served

- Certification Body meetings

- Auditor guidance

    - Working group working on w/r definition and specifications (analogous to the POME guides)
    - Reviewing and assessing suitability of laboratory analysis
    - Pilot audits to assess the plant's technological capability to process low grade w/r material
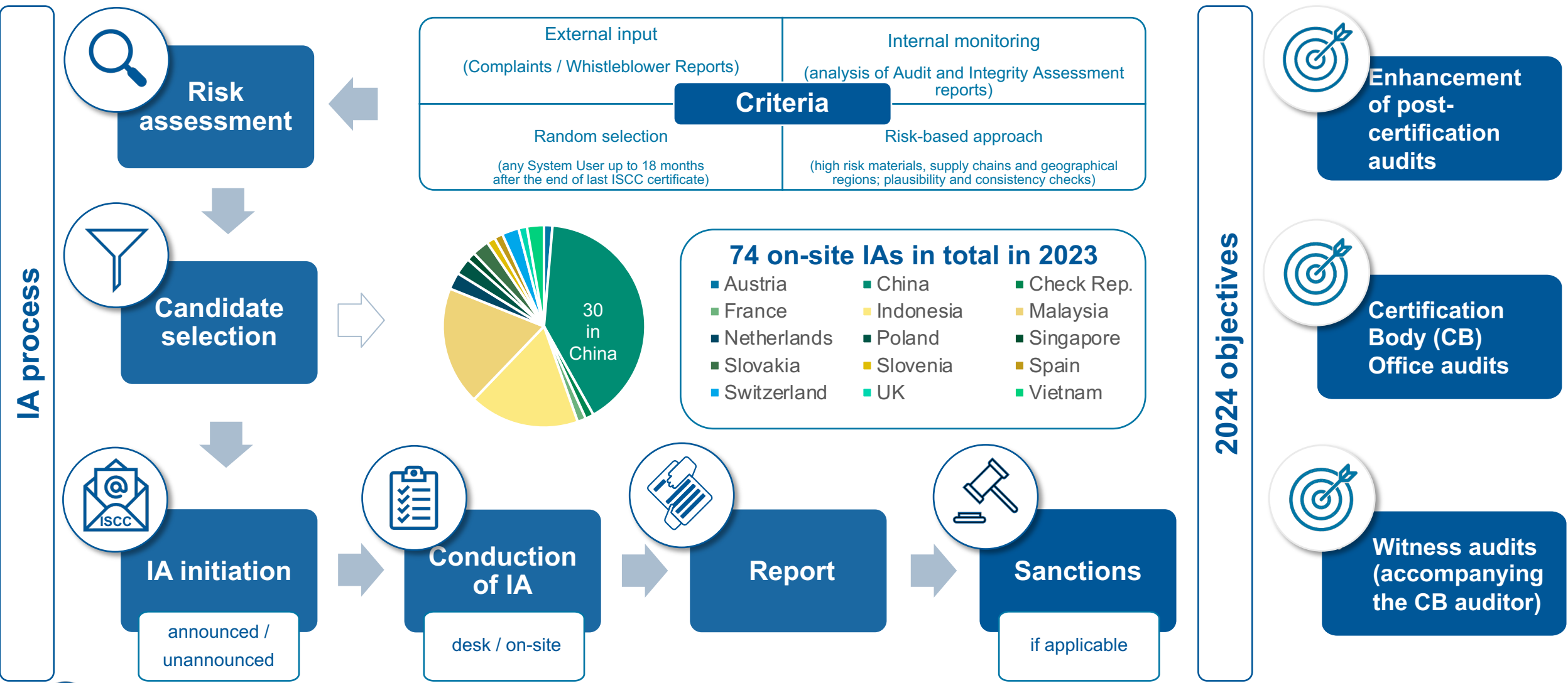
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The ISCC risk management has been further strengthened

Certification System Require-ments

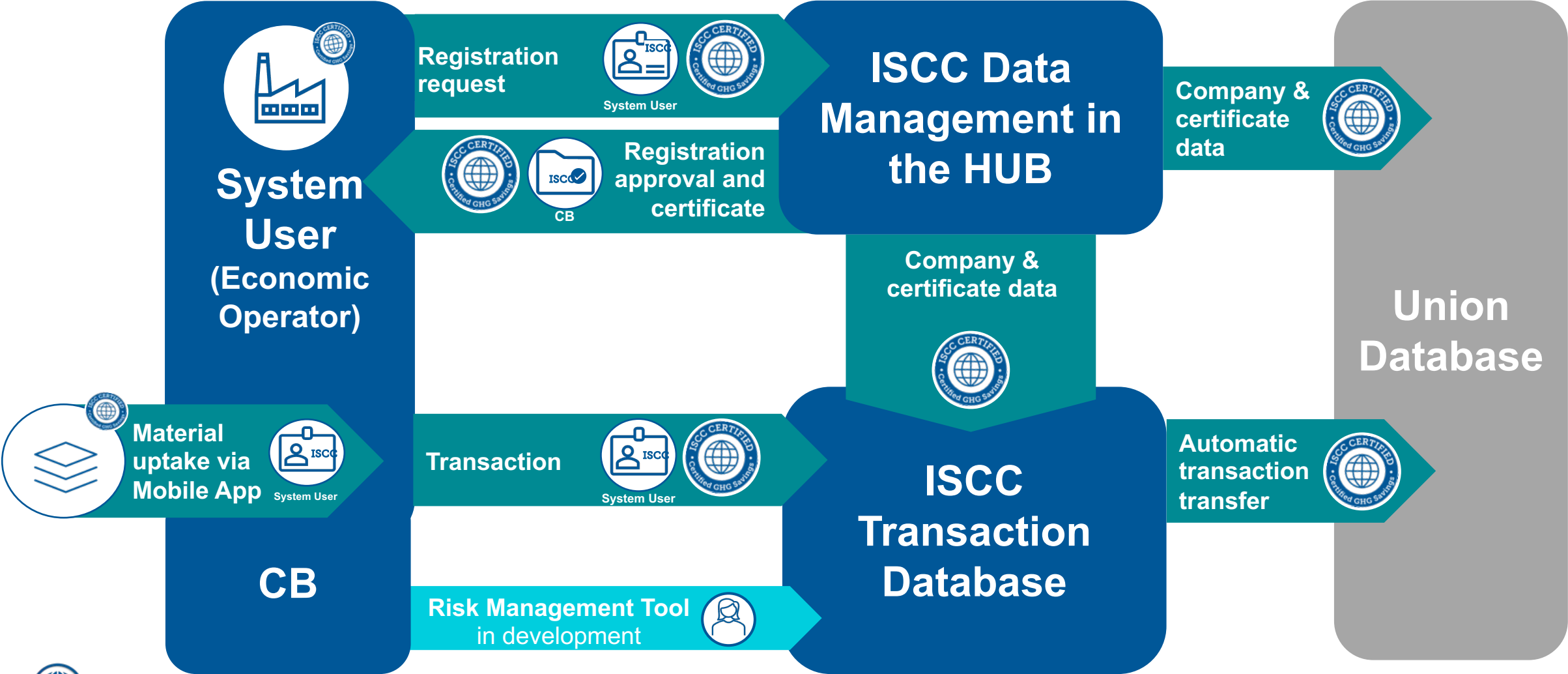**Audit quality**

ISCC Integrity

Risk Management

Key ISCC Risk Management features

- Online company data and credibility checks
  - Orbis database (Moody Analytics)
  - Social listening
- Wistleblower tool (https://whistleblowing.iscc-system.org/)
- ISCC Integrity audit program
  - 74 on-site integrity audits globally
  - Expansion into CB office audits
- Integrated IT infrastructure and end to end solutions
  - ISCC HUB
  - ISCC Transaction Database
  - Mobile App
  - Risk Management Toll (in development)

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74 on-site integrity audits conducted mainly in Southeast Asia and China and 12 other countries

IA process

Risk assessment

Candidate selection

IA initiation
announced / unannounced

Conduction of IA
desk / on-site

Report

Sanctions
if applicable

External input	Internal monitoring
(Complaints / Whistleblower Reports)	(analysis of Audit and Integrity Assessment reports)

Criteria

Random selection	Risk-based approach
(any System User up to 18 months after the end of last ISCC certificate)	(high risk materials, supply chains and geographical regions; plausibility and consistency checks)

74 on-site IAs in total in 2023

30 in China

- Austria
- China
- Check Rep.
- France
- Indonesia
- Malaysia
- Netherlands
- Poland
- Singapore
- Slovakia
- Slovenia
- Spain
- Switzerland
- UK
- Vietnam

2024 objectives

Enhancement of post-certification audits

Certification Body (CB) Office audits

Witness audits (accompanying the CB auditor)

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The integrated ISCC IT solution will improve data quality, strengthen resilience against fraud and synchronize with the UDB

ISCC Transaction Database to be launched soon

Sneak Peek Event End of March

„One click" onboarding:
Automatic transfer of company and certificate data from the ISCC HUB

Integration with ISCC Mobile App and HUB:
Effortless synchronisation of sourcing contacts (points of origin) and material flow

Mass Balance:
Inbound, outbound, mass balance and stock reporting

Seamless upload of initial stock registration via csv file

Operational unit selection ⌄

Messages

Company data ›
Certificates
Sourcing contacts
Initial stock registration
Material uptake
Stock
Transactions
Conversions

Initial Stock Registration:
ISR Upload Template Raw Materials with sample data.xlsx
ISR Upload Template Fuels with sample data.xlsx
CSV Upload Template ISR Raw Materials (with sample data).csv
CSV Upload Template ISR Fuels (with sample data).csv

Sourcing Contacts:
CSV Upload Template Sourcing Contacts (with sample data).csv

Material Uptake:

ISCC System GmbH.   Operational unit selection ⌄
Transactions overview.
+ Add Export to Excel

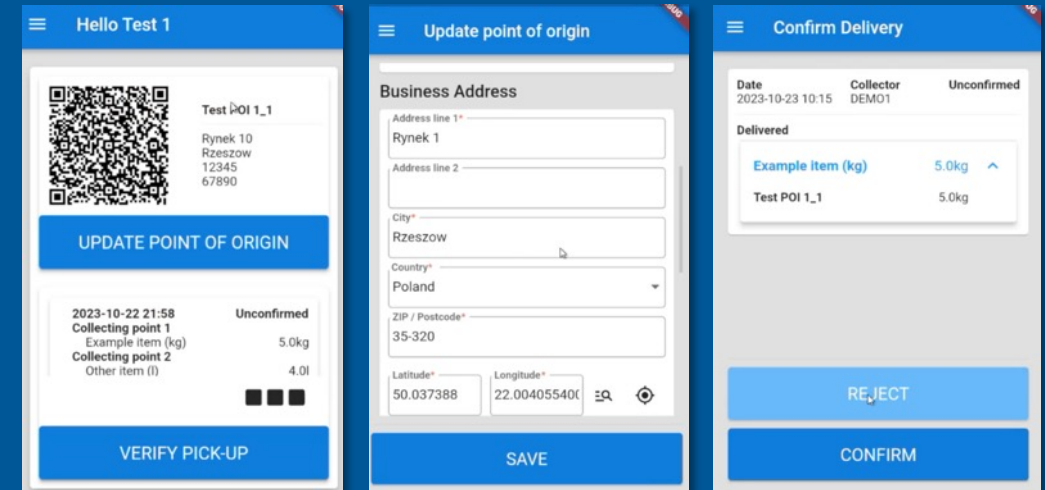|	Buy/Sell	Status	Date	Transaction type	Seller name	Buyer name	Material	Total amo...	Unit	POS summary
	→ sell	Rejected - Other (O...	15-02-202...	Change of ownership an...	ISCC-Reg-6568 -	ISCC-Reg-10295 -	URWR005 - Refined oil -	5649.8690	t	28998548 AV: 77761.28 E...
	→ sell	Approved	31-01-2024	Change of ownership an...	ISCC-Reg-9857 -	ISCC-Reg-1280 -	URWP005 - Palm oil mill...	17.3700	t	0.00 AV: (g CO2eq/dry-t...
	→ sell	Approved	30-01-202...	Change of ownership an...	ISCC-Reg-9857 -	ISCC-Reg-1280 -	URWP005 - Palm oil mill...	13.8300	t	0.00 AV: (g CO2eq/dry-t...
	→ sell	Draft	23-01-202...	Change of ownership an...	ISCC-Reg-12346 -...	ISCC-Reg-6568 -	URWP005 - Palm oil mill...	153.0000	t	0.00 AV: 0.00 EEC + 0.00...
	→ sell	Pending	23-01-202...	Change of ownership an...	ISCC-Reg-12346 -...	ISCC-Reg-6568 -	URWP005 - Palm oil mill...	141.0000	t	0.00 AV: 0.00 EEC + 0.00...

ISCC Mobile App – Integrated end-to-end solution

- A CP identifies their users on the **ISCC HUB:**
  - Collector user: create pickup tours, confirms PoO & material details, deliver to CP/DCP
  - DCP/CP user: confirms deliveries
- PoO user: self-register PoO data and confirm pickups
- All transactions are carried out on the **Mobile App** with a click on a button
- PoO verification and material flow is synched to **Transaction Database**
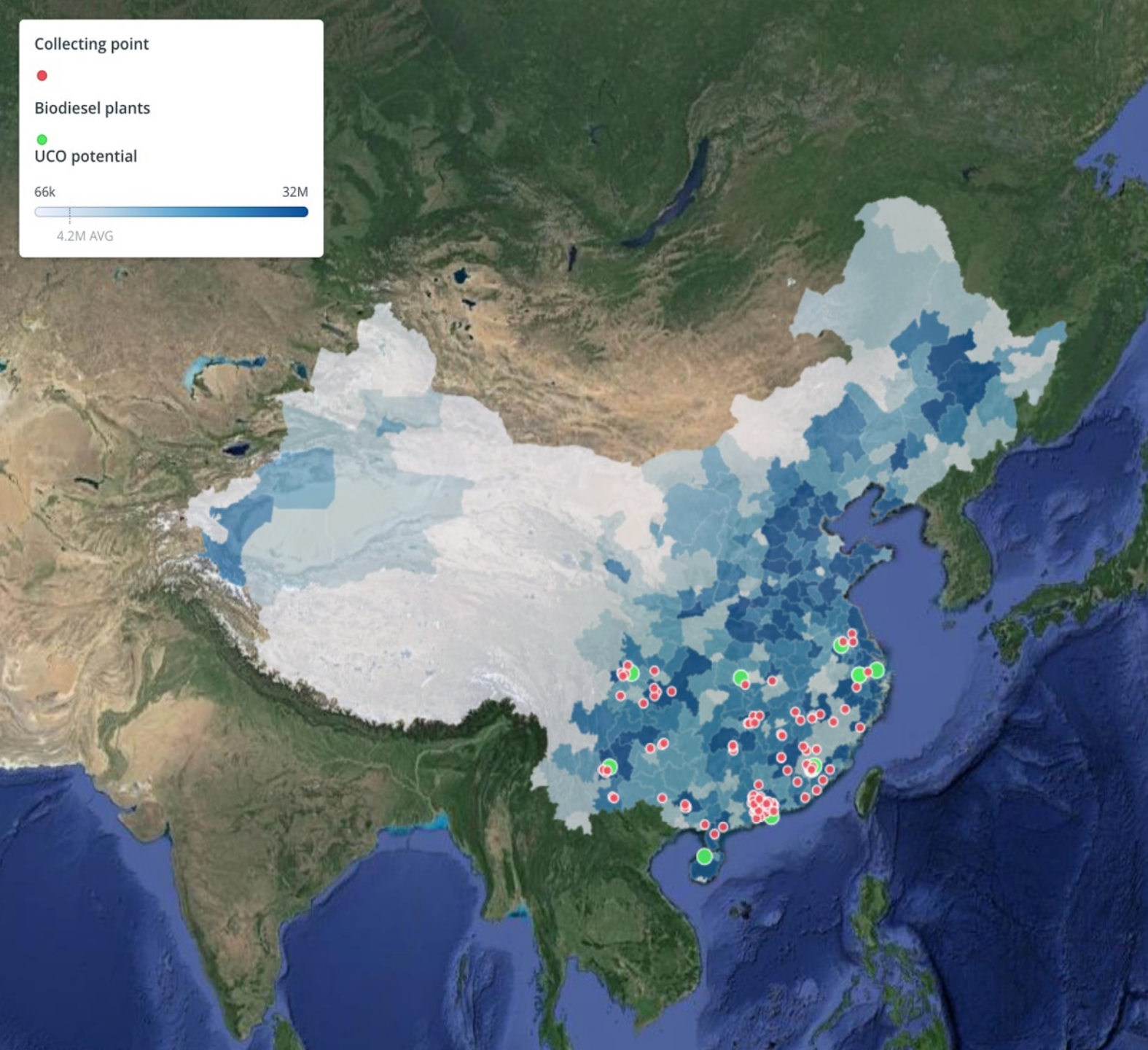
Collecting point 🔴

Biodiesel plants

UCO potential 🟢

66k ——————————— 32M

4.2M AVG

Risk Assessment Tool

Search based on:
Certificate Number

Visualization:
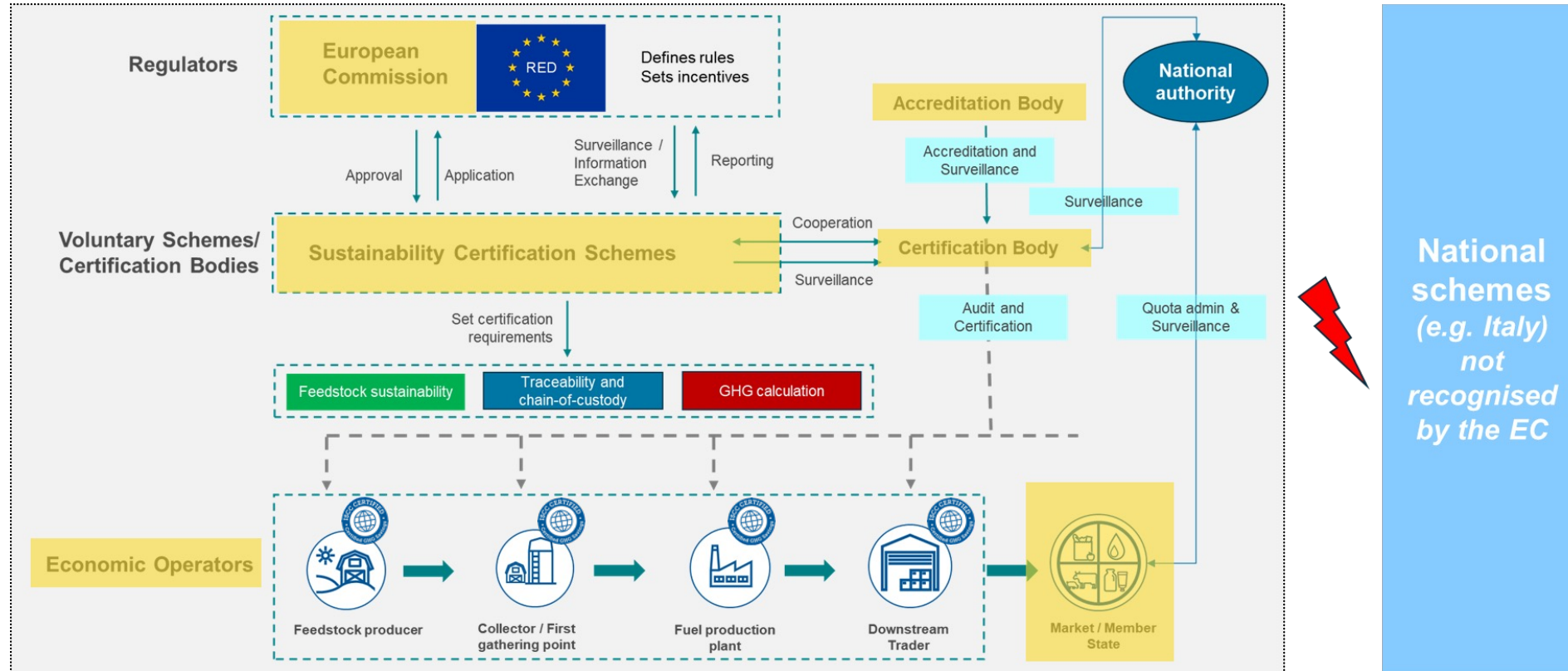Points of Origin (PoO)
Collecting Points
Depending Collecting Points
Feedstocks as layers

Verification:
1. Distance between PoOs and CPs
2. Traded volume
3. Overlapping multiple supply-chain
4. Business' status

It will not be wise to look only at the ISCC – it is advisable to take a holistic view of the whole certification framework

➡️ **Interaction between the parties is one of the keys to further improving fraud resilience**

Thank you!

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