

ISCC PLUS 203 – 1 TRACEABILITY

Version 1.1



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1. Introduction

Every element of a supply chain for certified materials must provide evidence of compliance with ISCC PLUS requirements. This is obtained through the certification of every supply chain element. To ensure that all the relevant product properties and related sustainability characteristics are forwarded through the supply chain to the market, adequate traceability and chain of custody measures are required.

Evidence of compliance with ISCC PLUS

According to the International Organization for Standardization (ISO) the term ‘traceability’ describes the ability to identify and trace the origin, processing history, distribution and location of products and materials through supply chains.¹ Traceability includes the requirement to be able to physically trace products and materials through supply chains but also to be able to tell what products are made of and how they have been processed.

Traceability

‘Chain of custody’ is a general term for the process of transferring, monitoring and controlling inputs and outputs and related specific information as they move through the supply chain. This provides credibility that a given batch of material or product is associated with a set of specific characteristics (sustainability characteristics) and that the information on the specific characteristics linked to the material or product is transferred, monitored and controlled throughout the supply chain. Different chain of custody methods are available for the handling of certified materials along the supply chain and are introduced in the following chapters of this document.

Chain of custody

The combination of both the traceability and chain of custody requirements ensure that the physical flow of materials can be traced back and forth throughout the supply chain, which ensures credible and justified claims about the certified products. The transfer of sustainability characteristics along the supply chain must always be accompanied by a physical transfer of material. This also ensures that sustainability characteristics can be assigned to individual physical consignments of material, and that the quantity of certified materials and products withdrawn at any stage of the supply chain does not exceed the quantity of certified material introduced to the supply chain. The term consignment, or ‘batch’, describes a specific amount of material with the same sustainability characteristics. In the following the term ‘batch’ will be uniformly used.

Assignment of sustainability characteristic

Chapter 2 defines the scope and normative references of this document.

Overview of the content

Chapter 3 covers traceability aspect of the ISCC PLUS standard by describing in detail the general and specific requirements for all elements of the supply chain. This includes the minimum requirements for the management system of a certified operational unit, and the requirements for documentation. The approach for the group certification is also covered in this chapter.

¹ ISO 22095:2020

2. Scope and Normative References

The requirements described in this document apply to all elements of the supply chain of certified materials that must be covered by certification:

*Relevant for
entire supply
chain*

- > Farms or Plantations
- > Forest Sourcing Areas
- > Central Offices for Farms or Plantations/Forest Sourcing Areas
- > First Gathering Points
- > Points of Origin for Waste and Residues
- > Central Offices for Points of Origin of Waste and Residues
- > Collecting Points for Waste and Residues
- > Traders
- > Storage Facilities
- > Logistics Centre
- > Processing Units
- > Limited Risk Distributors
- > Final Product Refinement

The requirements have been developed in alignment with Renewable Energy Directive EU/2018/2001 (here referred to as RED III), ISO 22095:2020, and ISO/DIS 13662:2025, where applicable, to ensure consistency with recognised international standards and regulatory framework.

These requirements shall be taken into account by all participants of the certification system, i.e. certification bodies (CB) and auditors, as well as System Users and other economic operators covered by ISCC certification.

3. Traceability

3.1. Basics

According to ISCC, economic operators along the supply chain that handle certified material (excluding transportation) must demonstrate compliance with the requirements of ISCC PLUS standard. The specific characteristics of the certified material related to the certification is hereafter collectively referred to as 'sustainability characteristics'.

A valid certificate provides evidence that the certified element complies with the requirements of the ISCC PLUS standard. The elements of the supply chain that are subject to certification and specific requirements for each element are covered under this chapter.

Transport and any modes of transportation (e.g. road, rail, air, river or sea) are not subject to certification. All relevant information regarding the transport of certified materials (e.g. delivery documents, means and distance of transport) are covered by the certification of the aforementioned economic operators.

Transportation not subject to certification

Self-declarations are forms that must be completed and signed by the following scopes before they can deliver certified material into the supply chain, if they are not individually certified:

Self-declarations

- > Farms and Plantations
- > Points of Origin for Waste and Residues
- > Forest Sourcing Areas
- > Final Product Refinement

Evidence of the sustainability characteristics of a certified material is documented and forwarded through the supply chain by using sustainability declarations. A sustainability declaration is a delivery document containing relevant information about the certified material that must be issued by the supplier for each delivery of certified material. In the rest of this document, the term ‘sustainability declaration’ is uniformly used.

Sustainability Declarations

Elements of the supply chain that are not certified cannot handle material as certified and are not allowed to issue sustainability declarations according to this standard. Recipients of certified materials must ensure that their supplier was certified at the date of the physical dispatch of the material. All the valid certificates are displayed on the ISCC website. In the case of doubt, ISCC must be contacted to verify the validity of certificates.

Certification required

Under ISCC PLUS, the identity, origin, processing history, distribution and location of certified materials can be traced back “step-by-step” through the entire supply chain (Figure 1). The information provided on the sustainability declarations that are passed through the supply chain is crucial for this approach.

Step-by-step traceability

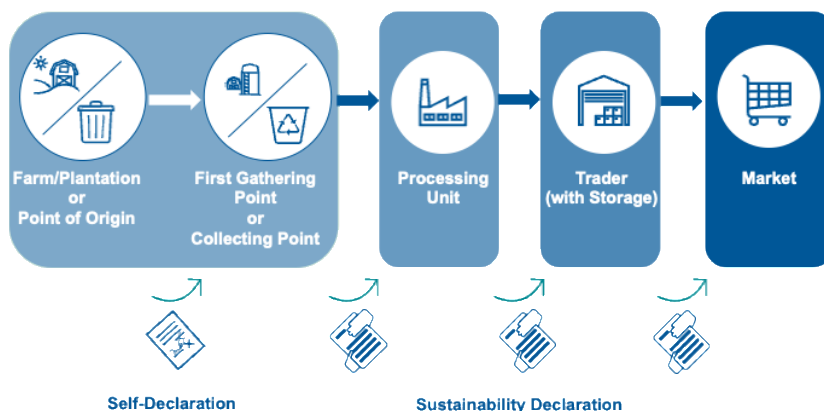


Figure 1: Step-by-step traceability of sustainability characteristics through sustainability declarations

3.2. Minimum Requirements for the Management System

The management system outlines the responsibilities and internal processes necessary to ensure that an economic operator can implement and maintain all requirements needed to meet the objectives of this standard.

Appropriate management system

The management system must ensure that good management practices with respect to sustainability, traceability and chain of custody requirements are applied at every critical control point. All the elements of the supply chain must ensure that their management system covers these requirements.

Any audit for verifying compliance with the requirements of this standard is related to a legal entity at a specific site (defined as being a geographical location with precise boundaries). If economic operators outsource or delegate tasks related to sustainability, traceability or chain of custody requirements to service providers (e.g. transport, storage or processing of certified materials), they must ensure that the service providers comply with the ISCC requirements. This includes contractual agreements and the distribution of relevant information and documentation between the certified economic operator and the service providers.

Site specific requirements

The management system must be adequate regarding the nature, scope and quantity of the required activities. Risk management factors also must be considered when designing the management system (refer to System Document *ISCC PLUS 204 – Risk Assessment*).

Risk management

3.2.1 Responsibilities of the Management

management of a company must commit itself in writing to comply with ISCC requirements, and this commitment must be made available to the employees, suppliers, customers and other interested parties.

Commitment of management

The management of a company must ensure that regular internal audits are conducted regarding compliance with this standard.

Internal audits

The management must identify the critical control points and appoint competent employees to them. These employees are referred as 'key employees'.

Key employee task

Key employees are responsible for the implementation and maintenance of processes and documentation to ensure the compliance of the company with all relevant requirements of this standard. In this respect, it is a key task of the management to provide adequate training to those employees.

The tasks of the key employees include:

- 1 Sourcing, first gathering or registration of incoming sustainable products, identification of origin and evaluation of the quantity of certified products

- 2 Conversion or processing of certified products and/or evaluation of the portion of sustainable products
- 3 Delivery, storage, sales and distribution of sustainable products and evaluation of the quantity of sustainable products
- 4 Quantity-bookkeeping, reporting, documentation, issuing sustainability declarations or other documents within the scope of points (1) to (3)
- 5 Planning and/or execution of self-assessments and internal audits

3.2.2 Qualification and Training of Employees

The company shall ensure that all members of staff involved in the implementation and maintenance of the sustainability, traceability and chain of custody requirements are competent. They must possess appropriate training, education, skills and experience. To fulfil this, the company must:

Competent staff

- 1 Establish and implement a training plan regarding the critical control points and covering the positions involved in its chain of custody system
- 2 Keep records of the trainings provided to staff in relation to this standard

3.2.3 Procedures, Reporting and Documentation

The internal company procedures with respect to the relevant requirements according to this standard must be documented in writing. The documentation shall include, at a minimum, the following elements:

Internal documentation

- 1 Description of the company's internal material flows
- 2 Organisational structure, responsibilities and authorities with respect to sustainability and chain of custody requirements
- 3 Procedures related to traceability and the chain of custody regarding all requirements in this standard

The company shall establish and maintain a reporting system that meets the relevant requirements and functions effectively and efficiently. Furthermore, it must guarantee that relevant records are kept for all critical control points. These records must always ensure a clear link between products, product flow and documentation. Companies shall provide, at a minimum, the following records:

Critical control points

- 1 Plant operation permit, including layout plan and capacities of storage facilities.
- 2 Records of incoming and outgoing certified materials (e.g. weighbridge tickets, bill of lading and sustainability declarations).
- 3 Records of any internal processing of certified products, including the respective yields/conversion factors.

- 4 Records of periodic reporting on opening and closing stock for incoming and outgoing certified and non-certified material.
- 5 List and contracts with all suppliers (including Farms or Plantations, Points of Origin and other certified suppliers) and recipients of certified material.
- 6 List and contracts with subcontractors and service providers related to certified materials.
- 7 Records regarding data transfer (either to the certification system chosen by this company, to the relevant public authority in charge or to the certification body which conducted the audit with respect to this standard).
- 8 Records regarding the transfer of data to and from any sustainability databases used.
- 9 Records of internal audits and non-conformities with this standard, related corrective actions and/or identified discrepancies within the documentation.
- 10 Records of other certification standards with comparable scopes used, non-conformities with these standards and related corrective actions, and, if applicable, information on withdrawn or suspended certificates.
- 11 A version of the ISCC Terms of Use in force.

All companies must operate a periodic reporting system (e.g. monthly and yearly/calendar year) regarding:

Periodic reporting system

- > Quantities of certified and non-certified incoming materials.
- > Storage levels at the beginning and end of the period.
- > Quantities of certified and non-certified outgoing products.

Companies are obliged to inform their CB immediately if any discrepancies occur in the documentation, reporting and material flow.

All companies handling and supplying certified products to other companies are obliged to provide their recipients with all the necessary documents and sustainability information in the scope of this standard.

Transfer of information

Furthermore, the company must keep all the relevant records and documents (as hard copies and/or electronically) for at least five years, or longer if required by the relevant national authority.

Retention period

Documents and information are to be treated as confidential and must not be made accessible to unauthorised third parties.

3.2.4 Technical Equipment

The company shall identify, provide and maintain the infrastructure and technical facilities required to ensure effective implementation and maintenance of the requirements of this standard.

Technical facilities

3.2.5 Internal Audits

The company must conduct internal audits at least once a year covering all the relevant requirements of this standard and establish corrective and preventive measures, if required. Relevant service providers and subcontractors must be taken into account for the internal audits.

Annual internal audit

The internal audit report must be reviewed by the company's management at least once a year.

3.3. General Information and Documentation Requirements

Appropriate information and documentation for incoming and outgoing certified material are crucial for fulfilling the traceability and chain of custody requirements under this standard. This subchapter provides an overview of the general requirements for information and documentation that must be kept by all economic operators along the supply chain and verified during the audit.

- > Information requirements include requirements for Self-Declarations and sustainability declarations.
- > Documentation requirements include records and documents on traceability and quantity-bookkeeping, which must be complete, up-to-date and accessible at the certified supply chain element.

The requirements in this section referring to incoming material are not applicable to Farms or Plantations/Forest Sourcing Areas or Points of Origin.

3.3.1. General Requirements

Companies must keep the following records for all incoming and outgoing certified materials respectively:

Incoming and outgoing materials

- > List of suppliers and recipients of the certified material, including their names and addresses.
- > Contracts with relevant subcontractors/service providers, suppliers and recipients of sustainable products.
- > Sustainability declarations, weighbridge tickets, bills of lading or other documentation for all incoming and outgoing certified material.
- > Quantity-bookkeeping for certified and non-certified material and, if applicable, a mass balance calculation.

Disclosure of all schemes used

Records and documentation on traceability, chain of custody and quantity-bookkeeping (e.g. mass balance bookkeeping) must be up-to-date. They must be fully accessible to the auditor in the audit process.

If, at the time of the audit, a company is also certified under other sustainability certification schemes with comparable scopes or has been certified in the twelve months prior to the audit, information on the other certifications must be provided to the auditor, including the name of the scheme and certification scope (refer to System Document *ISCC PLUS 201 – System Basics*).

Furthermore, if there are other certification schemes (e.g. voluntary certification schemes) used, then all records regarding the traceability, chain of custody and quantity-bookkeeping for those certificate schemes must be made available to the auditor. This is crucial to verify that no double-accounting (or multiple accounting) of certified material is taking place (refer to System Document *ISCC PLUS 203-2 – Chain of Custody*). This measure also mitigates the risk of scheme hopping, i.e. economic operators getting certified under another scheme to avoid recertification and thus avoid the inspection of requirements and transactions conducted under the previously used certification scheme.

If the company uses sustainability and traceability databases, all records of incoming and outgoing data transfers must be made available to the auditor.

Traceability databases

3.3.2. General Requirements for Sustainability Declarations

Sustainability characteristics of the materials is forwarded within the supply chain through sustainability declarations. A sustainability declaration is always linked to a specific batch of certified material that is being delivered along with its related sustainability characteristics.

Link to material

The interrelation of a sustainability declaration and the respective physical delivery depends on the chain of custody method applied. For the chain of custody methods Physical Segregation and Controlled Blending, the information on the sustainability declaration reflects the product physically delivered. If Mass Balance is applied as the chain of custody method, the sustainability declaration does not necessarily reflect the product physically delivered.

The sustainability declaration must refer the physically delivered product as stated in the List of Materials Eligible for ISCC PLUS Certification². For example, it would not be permissible to issue a sustainability declaration referring to soybean for a physical delivery of rapeseed. Similarly, even if the chemicals and plastic products have similar chemical characteristics, it would not be permissible to issue a sustainability declaration referring to e.g. ethylene for a physical delivery of plastic product made of polyethylene.

Reference to material list

Valid certification

² Also List of Materials Eligible for ISCC EU or ISCC CORSIA Certification

A supplier of certified material shall be in possession of a valid certificate on the date of the dispatch of the sustainable material. The supplier shall also be in possession of a valid certificate on the date of issuance of the sustainability declaration, if the date of dispatch and the date of issuance differ. A sustainability declaration cannot be issued outside the validity period of a certificate. Also, if the recipient of certified material is not in possession of a valid certificate, when the certified material is received, even if the material is received with a sustainability declaration, it cannot be claimed as ISCC Compliant material.

A recipient of certified material is obliged to verify whether the supplier was in possession of a valid ISCC certificate on the date of the dispatch of the sustainable material and at the date of issuance of the sustainability declaration. If the supplier was not in possession of a valid certificate on either of the dates, the recipient should not accept the respective sustainability declaration. All valid, suspended and withdrawn ISCC certificates are displayed on the ISCC website. If there is any uncertainty, economic operators must contact ISCC for clarification.

The recipient of the sustainability declaration must check whether all relevant information according to this standard is available and consistent. Sustainability declarations that are obviously lacking information or containing incorrect or inconsistent information should not be accepted by the recipient. In such cases, the supplier of the sustainability declaration should be asked for a corrected document.

Complete and correct information

The recipient of a sustainability declaration can generally trust that data received from certified suppliers is correct. If the recipient of the sustainability declaration has demonstrated due diligence by verifying the validity of the supplier's certificate and checking the incoming sustainability declaration for complete and correct information as described above, the information provided on the incoming sustainability declaration can be regarded as covered by protection of trust.

Due diligence and protection of trust

If there is incorrect information, it is possible for the issuing party (supplier) to cancel or correct a sustainability declaration under the condition that the recipient has not used (i.e. forwarded) the incorrect sustainability declaration and the material linked to it. Following that, it should be noted that the recipient cancels or corrects the corresponding information accordingly from their quantity-bookkeeping.

Cancellation of Sustainability Declaration

The supplier of the sustainability declaration must inform the recipient, the respective CBs (of the supplier and receiver) and ISCC in writing about the intention to cancel or correct one (or more) specified sustainability declaration(s). The recipient's CB must later confirm in writing to the supplier, the supplier's CB and ISCC that the request was received and documented. The supplier may then issue corrected sustainability declaration(s).

The CB of the supplier shall also document a non-conformity in the audit procedure of the supplier (providing incorrect data to recipients). In the next scheduled audit, the CB of the recipient must verify that the sustainability declarations have been cancelled or corrected in the recipient's mass balance. Should the supplier and/or the recipient change the CB for the next audit, the newly contracted CB must be informed accordingly to ensure that the specific transactions are covered in the next scheduled audit.

The recipient of the certified material may return them to the supplier. In certain cases, it should be possible to return a specific quantity of materials, rather than the entire batch. To handle returns of certified material, the following options exist:

Material returns

Option 1: The intended recipient of the product does not accept the (defective) goods, i.e. they are returned to the supplier. (without a new sustainability declaration from the customer)

If a sustainability declaration has already been issued by the supplier for the respective batch of material, the supplier can re-book the goods into their bookkeeping, provided that the refusal of acceptance is documented and verifiable for the auditor.

Option 2: The goods are returned, and the intended recipient issues a new sustainability declaration to the supplier.³

In this case, the supplier must have recorded the corresponding quantity as being taken out from their bookkeeping. The returned goods can then be booked in again (based on the information provided in the new sustainability declaration).

The timely issuing and receipt of sustainability characteristics is crucial for the documentation and verification of the quantity-bookkeeping. For this reason, the supplier should issue sustainability declaration no later than 30 days following the date of the physical dispatch of the certified material.

Timely issuing

Sustainability declarations must include the "address of receipt/receiving point of the certified material". Due to contractual agreements, if the recipient is responsible for organising the transport of the material from the supplier, the supplier may not know the address of receipt/receiving point (e.g. if it is agreed that the delivery is made e.g. on "FOB" or "free-on-board" basis). If the supplier does not know the address of receipt/receiving point, the supplier can indicate on the sustainability declaration that the "address of receipt/receiving point" is the same as the address of the recipient. In addition, a reference must be made in the sustainability declaration that the recipient is responsible to determine the address of receipt/receiving point due to the contractual

Place of receipt

³ It is not a requirement for the scope of the customer to be Trader to issue a sustainability declaration for return of certified material.

arrangement. It is the obligation of the recipient to ensure the traceability of the material and to provide the necessary evidence to the auditor.

It is also possible to aggregate sustainability declarations for multiple deliveries of batches of material, i.e. to issue one sustainability declaration for several deliveries of certified material. In order to do so, the following conditions must be fulfilled:

Aggregation of Sustainability Declarations

- > All material has identical sustainability characteristics.
- > The period for all deliveries should not exceed 30 days. The whole delivery period must be stated in the sustainability declaration.
- > Each individual delivery must be documented by weighbridge tickets or similar documents to allow the verification of the overall amount and the delivery dates of the entire batch.
- > The locations from which the material is supplied to and from which it is received remain unchanged during the delivery period.

Issuing more than one sustainability declaration for the same batch of material is not permitted.

Sustainability declarations must contain the information that is stated in this document. However, there are no mandatory provisions in place regarding the form or layout of the sustainability declarations. Economic operators can develop a template for a delivery note which includes all the required information. Alternatively, they can attach a document with the required information to existing delivery documents (e.g. bill of lading).

No provision for layout

ISCC provides templates for sustainability declarations, e.g., for raw materials, intermediate/final products. The use of the templates provided by ISCC is voluntary. Although the use of these templates is optional, it is essential that all mandatory information according to the latest template provided by ISCC is made available to the recipient in the sustainability declarations issued by System Users. System Users are required to adapt according to the latest template provided by ISCC for the mandatory information in the sustainability declaration within a transition period of six months from the date of release (based on an ISCC System Update). The latest templates can be downloaded from the ISCC website.

3.3.3. General Information of Sustainability Declarations

For each incoming and outgoing batch of certified material a sustainability declaration must be in place. Sustainability declarations must contain general information on the individual transaction between supplier and recipient, as well as the set of product specific sustainability characteristics that needs to be forwarded through the supply chain. Specific information related to each supply chain element (if applicable) are included in [Chapter 3.4](#).

Content of Sustainability Declarations

The minimum information requirements of sustainability declarations under ISCC PLUS are: *Information to be forwarded*

General information (mandatory)

- > Name and address of the supplier.
- > Name and address of the recipient.
- > Related contract number between the supplier and recipient.
- > Date of dispatch of the certified material.
- > Address of dispatch/shipping point of the certified material.
- > Address of receipt/receiving point of the certified material.
- > Certificate number of the supplier.
- > Date of the issuance of the sustainability declaration.
- > The number of the group member (in case of group certification).
- > Unique number of the sustainability declaration.
- > Statement “ISCC Compliant”.

Product related information

Mandatory information:

- > Type of product (e.g. Ethanol, Ethylene etc.).
- > Product specification (according to ISCC PLUS Material List)
- > Quantity of certified part of the delivered product (respectively, quantity of certified part of produced batch) in metric tons / kg / m³ at 15°C / kWh / J (for biogas/biomethane)⁴.
- > Raw material category (refer to System Document *ISCC PLUS 201 – System Basics*).
- > For all circular and bio-circular materials:
 - Statement “The raw material meets the definition of waste or residues, i.e., was not intentionally produced and modified or contaminated or discarded, to meet the definition of waste or residues (applicable to waste and residues and products produced from those)”.

⁴ If a product consists of a certified part (derived or attributed from certified input material) and a non-certified part (derived or attributed from non-certified input material), only the quantity of the certified part of the product must be included on the SD. The total quantity of the delivery including the non-certified part of the product can be stated additionally (see “voluntary information”).

- > Waste status: post-consumer / pre-consumer material/ mixed (if applicable).
- > Type of recycling operation (if not applicable 'NA' must be selected).
- > For bio materials:
 - Statement "The raw material complies with the sustainability criteria according to the ISCC 'Sustainability Requirements' as laid down in in System Documents *ISCC EU 202-1/-2 - Agricultural Biomass: ISCC Principle 1/Principles 2-6* (or System Documents *ISCC EU 202-3/-4 - Forest Biomass: ISCC Principle 1/Principles 2-6*).
- > Chain of custody method applied
- > If mass balance is selected as the CoC Method, the calculation method and type of mass balance option must be provided (for Credit method)
- > Information regarding reflection of input characteristics
- > If multi-site credit transfer was applied (either by the System User or by upstream entities. Once applied in the supply chain this information must be forwarded by all downstream entities)
- > Statement related to Add-ons applied for the certified material (if applicable)
- > Statement related to Proof of Biogenic content based on ¹⁴C Isotope measurement (if applicable)
- > Statement related to the consideration of Hetero atoms as part of the certified share (if applicable)

Voluntary information:

- > Total quantity of delivery consisting of both certified and non-certified material.
- > Additional information regarding the certified material being delivered
- > Raw material and its specification (e.g. corn, UCO, MPW).
- > Country of origin of the raw material.
- > Information on the Annex for sustainability declarations according to ISCC PLUS (e.g., Add-ons applied and Add-on related information)

If “ISCC Compliant material” is sold to clients that are not ISCC certified and/or not licensed under the ISCC Licensing Scheme, it must be ensured that a transparent system is in place allowing the verification of material sold as ISCC PLUS certified. Relevant documentation must be issued to allow third party verifiers to trace incoming and outgoing flows of material even if buyers of certified material do not require to receive a sustainability declaration (e.g. retail). Documentation must at least refer to evidence on other types of delivery documents as well as quantity-bookkeeping requirements (e.g. mass balance bookkeeping).

Documentation for deliveries to non-certified clients

In cases where material is being delivered for the production of biofuels to Japan, the additional information on the material must be provided according to the sustainability declaration. For deliveries of corn or corn-based ethanol from the U.S and for deliveries of sugar cane or sugar cane-based ethanol from Brazil, the use of Japanese default values shall be indicated and emission from Land Use Changes (e_l) shall be declared as zero.

3.3.4. Information Requirements for Internal Company Processes

Sustainability declarations shall not be issued for internal processes within an operational unit. However, to ensure that the amount of outgoing certified materials does not exceed the amount of incoming certified materials, the economic operator must carry out periodical reporting. This provides the basis for the quantity-bookkeeping (e.g. mass balance bookkeeping).

Information for quantity-bookkeeping

The following records must be maintained if an economic operator stores certified material or conducts processes that impacts the physical and/or chemical properties of the certified material:

- > Description of internal processes (oil extraction, refining, esterification, dehydration, blending, polymerisation or other) and key data.
- > Quantities of incoming certified material(s)
- > Quantities of raw material(s) if they are not identical with the incoming certified material (e.g. share of sugar beet syrup used for ethanol production within an integrated sugar mill/ethanol plant).
- > Quantities of co-product(s).
- > Quantities of waste or residue(s).
- > All locations, e.g. Warehouses or Dependent Storage Facilities, where certified materials are stored or have been stored in the current or previous certification period.
- > Relevant yields and losses.
- > Consideration of losses (e.g. conversion factors).
- > Date of production (if required).

All the above-mentioned information must be disclosed to the auditor.

3.3.5. Self-Declarations/Self-Assessments

The obligation for individual certification according to this standard starts with the First Gathering Point and/or Collecting Point. Farms or Plantations/Forest Sourcing Areas and Points of Origin of waste and residue materials can be individually certified or be certified as a part of a group under a Central Office (or under a First Gathering Point or under a Collecting Point), on a voluntary basis. All Farms or Plantations/Forest Sourcing Areas that are not individually certified must conduct an annual self-assessment and provide a signed self-declaration/self-assessment to the First Gathering Point or Central Office. All Points of Origin that are not individually certified must provide a signed self-declaration to the Collecting Point or Central Office.

Mandatory self-declaration/ self-assessment

A self-declaration is an important document to ensure the traceability of certified material up to the Farms or Plantations/Forest Sourcing Areas or Points of Origin. By signing the self-declaration, a Farm or Plantation/Forest Sourcing Area or Point of Origin declares compliance with all legal obligations and the relevant ISCC requirements. A signed self-declaration confirms that the type of raw material provided is ISCC compliant and confirms that they will give external auditors access to the premises to verify conformity with the ISCC requirements.

Traceability and access

First Gathering Points and Collecting Points can only accept material as sustainable from Farms or Plantations/Forest Sourcing Areas or Points of Origin, respectively, if they have received a signed self-declaration. Farms or Plantations/Forest Sourcing Areas or Points of Origin shall provide the signed self-declaration to no party (e.g. local agents or dependent Collecting Points) other than the First Gathering Point, Collecting Point or Central Office that they are certified under as a group.

ISCC provides templates of self-declarations/ self-assessment forms for farms and plantations and self-declarations for Points of Origin respectively. The templates are available in several languages to download from the ISCC website. The templates themselves or the exact wording from the templates must be used.

Templates available

There are three options for the application of self-declarations:

- 1 The self-declaration is completed and signed for every single delivery of sustainable material.
- 2 The self-declaration is used for all deliveries within a contract between the First Gathering Point and Farm or Plantation/Forest Sourcing Area or Collecting Point and Point of Origin respectively.
- 3 The content of the self-declaration is transferred with exactly the same words into the contract between the First Gathering Point and farm/ plantation or the Collecting Point and Point of Origin respectively.

Options to apply self-declarations

Under options 2 and 3, the self-declaration has a validity of twelve months, starting from the date of issuing.

For Points of Origin a fourth option is available: a combination of a clause in the contract between the Point of Origin and the Collecting Point and the availability of the self-s template on the website of the Collecting Point.

*Additional option
for Points of Origin*

The contract must contain an unambiguous statement, e.g. *“By signing, the self-declaration as published on the website (URL of the Collecting Point website) applies and is a valid part of this agreement for the contractual period. If no objection is made by the customer up to twelve days before the expiry of each calendar year of this agreement, the self-declaration is confirmed for the following year”*.

On the website where the template of the self-declaration is available to download a further unambiguous statement must be included, e.g. *“The self-declarations for deliveries of – used cooking oil - (can also be other materials) on this page are a valid part of the contract between (company) and its customers. The self-declaration will be presented to the customer either within the contract or within the terms and conditions. If the self-declaration is part of the written contract, it shall be considered to be accepted from the effective date of the contract. If the self-declaration is included in the terms and conditions, then it shall be considered to be accepted if the customer does not submit an objection to (company) within 14 days after the terms and conditions have been presented to them. If the customer does not object, this will be considered as an agreement to the terms and conditions. The self-declarations will be considered to be accepted after the 14 days have passed”*.

Self-Declarations/ Self-Assessment for Farms or Plantations with ISCC PLUS Add-ons:

Farms or plantations covered under the certificate of a First Gathering Point or Central Office conduct an annual self-assessment and provide the signed self-declarations to the First Gathering Point or Central Office. If Farms or Plantations are additionally certified with voluntary add-ons, the respective Farms or Plantations shall additionally complete the “ISCC PLUS self-declaration for add-ons” and provide it to the First Gathering Point or Central Office. The templates of the self-declarations are available on the ISCC website.

*Annually signed
self-declarations*

During the audit, the First Gathering Point or Central Office must provide a list of all Farms or Plantations with names and addresses of contact persons who signed the ISCC self-declaration within the past twelve months. If farmers apply one or more ISCC PLUS add-ons, this must be clearly indicated on the list.

3.4. Specific Requirements for Elements of the Supply Chain

This section describes the individual supply chain elements and their specific requirements relevant under this standard.

3.4.1. Farms or Plantations

Farms or plantations under this standard are agricultural operations where crops are sustainably cultivated, or where agricultural crop residues from sustainable cultivation occur. A farm or plantation is defined as a distinct legal entity⁵ which has control regarding compliance with ISCC requirements. (see also [Annex I](#) regarding the identification of farms or plantations).

Certification options

Farms or plantations have three options to participate under this standard:

- > Individual certification
- > As part of a group of farms organised under a Central Office⁶
- > As part of a group of farms delivering to a First Gathering Point

Farms and plantations participating in group certification shall conduct a self-assessment and sign a self-declaration either to the First Gathering Point or to the Central Office responsible for the group. A copy of the self-assessment/self-declaration must be available during the audit. Farms or Plantations participating in group certification do not receive an individual certificate, as they will be covered by the certificate of the First Gathering Point or the Central Office.

Self-assessment and self-declaration

Individually certified Farms or Plantations may sell their sustainable material directly to a certified Processing Unit or Trader with Storage location with a sustainability declaration.

Biomass produced on land that is in compliance with ISCC Principle 1 as laid down in System Document *ISCC EU 202-1 – Agricultural Biomass: ISCC Principle 1* and ISCC Principles 2-6 as laid down in System Document *ISCC EU 202-2 – Agricultural Biomass: ISCC Principle 2-6* is considered to be sustainable.

Compliance with land-related requirements

The ISCC Principle 1 specifies the land-related legal requirements set under the RED III and must always be complied with. Violations of ISCC Principle 1 are critical non-conformities and cannot be subject to corrective measures.

⁵ Defined as “an association, corporation, partnership, proprietorship, trust, or individual that has legal standing in the eyes of law. A legal entity has legal capacity to enter into agreements or contracts, assume obligations, incur and pay debts, sue and be sued in its own right, and to be held responsible for its actions” <http://www.businessdictionary.com/definition/legal-entity.html>.

⁶ For independent smallholders, please refer to Independent Smallholder (ISH) Certification (<https://www.iscc-system.org/certification/independent-smallholder-certification/>)

ISCC Principles 2-6 cover social, ecological and economic requirements. They are divided into ‘immediate requirements’, ‘short-term requirements’, ‘mid-term requirements’ and ‘best practice requirements’.

When signing the self-declaration for the first time or, in case of individual certification, when obtaining the initial ISCC certificate, a farm or plantation must be compliant with all requirements stated in System Document *ISCC EU 202-1 – Agricultural Biomass: ISCC Principle 1* and all immediate requirements in System Document *ISCC EU 202-2 – Agricultural Biomass: ISCC Principle 2-6*.

Immediate requirements cover relevant EU regulations (e.g. Cross Compliance regulations, good agricultural practice requirements, relevant social legislation). In EU Member States which have implemented Cross Compliance (CC), farmers that fulfil the CC criteria through implementation and official recognition of CC are only audited with respect to the requirements set out in ISCC Principle 1 and criteria that are not covered by EU legislation.

Immediate requirements

The short-term and mid-term requirements specified in System Document *ISCC EU 202-2 – Agricultural Biomass: ISCC Principle 2-6* must be implemented as part of a continuous improvement process over a specified period of 3 years and 5 years respectively.

Continuous improvement process

Additionally, Farms or Plantations can choose to implement the best practice requirements. Best practice requirements fulfilled by a farm or plantation can be communicated separately under ISCC PLUS.

The audit of a farm or plantation must always cover the entire land area (agricultural land, pasture, forest, any other land) of the farm or plantation, including any owned, leased or rented land. The area of the farm or plantation relevant for ISCC certification is not limited to areas where sustainable material is cultivated. Selecting particular areas of the farm or plantation which comply with ISCC requirements, but not the areas of the farm or plantation which may not comply with the requirements (“cherry picking”) is not permitted under ISCC.

No cherry picking

Farms or plantations, which are audited non-compliant with ISCC requirements or refuse to participate in an audit, must be excluded from ISCC until the respective farm or plantation passes a successful ISCC audit on its own initiative. ISCC must be informed by the CB about Farms or Plantations, which are audited and found to be non-compliant or refuse to be audited as a part of a sample (see also [Chapter 3.5.5](#)).

Non-compliance

Farms or Plantations are obliged to enable the full assessment and evaluation of all applicable ISCC requirements, including relevant activities which are outsourced to sub-contractors or service providers. Relevant sub-contractors or service providers (e.g. for the application of plant protection products) must be included in the farm audit if this is necessary to evaluate full compliance with ISCC. This should be included in contractual agreements between the

Service providers and sub-contractors

farmer and the relevant sub-contractors and service providers as appropriate. Contractual agreements must be accessible during the ISCC audit.

Farms or Plantations are the beginning of the supply chains and are not subjected to same bookkeeping requirements as the other supply chain elements (balance between material received and dispatched), since they do not receive materials but harvest. However, they must document:

Plausibility check

- > The amounts of material in storage and delivered.
- > Origin of material in storage and delivered.
- > Yield per hectare and field size in hectare.

They are relevant for the plausibility check in the framework of the audit.

For the audit of palm plantations in Indonesia and Malaysia a sustainability risk report must be generated through the ARIA (Automated Risk Assessment) platform.⁷ The ARIA report provides an initial assessment of the ISCC Principles 1 and 2 with respect to the protection of biodiverse and carbon-rich areas.

ARIA reports aim to support the auditors' decision-making process in assessing and quantifying the environmental conditions of the plantations to be audited. The ARIA report must be generated by the System User that seeks certification (i.e. First Gathering Point, Central Office or Plantation, in case of individual certification) and must be provided to the auditor. The auditor must consider the ARIA report for the risk assessment of the certified area. Further information on the ARIA platform can be found on the ISCC Website.

Additional Audit Requirements for Farms or Plantations

The farm or plantation must provide the following records:

- > Total area of the farm/ plantation classified as pasture, cropland and other areas (such as compensation area, set-aside-land, forest etc.), including all rented and leased areas for the respective certification period.
- > Statement of the field numbers, field sizes, field status, crop, yield for the respective certification period (usually part of the field/crop report).
- > List of all recipients of sustainable crops or crop residues with names and addresses.
- > Contracts with all First Gathering Points which have been supplied with sustainable crops or crop residues (only applicable for the farms or plantations certified as part of a group delivering to a First Gathering Point).

⁷ The ARIA platform may be made available for further countries and crops.

- > Records of amounts of each crop or agricultural crop residues delivered as sustainable or unsustainable (classified per crop).
- > Copy of the signed self-declaration/self-assessment form for the respective certification period (not applicable for individually certified Farms or Plantations).
- > Contracts with subcontractors (e.g. harvesting, spraying).

3.4.2. Forest Sourcing Area

The term ‘forest sourcing area’ according to Article 2(30) of RED III means; the geographically defined area from which the forest biomass feedstock is sourced, from which reliable and independent information is available and where conditions are sufficiently homogeneous to evaluate the risk of the sustainability and legality characteristics of the forest biomass.

This definition implies:

- > “Geographically defined area” means that the area of origin from which the forest biomass feedstock is harvested, is known and can be shown on a map, typically on the basis of administrative boundaries.
- > “From which reliable and independent information is available” means that the information required to assess compliance with the RED III criteria is available from competent organizations, public or private, which have the legal mandate to produce reliable information. For public forests this could be the competent forest management authority. For private forests, this could be directly responsible for the forest management.
- > “Where conditions are sufficiently homogenous to evaluate the risk of the sustainability and legality characteristics of the forest biomass” means that within the area, the legislation covering the elements of the sustainability criteria shall be consistent. If an economic operator’s supply base spreads over two countries or regions where the elements addressed in RED III are governed through different sets of legislation, then that results in two separate sourcing areas for which the risk-based approach would have to be implemented separately.

The term ‘management system’ means an information management system run by an economic operator to demonstrate that biomass sourcing is in compliance with the sustainability criteria at forest sourcing area level defined in Articles 29.6(b) and 29.7(b).

The management system must document management practices with relevance to the sustainability criteria that have been and are planned to be applied by forest managers/owners in the sourcing area.

The management system ensures that information necessary to demonstrate compliance with all sustainability criteria through a risk-based approach is collected, verified, assessed, securely stored by the economic operator and passed down the supply chain using a chosen chain of custody method.

Forest sourcing areas have three options to participate under this standard:

- > Individual certification
- > As part of a group organised under a Central Office
- > As part of a group delivering to a First Gathering Point

Biomass produced on land that is in compliance with ISCC Principle 1 as laid down in System Document *ISCC EU 202-3 – Forest Biomass: ISCC Principle 1* and ISCC Principles 2-6 as laid down in System Document *ISCC EU 202-3 – Forest Biomass: ISCC Principle 2-6* is considered to be sustainable.

The requirements of ISCC Principle 1 for forest biomass ensure the legality of harvesting operations, forest regeneration, the protection of areas designated for nature protection purposes, that harvesting is carried out taking soil quality and biodiversity into account and to ensure the maintenance and improvement of the long-term production capacity of the forest.

*Compliance with
land-related
requirements*

ISCC Principles 2-6 cover social, ecological and economic requirements. They are divided into 'immediate requirements', 'short-term requirements', 'mid-term requirements' and 'best practice requirements'.

A forest sourcing area must be compliant with all requirements stated in ISCC Principle 1 and all immediate requirements of ISCC Principles 2-6 to start supplying sustainable material.

*Immediate
requirements*

Forest sourcing areas and economic operators violating ISCC Principle 1 are excluded from ISCC certification. If violations of Principle 1 are detected, a certificate shall not be issued or shall be withdrawn immediately. If such economic operators have been audited as part of a group organised under a Central Office or as a part of a group delivering to a First Gathering Point, they must be excluded as suppliers of sustainable material. Violations of Principle 1 are considered critical non-conformities and cannot be subject to corrective measures.⁸

Non-compliance

Forest sourcing areas are obliged to enable the full assessment and application of all ISCC requirements, including relevant activities which are outsourced to sub-contractors and service providers. Relevant subcontractors or service providers e.g. for the application of chemical pesticide, must be included as a part of the audit if this is necessary to comply with ISCC requirements. The (on-site) access for ISCC audit purposes should be included in contractual agreements between the relevant parties using

⁸ More information can be found in the System Document *ISCC PLUS 102 - Governance*

subcontractors and service providers. Contractual agreements must be accessible during the ISCC audit.

The forest sourcing area shall provide the following records:

- > Total area and location of the forest sourcing areas with verifiable information (geographical coordinates, polygons etc.), including all rented and leased areas for the respective certification period.
- > List of all recipients of sustainable forest biomass with names and addresses.
- > Contracts with all First Gathering Points which have been supplied with sustainable forest biomass (only applicable for the forest sourcing areas certified as part of a group delivering to a First Gathering Point).
- > Up-to-date risk assessment at the time the forest biomass is harvested.
- > Forest management plan.
- > Copy of the signed self-declaration/ self-assessment form for the respective certification period (not applicable for individually certified forest sourcing area).
- > Contracts with subcontractors (e.g. harvesting, spraying chemical pesticides).

Forest sourcing areas delivering to a First Gathering Point must provide a document with the following information for each delivery of sustainable material:

- > Name and address of the First Gathering Point, and if the material is delivered to storage facilities related to the First Gathering Point, the names and addresses of the storage facilities.
- > Name and address of the forest sourcing area.
- > Unique batch number.
- > Type(s) of wood (wood species).
- > Harvested forest biomass volume.
- > Date of receipt of sustainable forest biomass.

3.4.3. Central Office for Farms or Plantations/Forest Sourcing Areas

A Central Office is the representative body of at least one group of homogeneous Farms or Plantations/Forest Sourcing Areas that are certified as an independent group of agricultural or forest biomass producers. A group of Farms or Plantations/Forest Sourcing Areas is regarded as homogeneous if they are, for example, located in geographic proximity, and are similar in their size, cultivated crops, tree or wood species and production processes.

*Group
certification*

Farms or Plantations/Forest Sourcing Areas participating in group certification shall conduct a self-assessment and sign a self-declaration to the Central Office responsible for the group. A copy of the self-assessment/self-declaration must be available during the audit. Farms or Plantations/Forest Sourcing Areas participating in group certification do not receive an individual certificate, as they will be covered by the certificate of the Central Office.

*Self-assessment
and self-
declaration*

Alongside the self-declaration, it is necessary for Forest Sourcing Areas to submit to the Central Office an up-to-date risk assessment at the time the forest biomass is harvested, which indicates that there is low risk of unsustainable forest biomass in the sourcing area, and the scope of the risk assessment fully covers the sourcing area.⁹

The Central Office does not receive ownership of the sustainable materials. The Central Office is responsible for the management of the group, i.e. the implementation of the internal management system, the compliance of individual group members with the ISCC requirements, and for carrying out internal audits of the group members. The certificate is issued for the Central Office based on a successful audit. The audit of the Central Office must always be conducted on-site.

A sample of all group members is subject to an audit. At least one farm or plantation/forest sourcing area must be audited in the scope of the certification of a Central Office. A list of all Farms or Plantations/Forest Sourcing Areas participating in group certification must be available during the audit and must be submitted to ISCC together with the audit documents. This list must include at least the name and address or location of the individual group members as well as the date when the self-declaration was signed for the first time.

Group members

Each group member is responsible for issuing sustainability declarations for their respective deliveries of sustainable raw material. A copy of each sustainability declaration must be provided to the Central Office. The Central Office must keep track of the quantity of sustainable material sold based on the outgoing sustainability declarations ([Chapter 3.5](#)).

Additional Audit Requirements for Central Offices

For traceability purposes the Central Office for Farms or Plantations/Forest Sourcing Areas shall provide the following records:

- > List of all the Farms or Plantations/Forest Sourcing Areas that are part of the group (including at least the names, addresses and unique number for each group member).
- > Contracts/ agreements with all group members.
- > Self-declarations/ self-assessments of the group members. At the date of the audit at least one self-declaration must be in place.

⁹ More information about the risk-based approach can be found in the System Document ISCC EU 202-3 "Forest Biomass: ISCC Principle 1".

- > Documentation of internal audits.
- > Copies of all the sustainability declarations issued by group members for deliveries of sustainable material.
- > Bookkeeping of outgoing quantities based on the sustainability declarations received from group members.
- > For forest biomass, an up-to-date risk assessment received from the forest sourcing area at the time the forest biomass is harvested.

3.4.4. First Gathering Point

First Gathering Points are economic operators that buy and receive sustainable crops, agricultural crop residues, sustainable forest biomass or forest residues directly from Farms or Plantations/Forest Sourcing Areas. They then further distribute, trade or mechanically treat this biomass. Farms or Plantations/Forest Sourcing Areas participating in group certification do not receive an individual certificate, as they will be covered by the certificate of the First Gathering Point.

*Direct sourcing
from farms or
plantations*

First Gathering Points have a contractual relationship with the supplying Farms or Plantations/Forest Sourcing Areas for the delivery of crops, agricultural crop residues, forest biomass or forest residues. Farms or Plantations/Forest Sourcing Areas in group certification shall conduct a self-assessment and sign a self-declaration to the First Gathering Point responsible for the group. A copy of the self-assessment/self-declaration must be available during the audit.

*Self-assessment
and self-
declaration*

Alongside the self-declaration, it is necessary for Forest Sourcing Areas to submit to the First Gathering Point an up-to-date risk assessment at the time the forest biomass is harvested, which indicates that there is low risk of unsustainable forest biomass in the sourcing area, and the scope of the risk assessment fully covers the sourcing area.¹⁰

First Gathering Point shall receive a signed self-declaration/self-assessment from each farm or plantation/forest sourcing area before the first delivery of the sustainable biomass. First Gathering Point shall conduct internal audits at their supplying farms, plantations or forest sourcing areas.

A key responsibility of a First Gathering Point is the task of determination and documentation of the incoming biomass according to its origin, quality and amount. For further information on group certification requirements see [Chapter 3.5](#).

First Gathering Points are audited regarding the requirements of the management system, traceability and chain of custody. The audit of the First Gathering Point must always be conducted on-site. A sample of all farms,

*Audit
requirements*

¹⁰ More information about the risk-based approach can be found in the System Document ISCC EU 202-3 "Forest Biomass: ISCC Principle 1".

plantations or forest sourcing areas that have signed a self-declaration are subject to an audit in the scope of the certification of the First Gathering Point. At least one farm or plantation/forest sourcing area must be audited in the scope of the certification of a First Gathering Point. The certificate is issued to the First Gathering Point based on a successful audit.

The First Gathering Point is responsible for ensuring the traceability of sustainable material back to its origin. They must also comply with the bookkeeping requirements of their chosen chain of custody method under ISCC PLUS. A site-specific bookkeeping must be kept for each location where sustainable material is stored on behalf of the First Gathering Point.

Traceability and mass balance

The contracts between First Gathering Points and Farms or Plantations/Forest Sourcing Areas must be taken into account in the framework of the audit to verify the amount of sustainable biomass provided by Farms or Plantations/Forest Sourcing Areas (plausibility check).

It is the responsibility of the First Gathering Point to provide evidence to the CB of which sustainable materials are received from Farms or Plantations/Forest Sourcing Areas. Evidence regarding the type of sustainable material can include self-declarations, delivery documentation, or contracts with suppliers. The respective materials will be published on the ISCC PLUS certificate.

Evidence of sustainable material

A First Gathering Point may use collection facilities (e.g. sites used during harvesting periods equipped with mobile weighbridges) or external storage facilities. If the collection facilities or external storage facilities store sustainable biomass entirely on behalf of a First Gathering Point they are considered as dependent storage facilities, i.e. they do not individually buy biomass from Farms or Plantations/Forest Sourcing Areas and sell it to customers in their own name. Such dependent storage facilities can be covered under the certificate of the First Gathering Point.

Storage facilities

A sample of these dependent storage facilities is subject to an audit in the scope of the certification of the First Gathering Point (see [Chapter 3.5.5](#) for further information on the calculation of the sample size). A list of all dependent storage facilities must be available during the audit and must be submitted to ISCC together with the audit documents. This list must include at least the name and address of the dependent storage facilities (see [Chapter 3.4.8](#) for further information).

A First Gathering Point may use the service of so-called local agents or country dealer who facilitate the contracts for the delivery of sustainable biomass between Farms or Plantations/Forest Sourcing Areas and First Gathering Points. If local agents or country dealers act in their own name (i.e. by buying biomass from Farms or Plantations/Forest Sourcing Areas, holding the self-declarations and selling the biomass in their own name), they must be certified individually as First Gathering Points. In all cases, the First Gathering Point must comply with all relevant requirements of this standard.

Local agents or country dealer

Under the scope of First Gathering Point, all biomass received must come directly from Farms or Plantations/Forest Sourcing Areas covered under the certificate of first gathering and must be accompanied by a self-declaration. If a First Gathering Point also buys sustainable material from certified suppliers other than Farms or Plantations/Forest Sourcing Areas (e.g. other certified First Gathering Points, individually certified farms or plantations, traders, etc.), an additional scope of Trader with Storage is required.

Scope specific transactions

First Gathering Points may accept crops, agricultural crop residues, forest biomass or forest residues from the harvest in the current or the previous year as being sustainable, up to three months prior to the start of the validity of the certificate. The signed self-declarations from the delivering Farms or Plantations/Forest Sourcing Areas must in place at the date of receipt of this biomass, and the First Gathering Point must fulfil all chain of custody requirements. All deliveries, which a First Gathering Point receives from Farms or Plantations/Forest Sourcing Areas that have signed a self-declaration must be booked into the quantity-bookkeeping as being sustainable. The First Gathering Point may only dispatch and market the biomass as sustainable after start of validity of the certificate.

Acceptance of material prior to certification

Additional Audit Requirements for First Gathering Points

In addition to the documentation and information required under Chapter 3.3.1 the First Gathering Point must document the following:

- > List of all Farms or Plantations/Forest Sourcing Areas supplying crops, agricultural crop residues, forest biomass or forest residues including, at the least the full names and addresses of the Farms or Plantations/Forest Sourcing Areas. (This list must be provided to the Certification Body to be forwarded to ISCC together with the relevant audit documentation).
- > Self-declarations/self-assessments of Farms or Plantations/Forest Sourcing Areas delivering crops, agricultural crop residues, forest biomass or forest residues for the respective certification period. On the date of the audit at least one self-declaration/self-assessment must be in place.
- > Certificate numbers and the name of certification scheme in the case of deliveries from Farms or Plantations/Forest Sourcing Areas that are certified individually.
- > Certificate numbers and the name of certification scheme and the number of the group member in the case of deliveries from Farms or Plantations/Forest Sourcing Areas that are certified as a group under a Central Office.
- > List of all storage facilities acting on behalf of the First Gathering Point with names and addresses.

- > Quantity-bookkeeping (if Dependent Storage Facilities are used, individual quantity-bookkeeping is necessary for each storage facility).
- > For forest biomass, an up-to-date risk assessment received from the forest sourcing area at the time the forest biomass is harvested.

3.4.5. Point of Origin for Waste and Residues

Points of Origin for waste or processing residues are operations where the waste or residue either occurs or is generated. Depending on the upstream origin and collection of the waste, waste management plants are defined as Point of Origin or as Collecting Point.

Points of Origin are the extractor of material for downstream supply chain elements. Points of Origin may aggregate waste, prepare waste for further processing, mechanically process waste without chemically transforming it (e.g. shredding, densifying) or provide quality assurance services (e.g. ensuring that waste conforms to agreed upon specifications).

Points of Origin have three options to participate under this standard:

- > Individual certification
- > As part of a group organised under a Central Office
- > As part of a group of Points of Origin delivering to a Collecting Point

For all the options above, it must be proven at the Point of Origin that the first material in the supply chain is a waste. It means that the material was not intentionally produced, and its further use requires an additional processing step other than normal industrial practice.

Waste status

Further precondition for certification is compliance with national regulations for the respective material handling. The Point of Origin must hold appropriate licenses and permits to act as a legal waste management company or is an entity that generates recovered material as defined in ISO 14021:2021. This means, the material enters a supply chain again as a feedstock for further production and therefore, promoting the circular economy.

Permit for handling waste

Points of Origin delivering certified raw material under ISCC are obliged to enable an assessment and evaluation of all applicable ISCC requirements to ensure that the material generated meets the applicable definitions for wastes or residues. One requirement for Points of Origin to comply with, is to demonstrate that any waste or residue material occurring at their premises is not generated deliberately.

Assessment of waste/residues

Non-individually certified Points of Origin need to fill out the ISCC PLUS self-declaration to the Collecting Point of the certified material and specify the material produced according to the ISCC PLUS material list. A copy of the self-declaration has to be available during the audit. By signing the self-declaration, a Point of Origin declares compliance with the ISCC requirements and allows

Self-declarations

on-site access for auditors to verify compliance with the ISCC requirements if required.

Here, it also needs to be indicated if post- or pre-consumer material is handled:

- > For post-consumer waste (definition in System Document *ISCC PLUS 202–5 – Waste & Residue*), municipal collection of private household / post-consumer plastic waste is not part of the certified supply chain and therefore a self-declaration does not need to be issued. In that case, the waste management company providing the sorted plastic waste to the next entity in the supply chain is the Point of Origin.
- > For other types of collection of waste material, the entity where industrial wastes / processing residues (pre-consumer material – definition in System Document *ISCC PLUS 202–5 – Waste & Residue*) occur/are generated usually is defined as the Point of Origin.

If the traceability of waste and residues from the Point of Origin to the Collecting Point is ensured by existing systems operated by governmental authorities (delegated or otherwise authorised), e.g. on a local, regional or national level, ISCC can recognise the equivalence of such systems with the issuing of a self-declaration. The equivalence of such systems must be assessed and approved by ISCC. Depending on the type and size of the Point of Origin the principles of group auditing (auditing based on a sample) can be applied. However, individual certification of such Points of Origin is possible on a voluntary basis. An up-to-date list of accepted systems is available on the ISCC website.

Equivalent systems

In the case of residues directly derived from or generated from agriculture, aquaculture, fisheries and forestry the Point of Origin is the equivalent to a Farm or Plantation/Forest Sourcing Area (see [Chapter 3.4.1](#) and [3.4.2](#)). For those Points of Origin, a sample must be audited in the framework of the Collecting Point or Central Office certification regardless the amount of waste/residue generated. For such cases, the sustainability requirements (ISCC Principles 1-6) shall be checked during the audit along with the requirements to classify the material as a residue under ISCC (refer to System Document *ISCC PLUS 202–5 – Waste & Residue*).

Agricultural and forestry residues

For waste and processing residues, different set-ups can be identified. They can be distinguished with respect to the type of the Point of Origin, the collection setup of the material and the risk of false declaration of non-waste material as waste.

Waste and processing residues

Points of Origin supplying less than 10 metric tons of a specific waste or residue per month (or less than 120 metric tons per year based on a rolling average) are considered to have a low risk of fraud due to the marginal amount

Points of Origin below threshold

of material supplied¹¹. Therefore, it is not usually necessary to conduct an on-site audit, unless there is indication or evidence of non-conformity with ISCC requirements.

Points of Origin supplying more than 10 metric tons of a waste or residue material per month (or more than 120 metric tons per year on a rolling average) are considered to have a higher risk of fraud due to the higher amount of material supplied. Therefore, it is obligatory to audit such points of origin on a sample basis, if they do not opt for an individual certification. Points of origin which are not certified individually and producing amounts above the respective threshold form the basis for the sample calculation during the certification of the Collecting Point or Central Office (see [Chapter 3.5.5](#) for details on the calculation of the sample size).

Sample audits of points of origin

Sampling can only be applied if the contractual basis, on which the Point of Origin is operating, avoids incentives for making false claims about the nature of the raw material, and if the risk of fraudulent behaviour is low. Points of origin, for which sampling cannot be applied, must be audited individually on-site. The CB is obliged to verify compliance with the ISCC requirements, especially if there is an indication or evidence for non-conformity of Points of Origin, which are not certified individually. This rule applies irrespective of the size of the Point of Origin or the amounts supplied.

The sampling of palm oil mills that generate and supply liquid waste and residues¹² and refineries that supply waste and residues is not possible. Those entities must obtain individual certification as Point of Origin. For more information, see ISCC Guidance Document *Waste and Residues from Palm Oil Mills*.

In case of individually certified points of origin, the auditor shall check during the audit deliveries of sustainable material to certified downstream recipients by verifying the copies of the sustainability declarations issued by the Point of Origin to the recipients, based on a random and risk-based sample.

Verification of sustainability declarations

Non-compliant points of origin for all kinds of waste and residue materials will be excluded as suppliers of sustainable material and cannot be covered under the certificate of any Collecting Point or Central Office (for Points of Origin as a part of a group) or obtain an individual certification as Point of Origin for this period of time. Non-compliant points of origin listed on the ISCC website must be removed from the supply base of collecting points and Central Offices without delay.

Excluding non-compliant points of origin

Non-compliant means in this context that:

¹¹ Example: One Point of Origin supplies two collecting points with 9 mt, each of a specific waste or residue. The overall amount supplied per month by the Point of Origin is 18 mt, thus a sample audit would be required.

¹² Relevant liquid waste and residue materials are POME (palm oil mill effluent) oil, EFB (empty fruit bunches) oil and PPF (pressed palm fibers) oil.

- > The material supplied by the Point of Origin did not consist exclusively of the waste or residue material as indicated in the self-declaration signed by the Point of Origin,
- > The requirements on the signed self-declaration are not fulfilled, or
- > Access to auditors was denied by the Point of Origin.

Certification bodies must inform ISCC immediately about non-compliant Points of Origin. A Point of Origin is excluded for the duration of 5 years and remains on the non-compliant points of origin list for this duration starting from publication. After that, the Point of Origin may only supply sustainable material again after a successful audit. The list of non-compliant points of origin must be checked for the audit of the relevant certification scope, i.e., for audits of collecting points and Central Offices that collect material from non-certified points of origin.

ISCC takes into account the different risk levels to ensure the integrity of ISCC, of claims made under ISCC, and to avoid unnecessary obstacles or administrative burdens related to the certification of waste and residues. In this way, ISCC facilitates the diversification of sustainable raw materials according to different categories of Points of Origin for waste and processing residues. These categories are considered separately with respect to the certification process and audit requirements.

Categories of points of origin

The subsequent sections define the categories of Points of Origin, their connection to the Collecting Points, the level of risk exposure, and the corresponding certification and audit requirements:

Business and Companies

Business and companies are the most common category of points of origin. This includes, for example, restaurants or industrial operations using virgin oils to cook food, operations processing biomass or vegetable oils and other commercial processors generating waste or residues.

Restaurants or industrial operations

In case several points of origin are organised under a franchise system (e.g. fast-food restaurants) two different set-ups are possible regarding the self-declaration to be issued and signed. If the Point of Origin is managed by a legally independent owner (franchisee), every individual entity (Point of Origin) must sign the self-declaration. In case several points of origin are operated locally by on-site employees but are fully owned and managed by a local or regional entity (franchisor) and not acting independently, the self-declaration can be signed by the competent local or regional manager responsible for the points of origin. In this case it is possible to issue and sign one self-declaration for all points of origin owned and managed by the franchisor. It must be ensured that a list is attached to the self-declaration which clearly identifies all individual points of origin (including their specific addresses).

Franchise system

Community (Municipal) Collection Sites/Landfill Sites

Such sites are usually operated by local (governmental) authorities and provide the service (e.g. to private households) of discard waste or residues at their premises. The risk of fraud is comparably low because sites like these are operated by local (governmental) authorities and are obliged to comply with local and national waste laws. Such sites can be considered to take on the role of a Point of Origin. Therefore, they must complete and sign a self-declaration to the certified Collecting Point or Central Office. Since such sites might accumulate high amounts of material, they are subject to on-site audits based on a sample according to the principles specified above.

Compliance with local and national laws

Community collection sites must be able to demonstrate to the CB the type of material and the plausibility of the volumes received.

Public containers

Some countries have implemented systems to facilitate the collection of used cooking oil (UCO) by using public containers in which private households can discard UCO. This is usually done using small containers or bottles, which are inserted into the public container. The container is then collected or emptied by an economic operator which would be considered a collecting point under ISCC.

Waste from households

To ensure the plausibility of the amounts collected from such containers and to reduce the risk of fraud, the collecting point must meet specific requirements. The Collecting Point, which is in charge for picking up the container, is responsible for implementing an appropriate level of monitoring and identification of the incoming material. The collecting point must indicate employees responsible for internal quality control and inspection of the material (e.g. truck drivers and/or employees handling the material). Indicators for internal monitoring of waste can include, for example for UCO: colour, smell, consistency or viscosity.

Plausibility of amounts

The collecting point must have sufficient documentation in place to ensure that a CB can assess and verify the plausibility of the amounts collected. The required information includes:

- > Permit or license for collection issued by the competent authority.
- > Total number of containers including size (volume) of the containers.
- > Information about where each container is located and the respective permit/license from the authorities.
- > Information about the residential area or the neighbourhood of the container including the population density of the area.
- > Dates when specific containers have been emptied/collected and information on how often containers are emptied/collected (e.g. based on signed receipts from truck drivers).

- > Weighbridge reports or collection reports of the incoming material.
- > Information about the average number of collections per day.
- > Reports on the amounts and management of solid waste and wastewater (e.g. from cleaning UCO).

Public containers must be audited on-site on a sample basis, irrespective of the amount of material collected from each container. The sample size must be based on the total number of different locations (addresses) where public containers are located. Several public containers located next to each other at the very same location (address) shall be audited as one sample.

Sample audits

The collecting point is responsible for setting up appropriate measures to prevent contamination of the environment (e.g. by spillage or leakage) and to set up a process on how to handle contaminations. Each container should show instructions, which at least indicate the type of material to be inserted into the container and how to act in the event of a spillage or leakage.

Prevent contamination

Private households

The amounts of waste or residue material generated by individual private households are marginal. Furthermore, private households usually do not sell waste or residues to a Collecting Point. Thus, they have no economic benefit from providing waste or residues to a collecting point and there is no risk of fraud. It would be disproportionate to require signed documents or on-site audit of private households. Therefore, private households do not need to issue self-declarations to a collecting point, and they are not subject to on-site verification.

No self-declarations required

However, the certified Collecting Point receiving or collecting the waste and residues generated by private households must be able to demonstrate to the CB the type of material and the plausibility of the amounts collected or received (e.g. by showing collection routes, frequency of collection and historic data of collected amounts).

Point of Origin for post-industrial or atmospheric CO₂

Sites, where the post-industrial CO₂ is recovered or atmospheric CO₂ is captured for further processing, is categorised under ISCC PLUS as Point of Origin. The same three options for certification of point of origin are applicable for the CO₂ points of origin, if the recovered/captured CO₂ is delivered to the next supply chain entity.

However, if the CO₂ is already processed/liquefied at the site of recovery/capture, before deliveries to the next entity in the supply chain, it must be ensured that they are individually certified with the scope of Point of Origin and Processing Unit (for the liquefaction process). For such cases, the sustainability declaration issued shall follow the ISCC PLUS SD template for post-industrial or atmospheric CO₂.

Individual certification required

3.4.6. Central Office for Points of Origin of Waste and Residues

A Central Office is the representative body of at least one group of Points of Origin. Points of Origin within one group must be homogenous e.g. in terms of amounts and types of waste/residues generated. Group certification of points of origin is applicable.

Head of group

Points of origin certified under a Central Office can sell their products directly to third parties (e.g. Processing Unit, Trader with Storage).

Due to the responsibilities of Central Office, they require an individual certification. The Central Office is responsible for:

Responsibilities

- > Management of the group of Points of Origin
- > Correct declaration and documentation of the types and amounts of waste/residues materials generated as certified by the Points of Origin
- > Ensure the traceability of certified material back to its origin.

As head of the group of Points of Origin they have to ensure that all Points of Origin have an adequate understanding of the requirements, which also means that they must inform the Points of Origin about relevant ISCC requirements and adjustments. In case of non-compliance, they must exclude Points of Origin from the supply base.

Exclusion of non-compliant Points of Origin

Central Offices receive a certificate upon a successful audit. A Central Office is audited with respect to its management system, group management, traceability and chain of custody requirements. The audit of the Central Office must always be conducted on-site. In case external storage facilities are used, a site-specific quantity-bookkeeping must be kept for each location, where certified material is stored on behalf of any of the Points of Origin. During the audit, the auditor shall audit the quantity-bookkeeping (e.g. mass balance bookkeeping) of every external storage location. All external storage locations must be audited in the scope of the audit of the Central Office (sampling not possible).

Audit requirements

The Central Office must check the plausibility of material for each delivery from a Processing Unit that is acting as Point of Origin and assess whether the amount is verifiable. For other Points of Origin, the plausibility of the overall amounts of each waste or residue raw material delivered as certified from the Points of Origin must be checked. This includes that e.g., verification of noticeably high amounts or round numbers. During the audit, the auditor verifies that documents and/or processes are available, which serves as the proof that the Central Office is conducting effective plausibility checks of the material delivered from Points of Origin.

Plausibility of materials

A Central Office must receive a signed self-declaration from each group member (Point of Origin) supplying waste and residues as certified. Only when a self-declaration has been signed, the Point of Origin can be considered as

Self-declarations must be available

group member and can supply material as certified (see [Chapter 3.3.5](#) for different options to implement self-declarations). Material, which has been delivered from Points of Origin that have not signed a self-declaration, must be considered as non-certified. The self-declaration must be issued to the certified Central Office and must be available during the audit. At the time of the initial audit of a Central Office, the signed self-declarations from all Points of Origin that are part of the group must be in place. The certification of the Central Office is not possible, if no signed self-declaration can be presented during the audit.

The auditor shall check deliveries of sustainable material to certified downstream recipients by verifying the copies of the sustainability declarations issued to the recipients, based on a random and risk-based sample.

Verification of sustainability declarations

Central Offices must keep an up-to-date list of all Points of Origin supplying certified material, which have signed a self-declaration, that are part of the group(s) managed by the Central Office. Prior to the audit, the Central Office shall submit (to CB) the list and the indicative amount of material that each Point of Origin can supply (monthly or annually).

List of group members

The auditor¹³ shall verify that all signed self-declarations are in place from the Points of Origin and the existence of Points of Origin on the list, as well as the volumes supplied. The auditor must verify the existence of at least the square root of all points of origins that have signed the self-declaration within 12 months prior to the audit (rounded up to the next full number). This verification can be done remotely e.g. through internet research, with a telephone call, or through other substantiated evidence. If the existence of a Point of Origin cannot be verified remotely, on-site verification is mandatory before the Point of Origin is allowed to supply ISCC supply chains.

Verification of existence of points of origin

Central Offices may use external storage facilities. External storage facilities used by the Central Office do not need to be certified individually. They can be covered as Dependent Storage Facilities of the Central Office (see [Chapter 3.4.8](#)).

External storage facilities

The Central Office must keep an up-to-date list of all external storage facilities used (including name and address). It is the responsibility of the Central Office to ensure that the CB and ISCC are able to assess and evaluate conformity with the relevant requirements at the external storage facilities. This can, for example, be included in the relevant contractual agreements between the Central Office and the storage facility. The Central Office must keep a site-specific quantity-bookkeeping (e.g. mass balance bookkeeping) for each external storage location, where sustainable material is stored. During the audit of the Central Office, the auditor shall audit the site-specific quantity-bookkeeping of every storage location.

¹³ The verification does not necessarily have to be carried out by the lead auditor. This task can also be carried out by competent staff in the office of the certification body.

Additional Audit Requirements for Central Office for Points of Origin

- > List of all points of origin supplying waste/residues including, at the least the full names and addresses and indicative amounts of waste/residues supplied by each Point of Origin.
- > Self-declarations signed by points of origins supplying waste/residues, waste disposal agreements, sustainability declarations, delivery slips.
- > Plausibility check of materials supplied by points of origin.
- > Verification of sustainability declarations.
- > List of all external storage facilities that may be used by the Central Office or the points of origin with names and addresses.
- > Quantity bookkeeping. If external storage facilities are used, individual quantity bookkeeping is necessary for each storage facility.

3.4.7. Collecting Point for Waste and Residues

Collecting Points for waste and residues are economic operators that collect or receive waste and residues material (e.g. used cooking oil, mixed plastic waste) directly from the Points of Origin where the waste and residues are generated. For agricultural crop residues generated on Farms or Plantations, or forestry residues generated on Forest Sourcing Areas, the First Gathering Point is regarded as the Collecting Point.

Declaration and documentation of materials

Collecting Points either sell, distribute or process the collected waste and residues. Collecting Points are responsible for:

Responsibilities

- > Correct declaration and documentation of the types and amounts of collected waste/residues materials.
- > Ensuring the traceability of certified material back to its origin.
- > Complying with the chain of custody requirements.
- > Ensuring that all Points of Origin have an adequate understanding of the requirements (which includes informing the Points of Origin about relevant ISCC requirements and adjustments).

Due to their role and responsibilities, Collecting Points are the first elements in waste/residues supply chains that require an individual certification.

Collecting points may mechanically treat waste or residues material without chemically transforming it or provide quality assurance services. This applies, if both the raw material and the material after the mechanical treatment can be classified and declared as waste and the energy expenditure is negligible. Losses from the mechanical treatment must be documented and verified during the audit. (Auditor must verify the amounts of material going in and out of the mechanical treatment are documented and plausible).

Mechanical treatment

Collecting Points must check the plausibility of the overall amounts of each waste or residue raw material collected from Points of Origin and assess whether the collected amounts are verifiable. Noticeably high amounts or round numbers must be verified by the Collecting Points. During the audit, the auditor verifies that documents and/or processes are available, which serves as the proof that the Collecting Point is conducting effective plausibility checks of the material received from points of origin.

Plausibility of collected amounts

Under the scope of a Collecting Point, waste and residues received directly from Points of Origin are considered certified only if accompanied by a signed self-declaration from the Point of Origin. The self-declaration must be issued to the certified Collecting Point and must be available during the audit (see [Chapter 3.3.5](#) for different options to implement self-declarations). Collecting points must keep an up-to-date list of all suppliers of certified material.

Self-declarations must be available

At the time of the initial audit of a collecting point, at least one signed self-declaration from a point of origin that supplies (or intends to supply) waste or residues to the collecting point must be in place. The certification of the collecting point is not possible if no signed self-declaration can be presented by the Collecting Point during the audit.

If a Collecting Point also receives certified material from suppliers other than its own group member Points of Origin (e.g. other certified Collecting Points or individually certified Points of Origin) under ISCC PLUS, an additional scope of Trader with Storage is required.

Scope specific transactions

Collecting points receive a certificate upon a successful audit. They will be audited regarding their management system, group management, traceability and chain of custody requirements. The audit of the collecting point must always be conducted on-site. A site-specific quantity-bookkeeping must be kept for each location, where certified material is stored on behalf of the collecting point.

A sample of Points of Origin generating on average more than 10 metric tons per month of a specific waste or residue (or more than 120 metric tons per year) must be audited in the framework of the audit of the collecting point. Points of origins that are certified individually or as part of a group under a Central Office do not fall into the sample. [Chapter 3.5.5](#) provides information on how the sample size is calculated and determined.

Prior to the audit, a collecting point shall submit the list of all points of origin that have signed the self-declaration and the indicative amount of material each Point of Origin can supply to the collecting point. Based on this list, the auditor¹⁴ shall verify the volumes supplied and existence of a sample of the points of origins on the list.

¹⁴ The verification does not necessarily have to be carried out by the lead auditor. This task can also be carried out by competent staff in the office of the certification body.

The auditor must verify the existence of at least the square root of all points of origins that have signed the self-declaration within 12 months prior to the audit (rounded up to the next full number).

Example:

500 points of origin have signed the self-declaration: $\sqrt{500} = 22.36$.
This means the auditor shall verify the existence of 23 points of origin.

This verification can be done remotely e.g. through internet research, with a telephone call, or through other substantiated evidence. If the existence of a Point of Origin cannot be verified remotely, on-site verification is mandatory before the Point of Origin is allowed to supply ISCC supply chains.

Collecting Points may use external storage facilities. In case a Collecting Point use external storage facilities, the same sample audit approach applies. A sample of those storage facilities must be audited in the scope of the certification of the Collecting Point (see [Chapter 3.5.5](#)).

*Dependent
collecting points
and external
storage facilities*

Collecting Points may also use service providers that collect waste or residues from the points of origin on their behalf. If the service provider does not deliver the waste or residue material directly to the collecting point (or external storage facilities used by the collecting point) but operate an individual storage facility for the purpose of aggregating waste or residue material to deliver to the collecting point, the service provider is considered as a dependent collecting point.

Dependent Collecting Points may also conduct a mechanical treatment of the waste or residues material, similar to Collecting Points (see above). If this is the case, losses from the mechanical treatment must be documented by the Dependent Collecting Point.

Dependent Collecting Points are not allowed to buy and sell the collected material. A Dependent Collecting Point is furthermore not allowed to keep the self-declarations signed by the Points of Origin. The responsibility over the supply base (i.e. Points of Origin) is with the collecting point, therefore self-declarations must be with the collecting point.

The collecting point must keep an up-to-date list of all Dependent Collecting Points and/or external storage facilities used (including name and address). It is the responsibility of the Collecting Point to ensure that the certification body and ISCC are able to assess and evaluate conformity with the relevant requirements at the dependent collecting points and/or storage facilities. This can e.g. be included in the respective contractual agreements between the Collecting Point and the Dependent Collecting Point and/or storage facilities.

The Collecting Point must keep a site-specific quantity-bookkeeping for each Dependent Collecting Point and for each external storage location where sustainable material is stored. During the audit of the collecting point, the auditor shall audit the site-specific quantity-bookkeeping of every storage

location and Dependent Collecting Point. If the Dependent Collecting Point conducted mechanical treatment, it must be verified during the audit that the amounts of material going in and out of the mechanical treatment process are documented and plausible.

Dependent collecting points and external storage facilities used by the collecting point do not need to be certified individually. However, they must be audited on a sample basis in the scope of the audit of the Collecting Point. Remote audits may only be possible for already existing Dependent Collecting Points or external storage facilities, if the same level of assurance can be provided as with on-site audits. This includes that all information on the type and amounts of collected and/or stored materials, site-specific quantity-bookkeeping documentation, delivery documents, layout plans, measuring devices, weighbridge tickets etc. is available and can be verified remotely. In order to decide whether the assessment of the dependent collecting point or external storage facility can be conducted remotely, the auditor needs to conduct a risk assessment based on the analysis of all site-specific quantity-bookkeeping, the total number of points of origin, the complexity of the network structure, and the plausibility of the amount of collected materials. This risk assessment shall be documented and be used as basis for the selection of the respective on-site audits.

All deliveries, which a Collecting Point receives from Points of Origin that have signed a self-declaration, must be recorded in the quantity-bookkeeping as certified material. Collecting points may collect waste and residues from points of origin as certified material up to three months prior to the start of the validity of the certificate. The signed self-declarations from the points of origin must be in place at the date of receipt of the material, and the collecting point has to fulfil all chain of custody requirements. The collecting point can only dispatch and merchandise the received material as certified, following the start of validity of their certificate.

Additional Audit Requirements for Collecting Point

- > List of all points of origin supplying waste/residues including, at the least the full names and addresses and indicative amounts of waste/residues supplied by each Point of Origin.
- > Self-declarations signed by points of origins supplying waste/residues.
- > List of all external storage facilities and dependent collecting points used by the collecting point with names and addresses.
- > Quantity bookkeeping. If external storage facilities are used, individual quantity bookkeeping is necessary for each storage facility.

3.4.8. Storage Facilities

Storage facilities are economic operators store certified materials (i.e. raw materials, intermediate products or final products). Storage facilities include warehouses, silos, tanks etc. A storage facility stores and/or transfers the

Storing certified material

certified material on behalf of the owner of the certified material. If a storage facility is also trading certified material (becoming owner of certified material), an additional scope Trader with Storage is required (see [Chapter 3.4.9](#)).

All storage facilities storing certified materials must be covered by certification. Storage facilities have three options to be covered under ISCC PLUS certification:

Certification options

- > Individual certification as Warehouse (i.e. storage facility)
- > Certification as part of a Logistics Centre (i.e. group certification of storage facilities)
- > Covered as Dependent Storage Facility in the framework of the certification of a third party (e.g. First Gathering Point, Collecting Point, Trader with Storage, Processing Unit)

To determine the appropriate certification option for a storage facility, it should be assessed whether the facility will be made available to third parties. When certified individually or as part of logistics centre, a storage facility may store certified material from third parties without being subject to sample audits under the third party's certification (i.e. reduced audit effort for the storage location).

Storage available to third parties

Individual certification as Warehouse covers all on-site storage facilities of the certified economic operator.

Individual warehouse

Certification as a Logistics Centre is an option for economic operators that operate and manage a group of storage facilities under a single legal entity at different geographical sites but with a corporate management system. The certificate of a Logistics centre contains an annex that lists all storage facilities (with address) covered under the certificate.

Logistics Centre

Certification as a Dependent Storage Facility is an option if certified third parties (e.g. First Gathering Point, Collecting Point, Processing Unit) use (own or rented) storage facilities, but do not offer storage to other third parties for their certified materials. This option covers the storage facilities that are used (or intend to be used) by the certified third party to store its certified materials.

Dependent storage facility

If deliveries of sustainable material to barges and vessels require storage facilities at a port, this storage needs to be covered by certification according to one of the three options mentioned above. This applies if the material is transferred from one container to another container or tank at the port where it can, at least potentially, be mixed with other materials.¹⁵

Storage at ports

Warehouses and Logistics centres receive a certificate upon a successful audit. They are audited regarding their management system. Furthermore, the auditor must verify the physical inventory, information on incoming and

¹⁵ This is not applicable to materials that are already packaged (e.g., in ISO standardised shipping containers) and where no mixing with other materials can take place.

outgoing materials and the related documentation (e.g. weighbridge tickets), the technical equipment (e.g. weighbridge, calibrations, etc.), and the data transfer between the operator of the storage facility and the owner of the certified material.

For the certification of a Logistics centre a sample of all storage facilities used for certified material is audited on-site (see [Chapter 3.5.5](#) for rules to calculate the sample). Logistics centres must keep an up-to-date list of all storage facilities used for certified material (including trade name and complete address).

Sample audits

For the Dependent Storage Facilities covered in the framework of the certification of a third party (e.g. First Gathering Point, Collecting Point, Trader with Storage, Processing Unit), a sample of all storage locations that are not individually certified as warehouse or as part of a Logistics centre are subject to an audit.

If all relevant documentation can be fully verified remotely by the auditor for the dependent storage facilities and the CB decides that no additional on-site visit is necessary to confirm compliance with ISCC requirements, the sample audit(s) for warehouses can be conducted remotely. The precondition for remote sample audit(s) for dependent storage facilities covered in the framework of the certification of a third party (e.g. First Gathering Point, Collecting Point, Trader with Storage, Processing Unit) are:

- > A regular risk setup¹⁶ with low complexity of market activities.
- > Clear documentation reflecting all traceability requirements (e.g. centralized barcode database).
- > A structured management system containing relevant critical control points and responsibilities.

Third parties using storage facilities must keep a list of all storage facilities used for certified material (including trade name, address and valid certificate number if storage is covered by individual certification or Logistics centre certification).

For the Logistics centre and Dependent Storage Facilities covered in the framework of the certification of a third party, the list of storage facilities must be kept up-to-date, and the CB must be informed about any changes to the list. During the period of validity of a certificate, additional storage facilities can be added. They will be included in the determination of the sample audits of storage facilities for the recertification audit.

¹⁶ This should refer to the lowest risk according to System Document ISCC PLUS 204 "Risk Management"

Operators of storage facilities that are covered by an ISCC PLUS certificate must enable the auditor to verify compliance with the ISCC PLUS requirements and must grant access to all relevant premises.

Ensuring access

The requirements regarding traceability and chain of custody apply to every individual storage site. This means that site-specific quantity bookkeeping must be kept. The certified owner of the sustainable material, i.e. the certified party using a storage facility (own or rented) is responsible for keeping the site-specific quantity bookkeeping. During the audit, the auditor must check the quantity bookkeeping (e.g. mass balance bookkeeping) of each individual storage location. It is not sufficient to only check a sample of the site-specific quantity bookkeeping.

Site-specific quantity bookkeeping

The owner of the certified material is responsible for receiving and issuing the sustainability declarations of the certified material that is physically received or dispatched respectively at every individual storage location. The information, the place of receipt or place of dispatch, must clearly indicate the site of the storage location (address), where the certified material was physically received or dispatched respectively, as required on each sustainability declaration.

Additional Audit Requirements for Storage Facilities

In addition to the general requirements stated in [Chapter 3.3](#) the following information must be provided:

- > List of all the storage facilities, where certified material is stored, including names and addresses (for the Logistics centre).
- > Plant layout plan for the storage facility.
- > Contracts between the storage facility and clients.
- > Relevant technical equipment and infrastructure to determine the flow of incoming and outgoing material.
- > Documentation of the data flows between the storage facility and client.
- > Documentation of the periodical inventory of the incoming and outgoing material per contract/client, including weighbridge protocols.
- > Contractual agreement providing access for certification bodies if required.

3.4.9. Traders

Traders are economic operators that trade (i.e. buy and sell) certified materials (i.e. raw materials, intermediate products or final products). All traders of certified material must be covered under ISCC PLUS certification.

Traders that use their own or rented storage facilities are certified under the scope Trader with Storage.

Trader with storage vs paper trader

So-called paper traders, i.e. traders without physical contact to the certified material (i.e. no use of own or rented storage facilities) are certified under the scope Trader.

Any trade of certified material under ISCC PLUS always refers to a specific batch of material. Each delivery of certified material must be accompanied by a sustainability declaration that is linked to a specific amount of physical certified material (see [Chapter 3.3.2](#)). The issuance and trading of sustainability declarations without the link to an equivalent amount of physical certified material is considered as book-and-claim and thus not allowed under ISCC PLUS.

Link to physical material required

A certified trader must be able to prove at which (certified) site the certified material is physically available. In the framework of an audit, the auditor must be able to verify the physical location of the material as well as where it will be (potentially) supplied to. On the sustainability declaration, the information ‘the place of receipt’ or ‘place of dispatch’ must clearly indicate the site of the storage location (i.e. the address), where the certified materials were physically received or dispatched respectively.

Verification of physical location of material

All relevant documents regarding the transport of the material, which are required to ensure the traceability of the material, must be available and presented to the auditor during the audit. Paper trader may forward the sustainability declaration as received from their supplier of the certified material.

Traders and Traders with Storages receive a certificate upon a successful audit. They are audited regarding their management system, traceability and chain of custody requirements. If a trader uses storage facilities that are individually certified or certified as part of a Logistics centre, these storage facilities do not have to be included in the sample audit for storage facilities.

Certification requirements

Traders with Storages must keep site-specific quantity bookkeeping (e.g. mass balance bookkeeping) for every individual storage location used.

Traders (paper traders) have no physical contact to the certified material, so they must provide evidence about the transactions of the certified material (e.g. contracts, sustainability declarations).

ISCC PLUS certificates are site specific, which means that only the address of the audited operational unit can be stated on the certificate. For Traders and Traders with Storages, an exception is possible, if the legal address differs from the place where daily operations are conducted. In this case, the audit is conducted at the place, where actual operations are taking place. This address must be stated in the audit procedure. On the certificate, both the legal address of the trader and the place of the audit are stated.

Place of audit different from legal address

Additional Audit Requirements for Traders with Storages

In addition to the general requirements stated in [Chapter 3.3](#) the following information must be provided:

- > List of all the storage facilities, where certified material is stored, including names and addresses (for the Dependent Storage Facilities covered in the framework of the certification of a third party).
- > If the storage facilities used are certified individually or as part of a logistics centre, the name of the certification system and the respective certificate numbers must be included.
- > Separate quantity bookkeeping (e.g. mass balance bookkeeping) for every single storage facility, based on the documentation of the stock inventory as provided by the respective storage facility.
- > Contracts between the storage facility and trader.
- > Relevant technical equipment and infrastructure to determine the flow of incoming and outgoing material.
- > Documentation of the data flows between the storage facility and trader.
- > Contractual agreement providing access for certification bodies if required.

3.4.10. Processing Units

Processing Units are facilities where conversion, transformation or processing of input materials by changing their physical and/or chemical properties, takes place. This includes manufacturing, refining, or blending steps that alter the state, composition, or structure of the material.

Chemical supply chains consist of different entities changing the properties of relevant materials/ products. Different types of feedstocks and products allow for diverse possible setups. For ISCC PLUS certificates the following types of processing units can be applied:

| Processing Unit Type | Description | Example Outputs |
|----------------------|--|---|
| Pyrolysis Plant | Processing solid feedstock into liquids | <ul style="list-style-type: none"> • Pyrolysis Oil |
| Refinery | Processing of alternative liquid feedstocks (refining) | <ul style="list-style-type: none"> • Refined Oils |
| Cracker | Breaking long-chain hydrocarbons into shorter/simpler molecules (e.g. via thermal/steam) | <ul style="list-style-type: none"> • Ethylene • Propylene |
| HVO Plant | Processing of vegetable oils (bio-based process for crop-, | <ul style="list-style-type: none"> • HVO |

| | | |
|----------------------------|--|--|
| | biogenic waste & residue-based liquid feedstocks) | |
| (Plastic) Waste Processor | Processing of (plastic) waste into products (except pyrolysis oil) | <ul style="list-style-type: none"> • Cellulose esters |
| Specialty Chemical Plant | Can cover different processes, e.g. Phenol Plant, PVC site, Polymer Coating Plant, Thermal Insulation Plant (expanded polystyrene) | <ul style="list-style-type: none"> • Butyraldehyde • Propionaldehyde |
| Compounding Plant | Mixing of different polymers (plastics), masterbatches and fillers without chemical reaction | <ul style="list-style-type: none"> • Plastic Compounds, where the main polymer is specified in brackets |
| Polymerization Plant | Processing Unit reacting monomer molecules into polymers (polymer chains) | <ul style="list-style-type: none"> • Polyethylene • Polypropylene |
| Converter | Bringing polymers into plastics/plastic products | <ul style="list-style-type: none"> • Plastics • Films |
| Mechanical Recycling Plant | Processing of plastic in which the polymer structure is not significantly changed | <ul style="list-style-type: none"> • Sorted recovered plastics |
| Melting Plant | Combining different input under high temperature | <ul style="list-style-type: none"> • Adhesives |

Table 1: Overview on typical processing units in chemical supply chains

All Processing Units must be certified individually if the operations are taking place in multiple sites. However, it is possible to have different types of processing at one site (e.g., polymerisation and converter operations at one site) covered under a single certificate. Group certification or sampling is not allowed for processing units.

Individual certification

In case of specialty chemical plants, it is possible to add a more specific definition on the certificate based on the operations. In most cases, at the end of a supply chain the last unit to be certified under the scope of a processing unit is a converter which significantly changes the physical properties of their input by putting polymer granulates into different forms (film, bottles, tubs, etc.).

Facilities that only blend biofuels, bioliquids or gaseous biofuels, such as ETBE or MTBE plants, are not regarded as processing units. They are certified according to the audit requirements for storage facilities (see [Chapter 3.4.8](#)) with the exception that sampling and group certification is not possible for blending facilities. System users that blend the biofuels, bioliquids or gaseous biofuels and do not fall under the scope of ETBE and MTBE plants are certified under the scope Trader with Storage.

ETBE and MTBE Plants

Processing Units receive a certificate upon a successful audit. During the audit of a Processing Unit, the auditor must especially verify the traceability and chain of custody requirements, plausibility of the incoming and outgoing amounts of certified material, as well as the conversion processes applied within the Processing Unit.

Audit requirements

A part of the assessment of the conversion process is the consideration of losses via determination of conversion factors, including a description of the relation between certified input and certified output. It is the responsibility of the processing unit to provide evidence to the auditor on which types of certified materials are (or will be) received and processed at the respective unit. Evidence can include production reports from the previous year, delivery documentation, or contracts with suppliers. The materials handled by the processing unit under the ISCC PLUS requirements will be published on the annex of the ISCC PLUS certificate.

All materials that are processed on-site and sold/dispached to recipients are covered under the scope processing unit. If a Processing Unit receives or buys certified material that is sold or dispatched without being processed at the Processing Unit, an additional scope of Trader with Storage is required.

Scope specific transactions

Biogas/Biomethane/Bio-LNG Plant

Biogas Plant, Biomethane Plant and Bio-LNG Plant are types of Processing Unit under ISCC PLUS.

Biogas plants produce biogas from various types of biomass. During the certification of a biogas plant, the weight, origin and dry substance content must be documented for the incoming biomass (substrates). If the biogas plant also acts as a First Gathering Point or Collecting Point, it shall have the corresponding scope(s) also for their certificate. The self-declarations issued by Farms or Plantations/Forest Sourcing Areas or Points of Origin and the delivery contracts for biomass (substrates) shall be kept as proof of the biomass.

Specific requirements for Biogas Plants

The substrate quantities introduced into the biogas plant and/or the fermenter must be documented using an operations journal and/or work diary. The information on the weight, origin and dry substance content must also be documented in this operations journal. Recording must be carried out as exactly as possible. It must be verified at least once per month that the substrate quantities supplied correspond to those used in the fermenter of the biogas plant. Silage losses occurring during the storage of the substrate must be documented and explained.

Documentation of substrates

Moreover, the yield of the entire plant must be documented in the operations diary. The yield must be measured at the biogas plant using standardised equipment.

Documentation of biogas yields

To minimize methane leakages biogas plants and biomethane plants can use a range of measures. During the audit it must be verified that at least one of the following measures is applied:

Minimisation of methane leakages

- > Covered digestion storage.
- > Measurement of methane slip.
- > Additional measures to consume the additional methane and to stop the methane slip.
- > Adequate application of fermentation residues.

Biomethane plants receive biogas and process the biogas into biomethane. Biomethane is defined as upgraded (purified) biogas to the quality of natural gas (methane)¹⁷. Plants that employ a procedure using pressure must retreat their exhaust air thermally.

Specific requirements for Biomethane Plants

If the biomethane plant is at the same location as the biogas plant or landfill operation, the yield of the entire plant must be documented in an operations journal. The yield must be measured using standardised equipment or measured continuously by the biomethane plant. The quantity of biomethane gas produced and the substrate quantity used must be compared at least every three months. The energy content of the biomethane produced must be calculated based on the lower heating value.

All elements of the supply chain that produce, trade, consume or further process (e.g. liquifies) biomethane must sign a sustainability declaration to confirm that no multiple claiming is taking place. Sustainability characteristics that are assigned to specific batches of biomethane and any statements such as “sustainable”, “certified”, “biobased”, “renewable” or “emission saving” that are related to that batch can only be used once and for one application only (refer to System Document *ISCC PLUS 203-2 – Chain of Custody*).

Statement: No multiple claiming

To avoid any multiple claiming (also referred to as multiple accounting, (refer to System Document *ISCC PLUS 203-2 – Chain of Custody*), the sustainability attributes cannot be separated from the batch of biomethane and cannot be transferred, sold or otherwise used to satisfy further obligations or commitments or to benefit from more than one renewable incentive scheme. A template of this statement is available on the ISCC website and during the audit the auditor must verify if a signed statement is in place.

Chemically, biomethane and Bio-LNG (Liquified Natural Gas) are the same molecule. However, biomethane is in a gaseous state of matter whereas bio-LNG is in a liquid state. The conversion of biomethane to Bio-LNG is done at a liquefaction plant (often referred to as LNG plant). The liquefaction plant

Bio-LNG plant

¹⁷ EC definition: https://energy.ec.europa.eu/document/download/d64eee21-9aa7-4afb-89eb-3c44dfe71406_en?filename=Biomethane_fiche_AT_web.pdf

must be certified as Processing Unit and the respective conversion factor (e.g. for gas losses) of the liquefaction process must be taken into account, which must be checked by the auditor during the audits¹⁸.

The quantity of Bio-LNG or biomethane that can be claimed from a plant is limited to the amount that can (physically) be processed by the plant. In the site-specific quantity bookkeeping, biomethane and bio-LNG must be kept separately. If the LNG plant is connected to the gas grid, it can be considered as being part of the interconnected infrastructure. This allows certified product to be transferred via grid without losing the certified material under the chain of custody method mass balance (refer to System Document *ISCC PLUS 203-2 – Chain of Custody*).

A Bio-LNG terminal can receive Bio-LNG via ship. The terminal must fulfil the technical requirements for discharging the liquified gas from the ship and storing it in on-site tanks. In addition, if the LNG terminal is connected to the gas grid and it must fulfil the technical requirements for injecting and extracting biomethane from the grid and for storing the gas in on-site tanks. A Bio-LNG terminal must also fulfil the technical requirements for transferring the material from a liquid into a gaseous state and for injecting the gas on-site as biomethane into the natural gas grid.

Bio-LNG terminal

The transfer of sustainability characteristics from biomethane to Bio-LNG on a mass balance basis is possible, if plausible conversion factors that would have occurred in case of a liquefaction are taken into account. The liquefaction plant or the LNG Terminal shall be certified as processing unit.

Transfer of sustainability characteristics

3.4.11. Final Product Refinement

Economic operators involved in Final Product Refinement (FPR) are those that perform the final manufacturing activities on ISCC PLUS-certified materials or products, without substantially altering their properties. These activities do not fall under the category of Processing Units, as they entail only the finishing steps that prepare the product for market distribution.

Final Product Refinement

The following activities¹⁹ are considered as FPR activities under ISCC PLUS:

- > **Blowing or forming from a preform:** Applicable only if the process uses a preform. If the process does not involve a preform, the scope must be classified under a Processing Unit.
- > **Cutting:** Adjusting the size or shape of the material without altering its fundamental characteristics.

¹⁸ Following consideration of future developments, an ISCC System Update in due course will address mass-balanced liquefaction plants operating within interconnected gas grid networks.

¹⁹ This is not an exhaustive list of FPR activities. For any other activity not mentioned here, the Certification Body must reach out to ISCC for confirmation via the Interpretation Contact Form.

- > **Labelling:** Applying labels to the final product or its packaging for identification or branding purposes.
- > **Assembling:** Combining multiple components into a final product.
- > **Printing:** Adding designs, logos, or other markings to the final product.
- > **Sealing:** Closing or securing the product or its packaging to maintain its integrity.
- > **Filling:** Inserting the product into its final packaging or container.
- > **Coating or Painting:** Applying a protective or decorative layer to the product.

If the economic operator is a brand owner selling material to final customers (i.e., as the last entity in the supply chain), and under their own brand name, the Licensing Scheme may be applicable. To determine the eligibility, it is recommended to refer to the 'Licensing' section on the ISCC website.

Companies that perform FPR activities receive a certificate upon a successful audit. They are audited regarding their traceability and chain of custody requirements. Audit requirements for FPR focus on several key areas to ensure compliance with ISCC. These include:

*Audit
requirements*

- > **Consideration of Losses:** Verification of the conversion factors or consumption factors used to account for any losses during the refinement process, ensuring they are accurate and consistent with the material's characteristics.
- > **Quantity-bookkeeping:** Verification of a site-specific quantity bookkeeping (e.g. mass balance bookkeeping,) which accurately tracks the flow of certified materials through the FPR processes. It must also be checked whether inputs and outputs are correctly recorded, and the quantity-bookkeeping is kept according to ISCC PLUS CoC rules.
- > **Traceability:** Confirming that the traceability system is in place, which enables the accurate tracking of certified materials from the point of receipt through to the final product. This ensures that the certified status of the material is maintained throughout the refinement process.

3.4.12. Transport

Transport includes all modes of transportation such as road, rail, air, river or sea transport. The gas grids, pipelines and electric power grids are also considered transport entities and can be used for the transportation of certified materials in gas or liquid form and renewable energy respectively. Transport is not subject to certification according to this standard.

Transport in the transmission and distribution infrastructure

Transport of the certified materials via the transmission and distribution infrastructure (i.e. gas grids or pipelines) is allowed under the chain of custody method mass balance. Certified products in the transmission and distribution infrastructure can be mixed with non-certified materials and can be used for the transport.

Transmission and distribution infrastructure is not subject to certification under ISCC, as the grid is considered a transport entity. However, it must be possible to determine and verify the quantity and quality of the certified material fed into and taken out of the transmission and distribution infrastructure. For that purpose, the economic operator feeding the certified material into the transmission and distribution infrastructure and the economic operator taking the certified material out of the transmission and distribution infrastructure must be physically interconnected via to the transmission and distribution infrastructure. Both economic operators that are injecting certified material into the transmission and distribution infrastructure and withdrawing certified material from the transmission and distribution infrastructure shall be certified. During the audit the auditor verifies if contracts are in place that cover the respective amounts of certified material.

The quantity of certified material fed into and taken out of the transmission and distribution infrastructure must be recorded and documented based on the meter reading on the injection and withdrawal point by the economic operator that injects or withdraws the certified material respectively. They must state the properties of the certified material. At the end of the respective mass balance period, the quantity of certified material taken out of the transmission and distribution infrastructure shall not exceed the quantity of certified material fed into the transmission and distribution infrastructure. The quantities which are fed into and taken out of the transmission and distribution infrastructure must be monitored and verified by the competent national or public authorities (e.g. main customs offices). Documents issued by the respective authority providing evidence that the quantities have been monitored and verified must be made available to the auditor.

All relevant information regarding the transport of certified material (e.g. delivery documents, means and distance of transport) are covered by the requirements for audits and sustainability declarations for the elements of the supply chain that arrange transportation of the certified material²⁰ (see Chapters [3.4.1](#) – [3.4.11](#)).

In the case of transportation via ship, the delivering companies or operational units must provide, in addition to a “Bill of Lading”, a document issued by an independent inspector which confirms the quantity of certified product transferred from the supplier, as well as the details of the ship and ship compartment or hold the material was loaded. Similarly, the dispatch of the sustainable product must be documented. It must be assured that transport

²⁰ *Except for the transport via transmission and distribution infrastructure*

documents can be related to the identity number of the purchasing contract for the sustainable product.

3.4.13. Brand Owners

Brand owners that receive a finished good and would like to make an ISCC claim (on-product/off-product) must either be covered by certification or participate in the ISCC licensing scheme. Please find all relevant information on the ISCC website.

Brand owner certification

3.5. Requirements for Group Certification

“Group certification is a practice of organising individual producers into structured groups and shifting responsibility in part from an external audit to internal inspections”.²¹ The procedure for group certification under ISCC is based on best practices for the certification of groups, e.g. principles laid down by the ISEAL Alliance.

Certification of groups

Group certification is based on the concept that a significant proportion of the inspections required is carried out by internal auditors. Independent external auditors assess and evaluate the effectiveness of the internal audit system, conduct audits of a sample of the group members (sampling) and certify the entire group.

Internal and external auditors

An individual audit of each single producer of raw material would often impose disproportionate financial costs and effort on the entity and the general certification process. By joining a group, biomass producers can reduce the effort and costs of certification considerably. This approach is particularly important for the certification of smallholder farmers, producer organisations and cooperatives. Within ISCC, group certification can be applied to:

Avoiding disproportionate certification efforts

- > Homogeneous groups of producers of certified raw material and feedstock
 - Farms or Plantations
 - Forest Sourcing Areas
 - Points of Origin
- > Dependent Storage Facilities or Logistics centres
- > Final Product Refinement

3.5.1. General Requirements for Group Certification

For each group, the sampling approach as described below must be applied separately (see [Chapter 3.5.5](#)). ISCC may specify materials and/or elements

²¹ ISEAL Alliance, 2008: *Common Requirements for the Certification of Producer Groups P035 Version 1*

of the supply chain for which sampling cannot be applied. The number of group members can be limited by the Certification Body (CB), depending on the audit results and the performance of the group.

Group members which do not fulfil the conditions described below will be treated as autonomous entities and cannot be part of the group certification. It is possible to cover different groups under one head office, if the group members within each group are homogenous as described below.

*Covering
different groups*

Group certification for Farms or Plantations/Forest Sourcing Areas under a Central Office, is only acceptable, if the following criteria are met:

*Farms or
Plantations/Forest
Sourcing Areas*

- > The members must be located within a geographic proximity (e.g. in the same administrative region).
- > The climatic conditions for agricultural/forestry production are similar.
- > Similar production systems are applied.
- > The risk assessment has shown a similar risk exposure for the group members.

These criteria are usually also met by the agricultural producers supplying to a First Gathering Point. Therefore, based on an assessment of the criteria indicated above, the farms and plantations supplying a first gathering point can usually be considered as one group.

Group certification for Points of Origin under a Central Office, is only acceptable, if the following criteria are met:

Points of origin

- > Members must share a harmonised management system.
- > Members must have similar processes and generate similar types of waste material (e.g. used cooking oil or mixed plastic waste).
- > The risk assessment has shown a similar risk exposure for the group members.

These criteria are usually met by points of origin supplying a Collecting Point. Therefore, based on an assessment of the criteria indicated, the Points of Origin supplying to a Collecting Point can usually be considered as one group.

Group certification approach for storage facilities can be applied for a group of storage facilities belonging to a logistic network (Logistics Centre). This approach is only allowed, if the individual storage facilities belong to the same legal entity, share a harmonised management system and have similar processes.

*Logistics
Centre*

The principles of sampling can also be applied to cases that a certified economic operator uses (own or rented) external storage facilities (Dependent Storage Facilities). For the rented external storage facilities, the storage facilities in such cases do not become the legal owner of the certified material, which means that they have no contractual agreements with the supplier or the recipient of the certified material and only act on behalf of their client. Therefore, it is the responsibility of the certified economic operator (system user) renting the storage facility to ensure that all relevant ISCC requirements are complied with.

*Dependent
Storage
Facilities*

Last scope that allows the group certification approach is Final Product Refinement. It is possible for economic operators to conduct FPR activities (see [Chapter 3.5.7](#)) on behalf of the certified companies without getting the ownership of the certified material. In such setups, these economic operators (group members) can be audited based on the principles of sampling.

*Final Product
Refinement*

3.5.2. Management Requirements

A group is represented by a head office responsible for the management of the group, i.e. Central Office, First Gathering Point, Collecting Point or Logistics centre. The head office as group manager is responsible for the implementation of the internal management system and for the individual group members' compliance with the ISCC requirements. The responsibilities of the head office include:

*Role of group
manager*

- > To set up a procedure to take in and register new group members.
- > To inform group members about their responsibilities and about the relevant ISCC requirements applicable to the group.
- > To make sure that all group members have an adequate understanding of the requirements and processes.
- > To plan and organise internal audits.
- > To run an up-to-date register of members
- > To issue annual reviews.
- > To inform the members about relevant changes or adjustments to requirements.
- > To compile the necessary documentation.
- > To exclude members in the case of non-compliance.
- > To initiate preventive and corrective measures in member operations.

Documentation

The rights and duties of the group members shall be documented and defined in a regulating contract or agreement between the group members and the head office of the group.

The following responsibilities apply for group members:

- > Commitment to the group's head office to meet the standard requirements and to report intentional or unintentional non-conformities.
- > Conducting a self-assessment and signing of a self-declaration.
- > Providing necessary information to internal and external auditors, especially regarding the (major) production activities, sales and deliveries of certified material relevant to ISCC.
- > Granting access to their premises to conduct internal and external audits.
- > Commitment to the implementation of amendments and corrective actions.

*Responsibilities
of group
members*

3.5.3. Documentations and Records

The processes required by the ISCC standard must be documented by the head office and records kept for at least five years. The following information especially must be documented:

- > List of all group members including name and address/location, the size of the production area, volume of production.
- > Register of fields belonging to Farms or Plantations/Forest Sourcing Areas, maps of production area.
- > Process instructions.
- > Contracts and/or agreements between the group's head office and group members.
- > Records of (major) production activities and sales, deliveries and transportation of certified material relevant to ISCC.
- > Audit results of internal and external audits including non-conformities and corrective measures.
- > Review of the audit results by the group's head office.

*Documentation
of processes and
responsibilities*

An appropriate instrument for the documentation of processes and contents is a (quality) management handbook.

The group should have a uniform method for mapping. Maps may be replaced by GPS-based information to allow for a more detailed overview and to

*Management and
mapping methods*

improve the risk assessment, e.g. by using satellite data, databases or appropriate remote sensing tools.

3.5.4. Internal Audit System and Review

The group manager must introduce an internal audit system, which monitors the performance of the group management and monitors compliance with the ISCC PLUS standard. The internal audits should ensure individual group members' compliance with the certification criteria of the ISCC PLUS system and are an important part of the risk management of the group manager.

Internal audit of group members

The internal audit should cover the ISCC PLUS requirements that are relevant for the group as a whole and for the scope of the individual group member in particular. A plan must be developed containing at least the following information:

- > Internal auditor(s) in charge
- > Participants
- > Time frame
- > Audit emphasis
- > Procedure

All group members must be audited in an internal audit at least once a year. Prior to an initial certification, all individual group members and the group as a whole, must be subject to an internal audit to verify:

Annual internal audit

- 1 Compliance with ISCC PLUS requirements.
- 2 The functionality of the internal audit system.

Before a new member can be registered, they must first be internally audited.

The internal auditors in charge must be qualified to professionally judge the relevant questions. Before they start auditing, they must be trained regarding the requirements of the ISCC PLUS system e.g. by participating in ISCC PLUS Training. Training of internal auditors should continue on a regular basis, with a particular focus on relevant risk factors identified for the group.

Qualification of internal auditors

The internal auditor must document the activities and the results of the internal audits. The documentation must be made accessible to the external auditor. The results of the internal audits must include major non-conformities, corrective measures and an action plan for improvement.

Documentation of internal audits

The group manager must carry out an annual review. As a minimum requirement, this review must contain the evaluation of the internal audit results and possible inputs from a third party.

Review

3.5.5. External Audit

External audits of the group must take place on an annual basis (i.e. at least every 12 months). The group's head office is always subject to an on-site audit.

The sample size of group members to be audited must be calculated by the external auditor. The sample size must be based on:

- 1 The risk factor determined by the external auditor during the risk assessment.
- 2 the total number of individual group members relevant for sampling covered during the certification period.

The basis for a consistent and reliable group certification process is the correct definition of the sample size to be audited for compliance. The external auditor is responsible for selecting and auditing individual group members within the scope of the sample.

Calculating the Sample Size:

The sample size is determined by the following formula:

$$s = r \times \sqrt{n}$$

s: sample size

r: risk factor

n: total number of group members.

The minimum sample size is the square root of the total number of group members (\sqrt{n}).

The minimum sample size must be multiplied by the risk factor (r) determined by the auditor during the risk assessment:

Regular risk: $r = 1$

Medium risk: $r = 1.5$

High risk: $r = 2$

*Minimum
sample size*

The auditor is entitled to increase the sample size according to the individual situation and based on the auditor's risk assessment in order to reach the necessary level of confidence to make a reliable statement regarding the conformity of the group. The lowest possible sample size is one.

If the result of calculating the sample size (s) is a decimal number, the sample size (s) is to be rounded up to the next whole number (integer). The decisive factor for rounding up is the first position after the decimal point. This means, calculated sample sizes (s) up to 1.04 will result in a sample size of 1. A

Rounding up

calculated sample size of 1.05 or higher would lead to a sample size of 2 (1.05 must be rounded up to 1.1 which must be rounded up to 2).

Individually certified group members may not be considered for the total number of individual group members relevant for sampling.

For Farms or Plantations/Forest Sourcing Areas, which are participating in group certification, the total number of group members (n) is composed of all Farms or Plantations/Forest Sourcing Areas, which have conducted the self-assessment and signed the self-declaration at any time during the 12-month period prior to the date of the certification audit. This is irrespective of the amount (if any) of material supplied as certified by the Farms or Plantations/Forest Sourcing Areas in the previous certification period.

*Self-assessment
and self-
declaration*

Points of Origin (producers of waste or processing residues) participating in group certification must sign the respective self-declaration for compliance with the ISCC PLUS requirements and provide it to the group's head office (e.g. Central Office or Collecting Point). For points of Origin the risk of non-compliance and fraud mainly depends on the amount of waste or processing residues generated. Thus, the total number of group members (n) is composed of the number of producers that generate a relevant amount of waste and residues (see [Chapter 3.4.7](#)) and which have signed the self-declaration during the twelve months prior to the audit. This is irrespective of the amount (if any) of material supplied as certified by the Point of Origin in the previous certification period.

Point of origin

The principles for calculating the sample size are equally applied to Dependent Storage Facilities and group members of Final Product Refinement, if sampling is applied.

*Dependent storage
facilities*

Selecting the Sample:

The external auditor conducting the group audit must select individual group members to be included in the sample for verification of compliance with the ISCC requirements. The group members to be audited should be selected so that the whole group is represented in a well-balanced manner. The selection should be based on a combination of risk-based selection and random selection. The auditor must consider at least the following factors when determining the sample:

*Selecting group
members for audit*

- > Type of supplied raw material (if applicable, these should be represented appropriately in the random sample).
- > Different sizes of suppliers.
- > Geographical location, e.g. by clustering the relevant area into different risk areas.
- > Indication of non-conformity or fraud.

At least 25% of the selected group members should be chosen randomly. For the risk-based selection, the auditor should preferentially select group members, where there are indications of non-conformity or fraud, or group members that are located in high-risk areas. In the case different risk areas have been identified by remote sensing analysis (e.g. via satellite data or databases), the selection of the sample should also take into account results and findings from previous audits conducted in the area (if available).

Random and risk-based selection

Where appropriate (and in accordance with the criteria for risk-based and random selection), the auditor may select group members in a way that facilitates a cost-efficient auditing process, e.g. by selecting group members that are located near each other. As long as there is no indication of non-conformity from specific group members, none of the successfully audited entities from the previous year shall be part of the sample in consecutive audits, as long as there remain some entities that have not yet been subject to an external audit. As a general requirement, auditors should aim for selecting samples in a way to ensure that all group members are equally covered, generally within a timeframe of five years.

New group members in subsequent audits

The following factors bear specific relevance for group certification and must be considered by the auditor²²:

Factors for sample selection

- > Factors related to the type and size:
 - Size of the group member.
 - Type of operation.
 - Value and amount of the products.
- > Factors related to specific characteristics:
 - Degree of similarity of the production systems and the crops or raw materials within the group.
 - Risks of intermingling and/or contamination.
- > Experience gained:
 - Number of years the group has functioned.
 - Number of new members registered yearly.

²² These factors are formulated in correspondence with the Guidance document for the evaluation of the equivalence of organic producer group certification schemes applied in developing countries (EEC November 6th, 2003)

- Nature of the problems encountered during audits in the previous years and results of previous evaluations of the internal audit system's effectiveness.
- Management of the internal auditors' potential conflicts of interests.
- Staff turnover.

ISCC can determine additional specific regulations for certain regions/areas if this becomes necessary, e.g. due to concrete risk.

Audit of the Sample:

The group members selected by the external auditor for verification of compliance must be audited successfully to demonstrate compliance with the ISCC requirements. It is generally expected that group certification audits are conducted on-site, unless conducted with tools that provide the same level of assurance as an on-site audit and which are explicitly approved by ISCC for conducting remote audits (refer to System Document *ISCC PLUS 201 – System Basics*). The audit of the group manager (i.e. first gathering point, collecting point or Central Office) shall always be conducted on-site.

In the case that the external auditor detects for one member (or more group members) of the sample, major or critical non-conformities, or one member (or more group members) refuse to participate in the audit (regarded as critical non-conformity), the sample size (s) of the current audit must be doubled. The group members from the initial sample that have passed the audit successfully can be counted towards the increased sample.

*Consequences
of non-
compliance*

In particular cases, in which System Users have applied the highest levels of assurance (e.g. by using appropriate risk mitigation tools) deviation from this rule may be considered in consultation with and after approval by ISCC. If in the increased sample, further group members are detected with major or critical non-conformities, the increased sample must be doubled again, and so forth. This process may continue until 100% of the group members have been audited. Group members that are audited and found to be non-compliant, must be excluded from the group and from the certification under ISCC.

“Non-compliant” means that mandatory requirements of ISCC are not complied with, and compliance cannot be ensured within 40 days after the audit by implementing corrective measures. Group members that have been excluded may only participate in ISCC again once they have successfully passed an individual audit. If major non-conformities that could not be corrected within 40 days or critical non-conformities are found in the majority of group members across the whole sample, the issuing CB must declare the certificate invalid and withdraw it with immediate effect and must inform ISCC immediately. ISCC may publish non-compliant group members on the ISCC website.

Non-compliant

The provisions on non-conformities and sanctions as described in System Document *ISCC PLUS 102 – Governance* must be considered.

In order to avoid misuse and fraud, group members which are audited as not complying with ISCC requirements must be reported to ISCC by the certification body.

Reporting to ISCC

3.5.6. Group Certification Approach for Limited Risk Distributors (LRD)

Limited Risk Distributor (LRD) (or Country Dealer) is an independent legal entity within a corporate group that holds ownership of certified material without taking physical possession. Acting as a “paper trader,” the LRD facilitates the sale of material within specific countries or sales regions on behalf of a business principal. The business principal is responsible for all purchasing and sales activities and may also manage related product and market risks. To ensure effective coordination and traceability, a centralised Enterprise Resource Planning (ERP) system must be maintained by the Business Principal.

Limited Risk Distributors

In the context of an LRD group certification approach, the business principal (also referred as the parent company) is the certificate holder. The sales entity (referred to as the LRD), operates under the scope of the parent company’s certificate. To qualify for this group certification option, the site must comply with all the following specifications.

LRD requirements

Specifications for LRDs:

- > The LRD shall not be individually certified under the Trader scope. All its activities related to certified material must fall under the scope of the Parent company’s certificate.
- > The LRD shall be part of the same corporate group as the certificate holder²³. For the purposes of this requirement, an LRD may qualify if it fulfils one of the following conditions:
 - Direct control: The certificate holder holds at least 50% of the equity share of the LRD; or
 - Common Parent Control with Centralised System Oversight: The LRD and the certificate holder are under the control of the same ultimate parent company, which exercises decisive control²⁴ over a central material flow documentation system or ERP system that covers both entities.

²³ Branches of the same legal entity operating at a different address may also be considered as LRD

²⁴ Decisive control means that the ultimate parent company has exclusive authority over system access rights, validation of data input, and the generation of material flow reports across all covered entities.

- > Evidence clearly establishing the LRD's connection to the corporate group shall be demonstrated by publicly available information (e.g. annual financial reports), or by adequate documentation presented during the audit.
- > The LRD shall be integrated into the central material flow documentation system of the corporate group. This ensures that all relevant data is accessible from the parent company's (certificate holder's) headquarter.
- > The LRD shall act solely as a paper trader covering the activities of purchasing/selling the certified material within the central system without taking physical possession.

The decision tree below (Figure 2) helps determine a System User's eligibility for applying an LRD group certification.

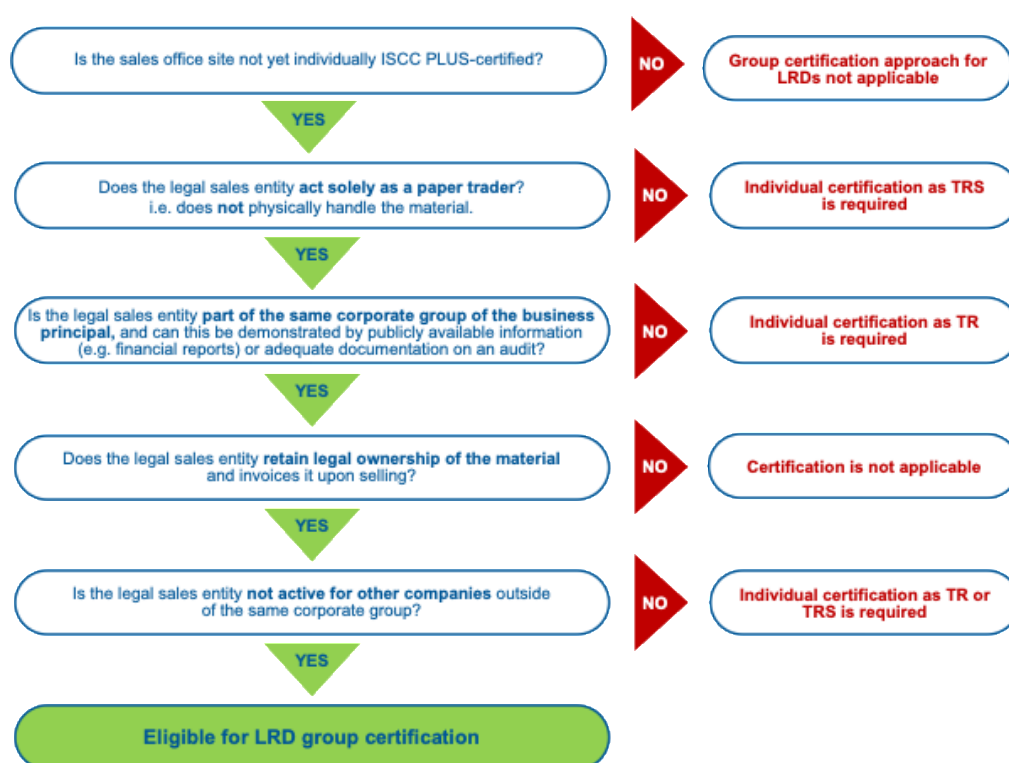


Figure 2: Decision Tree for LRD Group Certification Eligibility

In the context of the LRD group certification approach, a Processing Unit may be included under a tolling agreement with the parent company (options 1 and 2 of tolling agreement for Processing Units may be applicable; see [Chapter 3.6](#) for details). However, a tolling agreement directly between a Processing Unit and an LRD is not permitted under ISCC PLUS. This restriction ensures that operational control, traceability, and sustainability data management remain centralised within the certified parent company.

LRD options

There are four distinct LRD setup options available under ISCC PLUS, each corresponding to different operational structures and physical flow of certified materials. Below you can find the decision tree (see Figure 3) that assists to determine the LRD option applicable to a specific System User eligible for this group certification approach, as well as the details of each option.

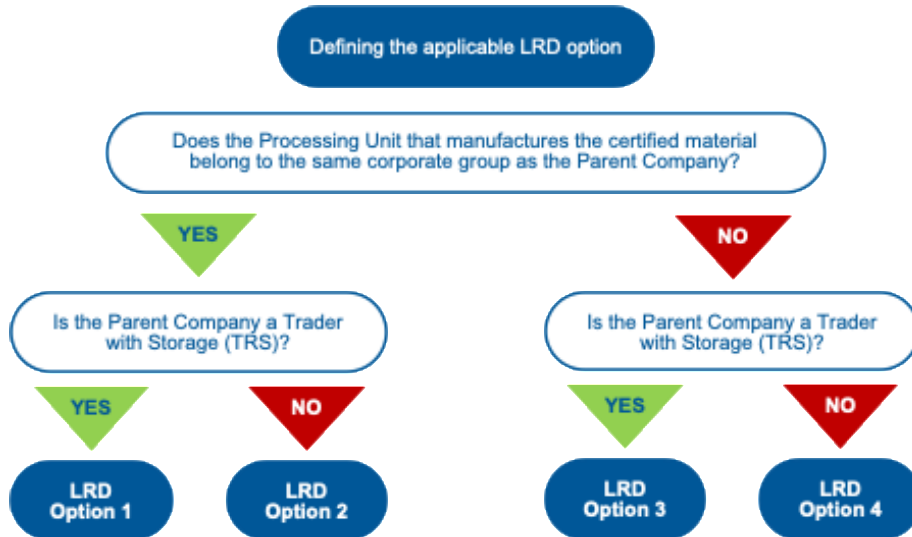


Figure 3: Decision Tree for LRD Group Certification Options

LRD Option 1:

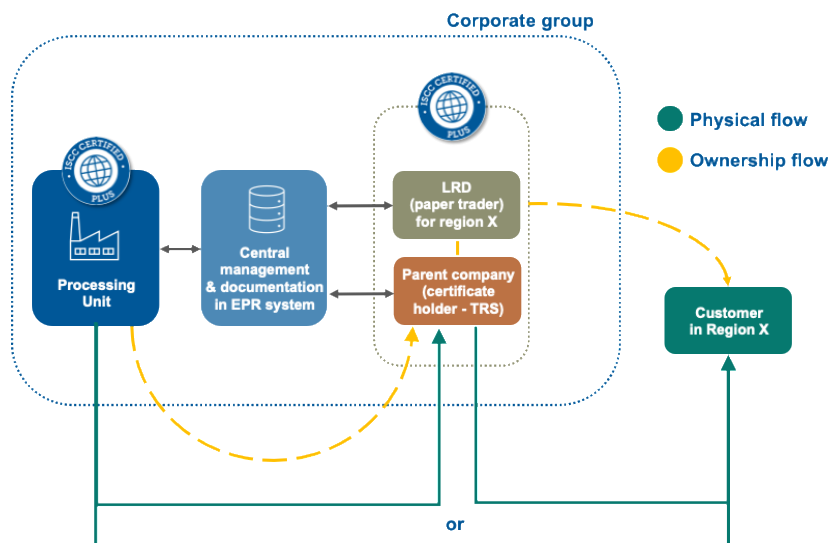


Figure 4: Sales process flow for the Limited Risk Distributors (LRDs) Option 1

Option 1 applies when the Processing Unit is part of the same corporate group as both the parent company and the LRD. The parent company may physically handle the material for some or all deliveries. Under this setup, the parent company shall be certified under the Trader with Storage scope.

Under Option 1, the sustainability declaration flow may follow one of the following pathways:

- 1 The Processing Unit issues a sustainability declaration directly to the customer, when the material is delivered directly from the Processing Unit to the customer.
- 2 The Processing Unit issues a sustainability declaration to the parent company, and the parent company issues a new sustainability declaration to the customer, when the material is delivered directly from the Processing Unit to the parent company and from parent company to the customer.
- 3 The Processing Unit issues a sustainability declaration to the parent company, and the LRD issues a new sustainability declaration to the customer, when the material is delivered directly from the Processing Unit to the parent company and from parent company to the customer.

LRD Option 2:

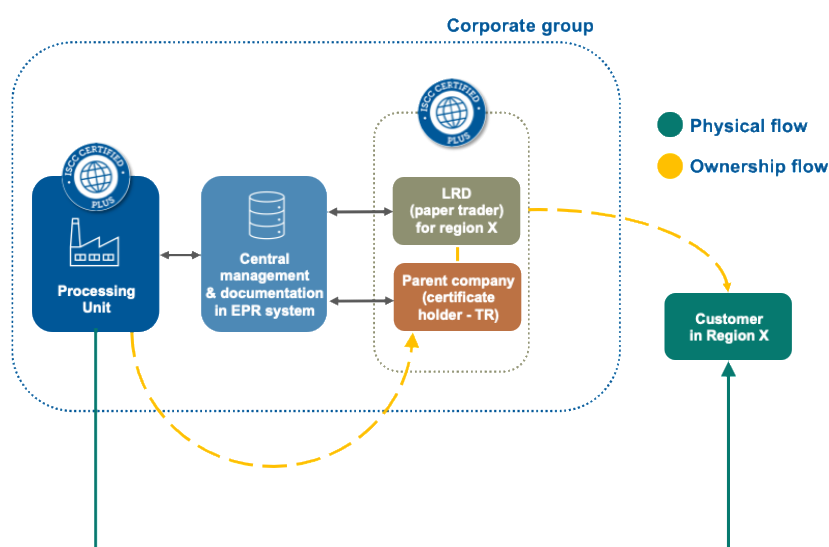


Figure 5: Sales process flow for the Limited Risk Distributors (LRDs) Option 2

Option 2 applies when the Processing Unit is part of the same corporate group as both the parent company and the LRD, and when the physical flow of the material always goes directly from the Processing Unit to the customer. In this setup, the parent company does not take physical possession of the material.

Under Option 2, the sustainability declaration flow may follow one of the following pathways:

- 1 The Processing Unit issues a sustainability declaration directly to the customer with the information of the customer.
- 2 The Processing Unit issues a sustainability declaration to the parent company, and the parent company issues a new sustainability declaration to the customer.
- 3 The Processing Unit issues a sustainability declaration to the parent company, and the LRD issues a new sustainability declaration to the customer.

When applying pathway 2 or pathway 3 (under both Option 1 and 2), and if a verifiable and auditor-approved system is in place, the Processing Unit may choose not to issue a sustainability declaration but instead document the internal material transfer within their ERP system. However, it must be demonstrated that the attribution of the sustainability characteristics follows the actual physical flow within the ERP system. Virtual transfer of sustainability characteristics between the Processing Unit and the parent company is not permitted. The movement recorded in the ERP shall always reflect an actual transfer of physical material.

LRD-Option 3:

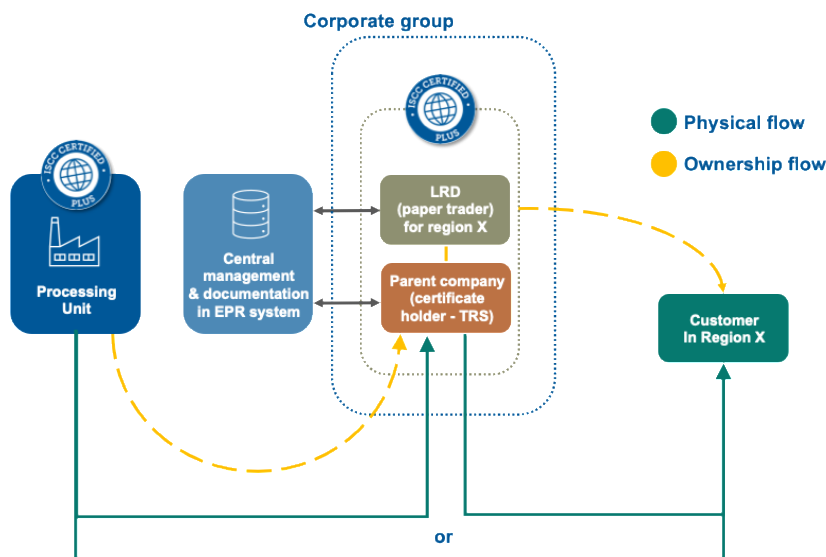


Figure 6: Sales process flow for the Limited Risk Distributors (LRDs) Option 3

Option 3 applies when the Processing Unit is not part of the same corporate group as both the parent company and the LRD. The parent company may physically handle the material for some or all deliveries. Under this setup, the parent company must be certified under the Trader with Storage scope.

Under Option 3, the sustainability declaration flow may follow one of the following pathways:

- 1 When the material is delivered directly from the Processing Unit to the final customer, the Processing Unit issues a sustainability declaration to the parent company providing the details of the customer. The parent company later forwards the sustainability declaration providing their details additionally.
- 2 The Processing Unit issues a sustainability declaration to the parent company as the recipient, and the parent company issues a new sustainability declaration to the customer, when the material is delivered directly from the Processing Unit to the parent company and from parent company to the customer.
- 3 The Processing Unit issues a sustainability declaration to the parent company as the recipient, and the LRD issues a new sustainability

declaration to the customer, when the material is delivered directly from the Processing Unit to the parent company and from parent company to the customer.

LRD Option 4:

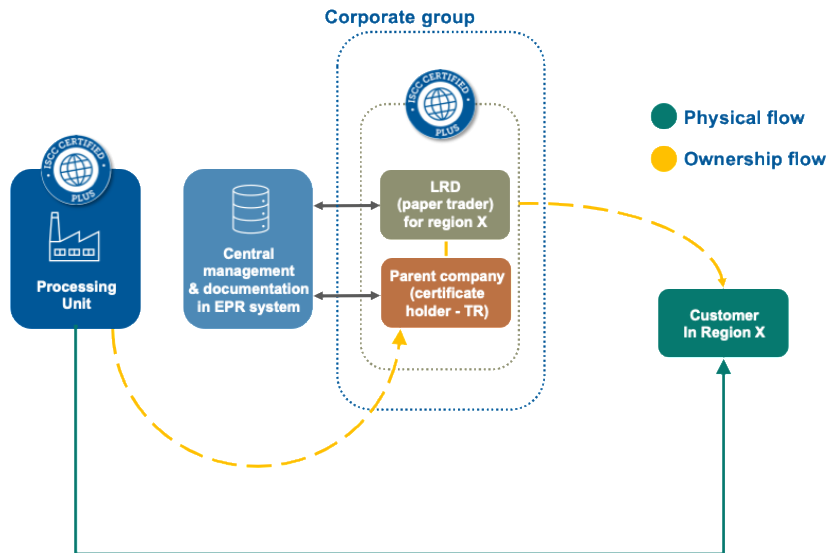


Figure 7: Sales process flow for the Limited Risk Distributors (LRDs) Option 4

Option 4 applies when the Processing Unit is not part of the same corporate group as either the parent company or the LRD, and when the physical flow of the material always goes directly from the Processing Unit to the customer.

Under Option 4, the sustainability declaration flow may follow one of the following pathways:

- 1 When the material is delivered directly from the Processing Unit to the final customer, the Processing Unit issues a sustainability declaration to the parent company providing the details of the customer. The parent company later forwards the sustainability declaration providing their details additionally. The parent company or LRD may forward the original sustainability declaration, provided it remains unaltered. The parent company or LRD may also include supplementary information such as their own legal name (in brackets).
- 2 The Processing Unit issues a sustainability declaration to the parent company, and the parent company issues a new sustainability declaration to the customer.
- 3 The Processing Unit issues a sustainability declaration to the parent company, and the LRD issues a new sustainability declaration to the customer.

Under all the above-mentioned options (1-4), when the LRD issues the sustainability declaration to the customer, the following additional conditions shall be fulfilled:

- > The LRD shall be publicly listed in the certificate annex of the parent company.
- > In the supplier field of the sustainability declaration, the LRD's legal name shall be stated in brackets next to the parent company's name.
- > The certificate number of the parent company shall be stated on the sustainability declaration.
- > The dispatch/shipping point in the sustainability declaration shall reflect the actual origin of the material.

Unless required under specific cases outlined in this subchapter, it is at the discretion of the parent company whether the certificate issued by the CB includes an annex listing the legal name(s) of all LRDs. Regardless of this, a complete and up-to-date list of all LRDs shall always be submitted on the ISCC HUB.

3.5.7. Group Certification Approach for Final Product Refinement (FPR) Activities

The group certification approach for FPR activities (see [Chapter 3.4.11](#)) applies for certificate holders who outsource FPR activities to various sites in different locations. These sites may either belong to the same legal entity as the certificate holder or to an external company providing contracted services for the certificate holder.

A prerequisite for the FPR group certification is that legal ownership of the certified material must always remain with the certificate holder, referred as the FPR group head hereafter. The FPR group head shall always be certified under the FPR scope. If a Processing Unit outsources FPR activities, the FPR scope must be added to its certificate. The FPR group head (i.e., the material owner) is responsible for ensuring compliance with all relevant ISCC PLUS requirements, including conducting site-specific quantity-bookkeeping and issuing sustainability declarations.

Under the FPR group certification approach, it is not allowed to make average claims across multiple FPR sites if the certified content of incoming materials or products varies between sites. To uphold full traceability and transparency, the certification claims must reflect the actual certified share at each individual site. This ensures that the integrity of certified material is maintained throughout the supply chain, and that sustainability declarations issued by the FPR group head are based on accurate, site-specific data.

Claims on outgoing materials from FPR group members

Audit requirements and the documentation to be provided remain as outlined in this document and all other relevant ISCC PLUS System Documents (e.g. System Document *ISCC PLUS 201 – System Basics*, System Document *ISCC PLUS 204 – Risk Management*). All outsourced activities must always be properly recorded (e.g. through a centralized ERP system operated by FPR group head) and made available to ISCC. At the discretion of the System User,

Audit Requirements

the certificate issued by the CB may include the list of the legal name(s) of the group members as an annex of the certificate. Regardless of this, a complete list and up-to-date list of all group members must always be submitted on the ISCC HUB.

Specifications for group certification of FPR activities:

- > The certificate holder outsourcing FPR activities must be certified under the scope Final Product Refinement.
- > Processing activities cannot be covered by the group certification approach.
- > No further outsourcing of outsourced activities is possible.
- > Only sites that physically receive certified material can be covered by the group certification approach.
- > During the period of validity of a certificate, additional outsourced activities and sites related to the certified material can be added. Precondition is that the list of outsourced activities and sites must be kept up-to-date and the certification body must be informed about any changes to the list.
- > The group members shall be audited on a sample basis. The sample size should be calculated according to the same requirements as in the [Chapter 3.5.5](#). The risk level should be increased if external companies are part of the group or if the outsourced activities are complex and may result in higher losses. A regular risk level shall only be applied if all group members are part of the corporate structure of the group head.
- > For each sample audit of a group member, the sample audit procedure for FPR group members is required.
- > For each outsourced site, a mass balance and all other relevant documentation (e.g. contracts, flow of material, conversion factor) must be kept, controlled and recorded by the group head.
- > All external contractors that are group members must provide a “self-declaration for outsourcing” to the group head (see requirements below).
- > A list of all group members must be submitted on the ISCC HUB. The list may be included on the group head’s certificate as an annex.

A signed self-declaration from each external group member must be provided to the FPR group head. By signing the self-declaration, the entity declares compliance with all legal obligations as well as the relevant ISCC PLUS requirements and confirms to give external auditors access to the premises to verify conformity with the ISCC PLUS requirements. No party other than the external group member is allowed to sign the self-declaration.

Requirements of the self-declaration for FPR external group members:

- > Conformity with all applicable ISCC requirements.
- > Must not make unauthorized use of the ISCC logos and claims (e.g. on other products or for its own communication).
- > Declaration that no further outsourcing will be done.
- > Accept the right of the certificate holder's CB to audit the site.
- > Keep records of inputs, outputs, activities and delivery documentation associated with all material covered by the contract with the group head.

3.6. Requirements for Tolling Agreements

Tolling agreement is a contract between two economic operators for processing the feedstock for a specified fee ("toll"). The feedstock and processed product remain under the ownership of the entity contracting the tolling service.

Tolling Agreements

Under ISCC PLUS, there are three types of tolling agreements²⁵:

- > Tolling agreement for Processing Units – tolling agreement between a certified feedstock owner to cover a Processing Unit.
- > Tolling agreement for Final Product Refinement – tolling agreement between a certified product owner to cover a Final Product Refinement site.
- > Blending Agreement – tolling agreement between a certified fuel owner to cover an aviation fuel blender.

3.6.1. Tolling Agreement for Processing Units

In this case, the certified feedstock owner has a tolling agreement with a Processing Unit, and shall possess a valid certificate with any of the following scopes:

Tolling Agreements – Processing Unit

- > Trader
- > Trader with Storage
- > Processing Unit

It is required that the feedstock (input material) and the material processed (output material) by the Processing Unit remain property of the feedstock owner before reaching the next entity in the supply chain.

²⁵ Additional information is available in the [Annex II: Tolling Agreements under ISCC PLUS](#)

There are three options for certifying processing units under tolling agreements, as further described below:

Option 1: A tolling agreement is in place for two separately certified entities. Each site holds one certificate under their own name and address.

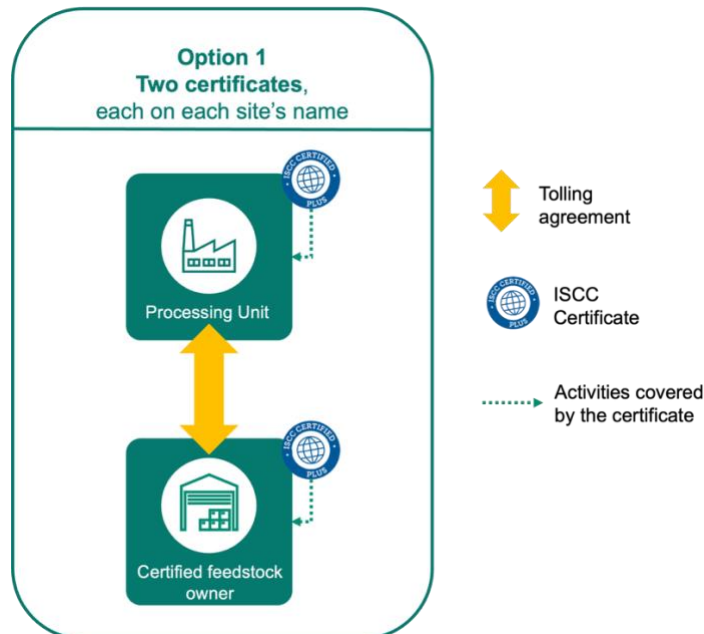


Figure 8 - Tolling agreement with Processing Units – Option 1

Under option 1, the following requirements apply:

- > For each site, the site-specific quantity bookkeeping is responsibility of the certificate holder. Processing unit shall clearly indicate the materials handled for the feedstock owner in the bookkeeping.
- > Each system user has a separate certificate under their own name and with their own address.
- > Both entities are audited at their own site.
- > Feedstock owner shall issue a sustainability declaration for the certified input material to the Processing Unit. After processing the certified material, Processing Unit shall issue a sustainability declaration back to the feedstock owner. Then, the feedstock owner issues the sustainability declaration to the downstream supply chain.

Option 2: A tolling agreement is in place between the certified feedstock owner and a processing unit. The feedstock owner holds both certificates.

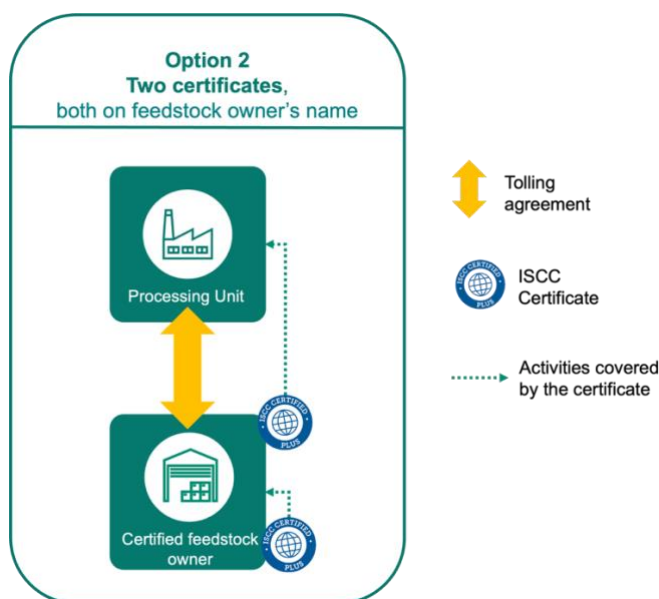


Figure 9 - Tolling agreement with Processing Units – Option 2

As Processing Units shall be certified to handle certified material for the feedstock owner, the feedstock owner takes the responsibility for fulfilling the applicable ISCC requirements at the Processing Unit's site, and the Processing unit is covered under a second certificate issued under feedstock owner's name.

The Processing Unit shall not handle certified material under its own name, as it is not the certificate holder. Moreover, only one Processing Unit (one site, one legal entity) can be covered by the second certificate.

Under option 2, the following requirements apply:

- > For each site, the site-specific quantity bookkeeping is responsibility of the feedstock owner.
- > Both certificates are under the name of the feedstock owner, one for the feedstock owner site and one for the Processing Unit site.
- > Both entities are audited at their own sites. The feedstock owner shall assure that the auditor can access the Processing Unit's premises.
- > Feedstock owner shall issue a sustainability declaration for the certified input material to the Processing Unit. After processing the certified material, feedstock owner issues a sustainability declaration to the downstream supply chain. The sustainability declaration shall reflect the certificate details of the entity issuing the sustainability declaration (feedstock owner certificate or processing unit certificate)

Option 3: A tolling agreement is in place between the certified feedstock owner and a Processing Unit, and one certificate is issued with the information of both.

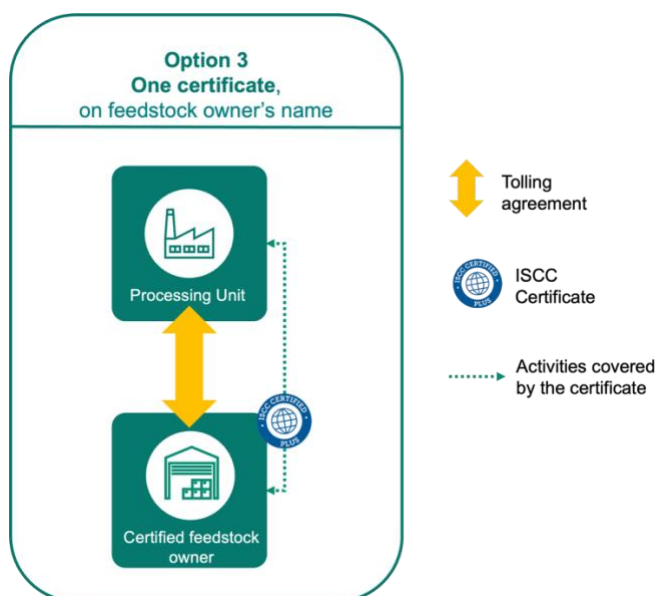


Figure 10 - Tolling agreement with Processing Units – Option 3

Applying this option is only allowed if

- > The feedstock owner only handles the materials going through the Processing Unit and feedstock owner is not involved with any other activities regarding for the certified material in other locations.
- > The auditor has access to the central system of the feedstock owner from the Processing Unit's site.

Similar to Option 2, the feedstock owner takes the responsibility for fulfilling the applicable ISCC requirements at the Processing Unit's site and the Processing Unit is covered under a certificate issued on the feedstock owner's name.

The Processing Unit shall not handle certified material under its own name, as it is not the certificate holder. Moreover, only one Processing Unit can be covered by the certificate.

Under option 3, the following requirements apply:

- > The site-specific quantity bookkeeping is responsibility of the feedstock owner.
- > One certificate is issued under the feedstock owner's name, with the address of processing unit.

- > The audit takes place at the processing unit's site. The feedstock owner shall assure that the auditor can access the processing unit's premises.
- > After processing the certified material, feedstock owner issues a sustainability declaration to the downstream supply chain. The sustainability declaration shall reflect the certificate details.

3.6.2. Tolling Agreement for Final Product Refinement

Under ISCC PLUS, if a system user is individually certified as an FPR site, while simultaneously participating in an FPR group certification, this is allowed under a tolling agreement.

*Tolling
Agreement –
Final Product
Refinement*

The certified product owner, which has a tolling agreement with the FPR site, shall have a valid FPR certificate. It is not permitted for an FPR site to have a tolling agreement with any other scope. The product owner and the FPR site must be ISCC PLUS certified. The product remains under the ownership of the product owner, while the FPR site carries out the specified activities as a contracted service provider.

There are two options for covering FPR sites that are individually certified in the FPR group certification under tolling agreements:

Option 1: A tolling agreement is in place for two separately certified entities. Each site holds one certificate under their own name and address.

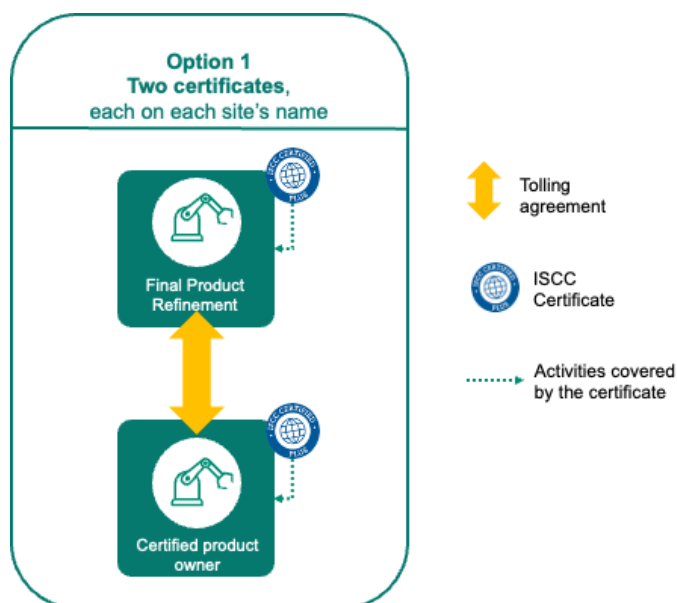


Figure 11: Tolling agreement with FPR – Option 1

Under option 1, the following requirements need to be met:

- > For each site, site-specific quantity bookkeeping is the responsibility of the certificate holder. FPR site covered under tolling agreement shall clearly indicate the materials handled for the certified product owner in the bookkeeping.
- > Each system user has a separate certificate under their own name and with their own address.
- > Both entities are audited at their own site.
- > The certified product owner shall issue a sustainability declaration for the certified input material to the FPR site. After the FPR activity of the certified material at the FPR site, FPR site shall issue a sustainability declaration back to the certified product owner. Then the certified product owner issues the sustainability declaration to the downstream supply chain.

Option 2: A tolling agreement is in place between the certified product owner and another FPR site, which is covered under a second certificate issued under certified product owner's name. The certified product owner takes the responsibility for fulfilling the ISCC requirements at the FPR site.

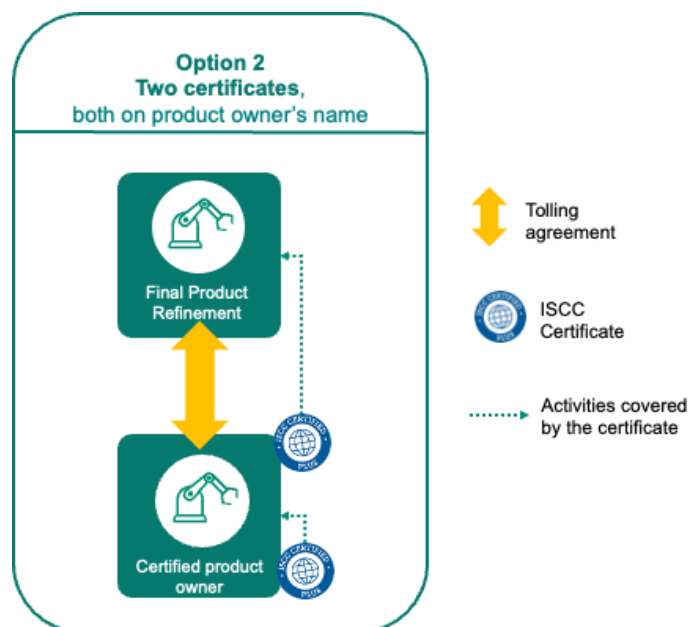


Figure 12: Tolling agreement with FPR – Option 2

Under this option, FPR site shall not handle certified products under its own name, as it is not the certificate holder. Moreover, only one tolling agreement can be covered by the second certificate for the FPR activity/activities.

Under option 2, the following requirements need to be met:

- > For each site, site-specific quantity bookkeeping responsibility of the certified product owner.
- > Both certificates are under the name of the certified product owner, one for the certified product owner's site and one for the other FPR site.
- > Both entities are audited at their own sites. The certified product owner shall assure that the auditor can access the FPR site's premises.
- > Certified product owner shall issue a sustainability declaration for the certified input material to the FPR site. After processing the certified material, certified product owner issues a sustainability declaration to the downstream supply chain. The sustainability declaration shall reflect the certificate details of the entity issuing the sustainability declaration (certified product owner certificate or FPR site's certificate)

3.6.3. Blending Agreement

Under ISCC PLUS, fuel blending is an activity covered under the scope of Trader with Storage. A system user can enter into a tolling agreement with an existing ISCC-certified Trader with Storage, conducting blending activities for aviation fuels. Such tolling agreements for the blending activities are defined as blending agreement. Blending agreement is only allowed for blending of aviation fuels.

The owner of the certified fuel, which has a blending agreement with the fuel blender, shall possess a valid certificate of either Trader or Trader with Storage scope. Both entities shall be audited at their own sites.

Blending Agreement – Aviation fuels

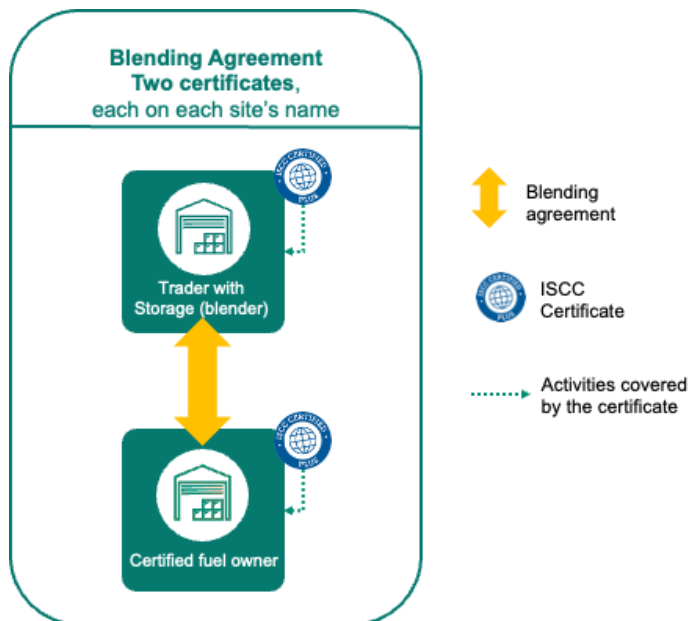


Figure 13: Blending agreement

Under the blending agreement, the site-specific quantity bookkeeping of all certified materials shall be kept by Trader with Storage (blender). It shall be clearly stated in the blending agreement that the Trader with Storage (blender) holds the full responsibility for ensuring ISCC PLUS bookkeeping requirements are fulfilled.

An accurate list of all transactions for certified materials shall be kept, to and from the blender's site for the owner of the certified fuel. All blending agreements that a system user has in place must be checked during the audit.

The sustainability declarations to and from the blenders (Trader with Storage) shall always go through the owner of the certified fuel. Owner of the certified fuel has the option to either forward the sustainability declaration (only if certified as paper trader) or to issue a new sustainability declaration.

Annex I: Smallholders – Identification of Farms/Plantations

A 1 Fundamentals

System Document *ISCC PLUS 201 – System Basics* defines farms or plantations as “agricultural operations where crops are cultivated sustainably, or where agricultural crop residues from sustainable cultivation occur”. A farm or plantation is defined as a distinct legal entity which has control regarding the compliance with the ISCC requirements. The entire land area (agricultural land, pasture, forest, any other land) of the farm or plantation, including any owned, leased or rented land is subject to certification.

Definition farm

A clear understanding about how to identify a single farm is crucial for ISCC certification. The identification of farms is a precondition for audit preparation and audits at first gathering points (FGP) and central offices (CO) for farms/plantations and has a major impact on the audit scope. For example, it determines who has to sign the self-declaration, the total number of group members and thereby impacts the sample size, risk management and the exclusion of farms in the case of non-compliances or violations of ISCC principles. Experience has shown that, in practice, the farm definition as per System Document *ISCC PLUS 201 – System Basics* is applicable and unambiguous in most cases. However, there are certain set-ups where a clear identification of a single farm remains a challenge. This especially applies to the production of Fresh Fruit Bunches (FFB) for palm oil in Southeast Asia, and smallholder involvement.

Distinct identification of farm

This annex aims to give additional guidance to support this process and to ensure that certification is consistently applied and that the scope of audit is correct. It was developed in cooperation with the stakeholders involved in the ISCC Technical Committee “Southeast Asia” and certification bodies. ISCC will further engage in pilot projects and stakeholder dialogues to support and facilitate the certification of smallholder schemes²⁶.

Stakeholder involvement

For the application of the ISCC standard, it is crucial to correctly identify the farm or plantation. The wording farm or plantation can cover individual estates, outgrowers, smallholders etc. as long as the definition of a farm or plantation, as laid out in the following, is applicable. The core indicators for the identification of a farm are legal status and independent management. The identification of a farm is straight-forward if it is legally independent and has its own independent management. However, in certain cases both indicators might point in opposite directions, especially when smallholder structures are involved.

Legal status and independent management

These cases and their implications for the set-up of the audit are described below. For conducting audit and the consequences in the case of non-

²⁶ ISCC has, in cooperation with SNV, set up a Smallholder Academy for the certification of independent smallholders. Further information can be found on the ISCC website.

conformities the ISCC requirements as stated in the ISCC PLUS System Documents apply.

| Characteristic of Set-up | 1. Independent Legal Entity and Management | 2. Centrally Managed Leased Land |
|---|--|--|
| Legal status | Independent legal equity (e.g. farm/plantation/smallholder) | Landowners leasing land to a company |
| Management of land²⁷ | Independent management | Land centrally managed by company |
| Centralised support in farming (by CO and FGP) | No centralised support | Everything done centrally |
| Implications for certification | | |
| Entity considered the farm/plantation | The independent legal entity (e.g. farm/plantation/smallholder) | The management company |
| Type of certification | <ul style="list-style-type: none"> • Individual farm certificate or • Part of CO/FGP | <ul style="list-style-type: none"> • Individual farm certificate or • Part of CO/FGP |
| Self-declaration/self-assessment form | Signed by farmer (independent legal entity) | Signed by management company |

Table 2: Identification of farm/plantation and implications

A 2 Identification of Farm or Plantation and Implications

Legal status and management are the core indicators for the identification of an agricultural production entity as a farm. The following categories shall form the basis for the identification of a farm or plantation:

Different categories

1 Independent smallholders

An independent smallholder responsible for their own management and without management support from any larger company is considered an independent legal entity with independent management. These independent smallholders need to sign the ISCC self-declaration for farms and plantations. The collecting point collecting the Fresh Fruit Bunches (FFBs) from an independent smallholder is considered the first gathering point under ISCC. If the independent smallholder delivers the FFBs directly to a collecting point or to the oil mill, these are considered to be the first gathering point.

Smallholder signs self-declaration

2 Independent legal entity and independent management

If the entity, with all its owned and leased land that is subject to categorisation, is an independent legal entity with its own independent management, identification is straightforward. The entity shall be

Farm management signs self-declaration

²⁷ With respect to management of land, subcategories are possible.

identified as a single farm or plantation, no matter the size of the entity (this also applies to the independent smallholders mentioned above). The farm management has to sign the ISCC self-declaration for farms and plantations. The farm could be individually certified or certified as a part of a group organised by a central office or a first gathering point.

3 Centrally managed leased land

Landowners leasing land to a company that is in charge of the management of the land are not considered to be a farm or plantation. These landowners own the land, but the management of the land is not in their hands. The land is mostly leased and centrally managed by a company that unites many smallholders. In this case, this company could be individually certified as a farm or plantation or certified as part of a group organised by a central office or a first gathering point. The managing company, but not any of the individual smallholders, would sign one self-declaration for the entire land.

Managing company signs self-declaration

4 Partially centralised management

Cases two and three described above can also occur in subcategories with respect to the indicator of management.

Subcategories

In case two (independent legal entity and independent management), parts of the management could be centrally organised (e.g. storage of plant protection products). In this case, the respective entity would still be regarded as a farm/plantation. However, the areas that are managed centrally would also need to be audited centrally.

Centralised audit

In case three (centrally managed leased land) it could be the case that one company has leased land from different landowners but that the land is still partly managed by the landowners. In this case all land leased by the company could be considered to be one farm or plantation. However, these areas with decentralised management would also need to be audited as decentralised. If there were non-compliances detected in the areas with decentralised management, the entire farm or plantation (including all leased land) would be excluded.

Decentralised audit

Annex II: Tolling Agreements under ISCC PLUS

| Tolling Agreement for Processing Units – Overview of Requirements and Responsibilities | | | |
|---|---|--|--|
| | Option 1 | Option 2 | Option 3 |
| Certificate issuance | <ul style="list-style-type: none"> • Two certificates <ul style="list-style-type: none"> ○ Certificate of the feedstock owner includes their own legal name and address of audit ○ Certificate of the PU includes their own legal name and address, as common practice in ISCC ○ Feedstock owner must be certified as: TR, TRS or PU | <ul style="list-style-type: none"> • Two certificates <ul style="list-style-type: none"> ○ Certificate of the feedstock owner includes their own legal name and address ○ Certificate of the PU includes legal name and address of the feedstock owner, selection of “operating under a tolling agreement” field, and address of the PU in the “address of the audit” field ○ Feedstock owner must be certified as: TR, TRS or PU | <ul style="list-style-type: none"> • One certificate <ul style="list-style-type: none"> ○ Certificate includes information of both sites: <ul style="list-style-type: none"> - Issued on the feedstock owners’ name and address - includes the selection of “operating under a tolling agreement” field, and address of the PU in the “address of the audit” field - Includes both TR and PU scopes • Feedstock owner must comply with the other specific requirements for this option |
| Sustainability declaration issuance | <ul style="list-style-type: none"> • Processing Unit receives SDs from the feedstock owner • Processing Unit issues SDs for processed material to feedstock owner • Feedstock owner issues SD to the downstream supply chain | <ul style="list-style-type: none"> • PU receives SD from the feedstock owner • After processing the material, feedstock owner issues SD to the downstream supply chain • SD shall reflect the certificate details of the entity issuing it (feedstock owner’s certificate or Processing Unit’s certificate) | <ul style="list-style-type: none"> • Feedstock owner issues SD to the downstream supply chain |
| Quantity bookkeeping of the Processing Unit site | <ul style="list-style-type: none"> • Kept by the Processing Unit | <ul style="list-style-type: none"> • Kept by the feedstock owner | <ul style="list-style-type: none"> • Kept by the feedstock owner |

| Tolling Agreement for Final Product Refinement – Overview of Requirements and Responsibilities | | |
|---|---|---|
| | Option 1 | Option 2 |
| Certificate issuance | <ul style="list-style-type: none"> • Two certificates <ul style="list-style-type: none"> ○ Certificate of the product owner includes their own legal name and address of audit ○ Certificate of the FPR under Tolling agreement includes their own legal name and address ○ Product owner's certificate shall include the scope of 'FPR' | <ul style="list-style-type: none"> • Two certificates <ul style="list-style-type: none"> ○ Certificate of the product owner includes their own legal name and address ○ Certificate of the FPR under tolling agreement includes legal name and address of the product owner, selection of "operating under a tolling agreement" field, and address of the FPR in the "address of the audit" field ○ Product owner's certificate shall include the scope of 'FPR' |
| Sustainability declaration issuance | <ul style="list-style-type: none"> • FPR receives SDs from the product owner • FPR issues SDs for certified product (after FPR activity) to product owner • Product owner issues SD to the downstream supply chain | <ul style="list-style-type: none"> • FPR receives SD from product owner • After the FPR activity, product owner issues SD to the downstream supply chain • SD shall reflect the certificate details of the entity issuing it (product owner's certificate or FPR's certificate) |
| Quantity bookkeeping of the FPR site | <ul style="list-style-type: none"> • Kept by the FPR under tolling agreement | <ul style="list-style-type: none"> • Kept by the certified product owner |

| Blending Agreement – Overview of Requirements and Responsibilities | |
|---|---|
| Certificate issuance | <ul style="list-style-type: none"> • Two certificates <ul style="list-style-type: none"> ○ Certificate of the Blender (Trader with Storage) includes their own legal name and address of audit ○ Certificate of the Certified fuel owner includes their own legal name and address, as common practice in ISCC ○ Certified fuel owner shall be certified as: TR or TRS |
| Sustainability declaration issuance | <ul style="list-style-type: none"> • Blender receives SDs from the Certified fuel owner • Blender issues SDs for blended fuel to Certified fuel owner • Certified fuel owner issues SD to the downstream supply chain |
| Quantity bookkeeping of the Trader with Storage (blender) site | <ul style="list-style-type: none"> • Kept by the Trader with Storage (blender) |