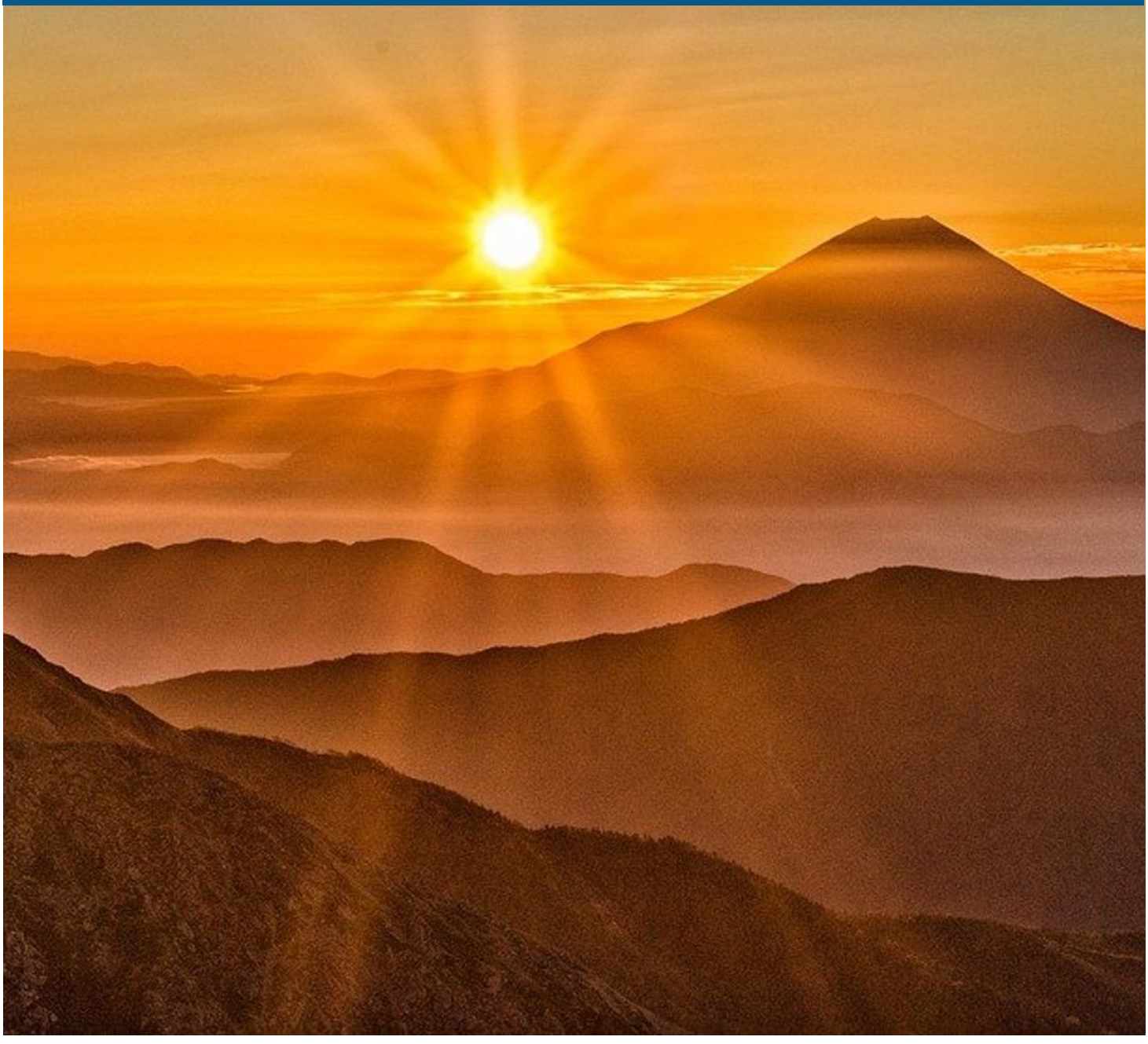
# ISCC JAPAN FIT SYSTEM DOCUMENT

Version 2.0



Document Title: ISCC JAPAN FIT SYSTEM DOCUMENT

Version 2.0 (July 2023)

# Content

## Summary of Changes

The following is a summary of the main changes to the previous version of the documents covering the ISCC Japan FIT scheme, namely:

- ISCC Japan FIT System Document – Palm Kernel Shells and Palm Trunks v1.1;
- ISCC Japan FIT Principles and Criteria – Palm Kernel Shells and Palm Trunks v1.1;
- ISCC Japan FIT System Document – Sustainable Palm Oil v1.0;
- ISCC Japan FIT Principles and Criteria – Sustainable Palm Oil v1.0.

The mentioned documents have been integrated into the current single one, in order to cover the scope of the scheme through a more consistent and comprehensive overview. The revision of the document covers relevant adjustments based on the latest rules and requirements provided by Japan's Ministry for Economy, Trade and Industry (METI) regarding Japan's Feed in Tariff (FIT) system. Minor amendments, e.g. corrections of phrasings and spelling mistakes, are not listed.

| Summary of changes made in version 2.0 | Chapter |
|---|---|
| General: mentions of "sustainable palm oil" and "palm kernel shells and palm trunks" have been replaced in this document by "eligible sustainable material(s)". | |
| General: mentions of the previous ISCC Japan FIT documents have been replaced in this document by mentions to this document "ISCC Japan FIT System Document" v2.0. | |
| General: mentions of the two previous standards "ISCC Japan FIT for PKS and Palm Trunks" and "ISCC Japan FIT for Sustainable Palm Oil" have been replaced in this document by "ISCC Japan FIT". | |
| Addition: Recognition of ISCC Japan FIT. | 1 |
| Amendment: "METI's requirements for *eligible sustainable materials* include verification against sustainability Principles and Criteria (P&Cs) for all *Farms*/Plantations*, Points of Origin,* First Gathering Points/Central Offices, *Collecting Points/Central Offices, Processing Units* and the downstream supply chain as well as the use of Identity Preserved or Segregation models for chain of custody.*"*<br><br>Deleted: "*METI has not yet put in place requirements for Greenhouse Gas (GHG) reduction threshold value*". | 1 |
| The content of the paragraph *Principles and Criteria for the supply chain* is moved to Chapter 3.2.<br>Addition: "*The certification requirements and methodology for the verification of each scope against the ISCC Principles and Criteria for the different supply chain elements are described in further detail in chapter 3.2.*" | 1 |
| Amendment: GHG calculations: "*The certification requirements and methodology for the verification of each scope against the ISCC Principles and Criteria for the different supply chain elements are described in further detail in chapter 3.2.*<br>For Greenhouse Gas calculations, the ISCC Japan FIT standard requires the calculation of GHG emissions along the supply chain so that each batch of ISCC Japan FIT certified material has a GHG intensity associated with it. *METI has recently defined the Greenhouse Gas (GHG) reduction criteria for the Japan FIT scheme, including a baseline for biomass power plants and a timeline and transition period for the application of such GHG reduction requirements. This is described in further detail in chapter 3.3.1".* | 1 |

| Summary of changes made in version 2.0 | Chapter |
|---|---|
| Deleted: "*However, as the scope of the ISCC Japan FIT standard for sustainable palm oil currently does not cover the generation of electricity, ISCC does not require a specific GHG reduction value for the certified sustainable palm oil. Should Japan's regulations require the certification of electricity production, ISCC will define a baseline and include targets based on the requirements set by METI*". | |
| Deleted: "*This version of the standard becomes valid after official approval by the Ministry for Economy, Trade and Industry Japan (METI)*". | 2 |
| Addition: "In addition to this document "ISCC Japan FIT System Document" *and to the list of materials eligible under ISCC Japan FIT,* (…)". | 2 |
| Amendment: "***Farm*/Plantation.** *Farms or* plantations are operators where crops are cultivated sustainably or where agricultural crop residues from sustainable cultivation occur".<br><br>The scope Plantation now includes Farm/Plantation. | 2 |
| The scope **Point of Origin** is added. | 2 |
| The scope **Collecting Point and Central Office for Points of Origin** is added. | 2 |
| Amendment: "The *present document* ***ISCC Japan FIT System Document*** shall apply to any *Farms*/Plantation, *Point of Origin,* First Gathering Point/Central Office, *Collecting Point/Central Office,* Processing Unit, Trader/Storage Facility along the supply chain." | 3.1 |
| - Addition: "> *The document* ***List of Eligible Materials for ISCC Japan FIT*** *shall apply to all participants in the certification system, i.e. companies along the supply chain using the ISCC System (System Users) and Certification Bodies cooperating with ISCC. This list is based on the positive list published by METI, to which System Users and Certification Bodies should always ultimately refer.*[1]<br>> *The templates* ***ISCC Japan FIT non-conformity list for agricultural crops/crop residues*** *and the* ***ISCC Japan FIT Self-declaration for Farms/Plantations*** *and the* ***ISCC Japan FIT Self-declaration for Points of Origin*** *shall apply to all participants in the certification system, i.e. companies along the supply chain using the ISCC System (System Users).*<br>> *The templates* ***ISCC Japan FIT Audit Procedure for Chain of Custody*** *and* ***ISCC Japan FIT Audit Procedures for Principles and Criteria*** *shall apply to all participants in the certification system, i.e. companies along the supply chain using the ISCC System (System Users).*"<br><br>Addition: Footnote: "*The list is included in the mentioned document "METI's Guideline for developing business plans (biomass power generation)" (see footnote 1)"* | 3.1 |
| Addition: "*The document 202-5 – Waste and Residues shall apply to all supply chain elements which are involved in the production, collection or processing of waste and residues*." | 3.1 |
| Addition: Principles and Criteria for the Supply Chain. | 3.2 |
| Amendment: "Relevant supply chain elements under this standard are *farms*/plantations, *points of origin,* first gathering points (or central offices), *collecting points (or central offices)*, processing units, as well as traders and storage facilities". | 3.2 |
| Amendment: "*Farms and plantations* that cultivate sustainable *biomass or from where agricultural crop residues occur* must comply with the ISCC Principles 1-6 for agricultural biomass." | 3.2.1 |
| Amendment: "First gathering points have a contractual relationship with the supplying *farm or plantation* for the delivery of *sustainable crops or agricultural crop residues* (e.g., in the context of palm, palm oil mills often act as First Gathering Points)."<br>"*sustainable palm*" is replaced by "*sustainable biomass*".<br>"*ISCC Principle and Criteria for Sustainable Palm Oil*" is replaced by "*chapters 4 and 5 of this document*". | 3.2.2 |

| Summary of changes made in version 2.0 | Chapter |
|---|---|
| Addition: Point of Origin for Waste and Residues. | 3.2.3 |
| Addition: Collecting Point for Waste and Residues. | 3.2.4 |
| Amendment: "*ISCC Principle and Criteria for Sustainable Palm Oil*" is replaced by "*chapters 4 and 5 of this document*". | 3.2.5 |
| The chapter on GHG emissions has been revised to include METI's new requirements on GHG methodology. | 3.3.1 |
| The former Chapter 4 "*ISCC Requirements for Agricultural Biomass*" from the previous ISCC Japan FIT documents on Principles and Criteria has been integrated in this document as Chapter 4 "*Sustainability Principles for Plantations*". | 4 |
| Chapter 5 "*ISCC Japan FIT Principles and Criteria*" has been integrated in this document from the previous ISCC Japan FIT documents on Principles and Criteria. | 5 |

# 1 Introduction

*Solution provider for sustainable supply chains*

ISCC – International Sustainability and Carbon Certification (ISCC) is a global certification system that offers solutions for the sustainability certification of any kind of materials. Independent third-party certification ensures compliance with high ecological and social sustainability requirements, greenhouse gas emissions savings and traceability throughout the supply chain.

This document specifies ISCC requirements for System Users producing, procuring and importing the eligible sustainable materials into Japan under Japan's Feed-in-Tariff (FIT) system.

*Japan FIT System*

The Japanese FIT sets out a system of incentives for the production of renewable electricity in Japan which includes subsidies for the procurement of eligible sustainable materials.

Japan's Ministry for Economy, Trade and Industry (METI) has published specific requirements for the certification of eligible sustainable materials under the FIT system. The ISCC Japan FIT standard incorporates these requirements so that products certified under this standard will be eligible under Japan's FIT system.

*Recognition of ISCC Japan FIT*

In April 2022, the ISCC Japan FIT scheme was recognized by METI for the certification of palm kernel shells and palm trunks. In March 2023, METI also recognized the ISCC Japan FIT scheme for the certification of sustainable palm oil. With this document, the two scopes (ISCC Japan FIT – PKS and Palm Trunk and ISCC Japan FIT – Sustainable Palm Oil) are merged in order to cover additional eligible material as recognized by METI. Besides sustainable palm oil, palm kernel shells and palm trunks the list includes materials such as almond shell, cashew nutshell, corn straw pellet, empty palm fruit bunches, etc. The latest version of the list is available on the ISCC website.

For certification under the ISCC Japan FIT scheme, this document ("ISCC Japan FIT System Document") applies. The materials eligible under the ISCC Japan FIT certification are biomass derived from agricultural products which are stipulated in the "METI's Guideline for developing business plans (biomass power generation)".[1]

*METI Requirements*

METI's requirements for eligible sustainable materials include verification against sustainability Principles and Criteria (P&Cs) for all Farms/Plantations, Points of Origin, First Gathering Points/Central Offices, Collecting Points/Central Offices, Processing Units and the downstream supply chain as well as the use of Identity Preserved or Segregation models for chain of custody.

[1] *The document is accessible from the section of the ISCC website dedicated to the ISCC Japan FIT scheme (https://www.iscc-system.org/certification/iscc-certification-schemes/iscc-japan-fit/)*

*Requirements for the Supply Chain*

The certification requirements and methodology for the verification of each scope against the ISCC Principles and Criteria for the different supply chain elements are described in further detail in chapter 3.2.

*GHG calculations*

For Greenhouse Gas calculations, the ISCC Japan FIT standard requires the calculation of GHG emissions along the supply chain so that each batch of ISCC Japan FIT certified material has a GHG intensity associated with it. METI has recently defined the Greenhouse Gas (GHG) reduction criteria for the Japan FIT scheme, including a baseline for biomass power plants and a timeline and transition period for the application of such GHG reduction requirements. This is described in further detail in chapter 3.3.1.

# 2 Scope and Definitions

*Sustainable material eligible under Japan's Feed-In-Tariff*

This standard defines requirements for economic operators along the supply chain to deliver eligible sustainable material for power production considered as eligible under Japan's FIT legislation. Therefore, this standard is globally applicable for economic operators producing, processing, storing and trading eligible sustainable material destined for use for power generation in Japan.

*Status and use of the standard*

Whenever any contradiction or inconsistency exists between this version and previous versions of this standard, the latest version shall prevail. All aspects of this standard are considered to be normative, including the scope, standard effective date, references, terms and definitions, tables and annexes, unless otherwise stated.

Users implementing this standard shall ensure that the scope of this standard is met. Users shall implement all of the requirements specified in this standard, and any and all additional measures necessary to achieve the scope of this standard.

In addition to this document "ISCC Japan FIT System Document" and to the list of materials eligible under ISCC Japan FIT, the ISCC documents as referenced in this document are applicable. In the event of any inconsistency between this ISCC Standard and other ISCC Standards, the ISCC Japan FIT Standard shall prevail.

*Terms and definitions*

The following terms are particularly important for this standard:

**System User**
Any natural or legal person that concluded a contract with ISCC regarding the use of an ISCC certification system for the purpose of obtaining a certificate. A System User has to comply with the respective requirements laid out in this document in order to receive an ISCC certificate under the ISCC Japan Fit Standard.

**Farm/Plantation**
Farms or plantations are operators where crops are cultivated sustainably or where agricultural crop residues from sustainable cultivation occur. They are defined as distinct legal entities with control regarding the compliance with

ISCC requirements[2]. Farms or plantations are usually covered under the certification of the First Gathering Point/Central Office as part of a group of farms or plantations. In this case they provide a signed self-declaration to the First Gathering Point/Central Office. Individual certification of farms or plantations is also possible.

**Point of Origin**

Points of Origin are operations where the waste and residues occur or is generated. Points of origin provide a signed self-declaration to the certified collecting point. Points of origin may obtain individual or group certification on a voluntary basis.

**First Gathering Point and Central Office for farms/plantations**

First Gathering Points are economic operators that buy and receive the sustainable raw material directly from the farms/plantations for processing or further distribution or processing. For example, in the context of palm, palm oil mills often act as First Gathering Points for the plantations producing sustainable palm oil. First Gathering Points must be certified individually. A Central Office is the representative body of at least one group of homogeneous farms/plantations that are certified as an independent group of agricultural producers. A group of farms/plantations is regarded as homogeneous if they are, for example, located in geographic proximity, and are similar in their size, cultivated crops and production processes. Central Offices must be certified individually.

**Collecting Point and Central Office for Points of Origin**

Economic operators that collect or receive waste and residues directly from the points of origin in order to distribute or further process the waste and residues. Collecting Points must be certified individually. A Central Office is the representative body of at least one group of points of origins that are certified as a group of independent suppliers. Central Offices must be certified individually.

**Processing Units**

Processing units are facilities that convert input materials by changing their physical and/or chemical properties. Processing units can be oil mills, refineries, biodiesel plants, ethanol plants, power plants and others. Processing units must be certified individually.

**Trader**

Traders are economic operators that trade sustainable materials (i.e. raw materials, intermediate products or final products). Traders who do not receive sustainable material physically but only on “paper” basis are referred to as Paper Trader. All traders must be certified individually.

**Storage Facilities**

Storage facilities include warehouses, silos, tanks etc.

[2] *See ISCC EU System Document 203 “*Traceability and Chain of Custody*” for further information on the identification of plantations*

A logistics center is an economic operator that operates and manages a group of storage facilities under a single legal entity at different geographical sites but with a corporate management system. A storage facility can be the owner of the sustainable material or store or transfer the sustainable material on behalf of the owner. All storage facilities used for storing sustainable material must be covered by certification (group certification approach can be applied).

# 3 Requirements

## 3.1 General Requirements

*Relevant ISCC standards and procedures*

The following ISCC standards and procedures[3] shall apply in addition to this document:

> The present document **ISCC Japan FIT System Document** shall apply to any Farms/Plantation, Point of Origin, First Gathering Point/Central Office, Collecting Point/Central Office, Processing Unit, Trader/Storage Facility along the supply chain. The **ISCC Terms of Use** shall apply to any System User along the supply chain with legal ownership of ISCC certified material.

> The document **List of Eligible Materials for ISCC Japan FIT** shall apply to all participants in the certification system, i.e. companies along the supply chain using the ISCC System (System Users) and Certification Bodies cooperating with ISCC. This list is based on the positive list published by METI, to which System Users and Certification Bodies should always ultimately refer. The currently approved feedstocks are palm oil, PKS, palm trunk, EFB, coconut shell, cashew nutshell, walnut shell, almond shell, pistachio shell, sunflower seed shells, corn straw pellet, bengkuang seeds, sugar cane stems & leaves, peanut shell, and cashew nut shell liquid.[4]

> The templates **ISCC Japan FIT non-conformity list for agricultural crops/crop residues** and the **ISCC Japan FIT Self-declaration for Farms/Plantations** and the **ISCC Japan FIT Self-declaration for Points of Origin** shall apply to all participants in the certification system, i.e. companies along the supply chain using the ISCC System (System Users).

> The templates **ISCC Japan FIT Audit Procedure for Chain of Custody** and **ISCC Japan FIT Audit Procedures for Principles and Criteria** shall apply to all participants in the certification system, i.e. companies along the supply chain using the ISCC System (System Users).

[3] *All documents listed are publicly available on the ISCC website (www.iscc-system.org) in their currently valid version*

[4] *The list of eligible biomass is included in the mentioned document "*METI's Guideline for developing business plans (biomass power generation)*" (see footnote 1). In case of future additions of biomass by METI, the updates will be communicated on the ISCC website*

- The document **ISCC EU 102 – Governance** shall apply to ISCC as an organisation, to cooperating CBs, to ISCC System Users, and to other stakeholders of ISCC.
- The document **ISCC EU 103 – Requirements for Certification Bodies and Auditors** shall apply to Certification Bodies (CBs) to become recognised by the ISCC System and to the auditors conducting ISCC audits.
- The document **ISCC EU 201 – System Basics** shall apply to all participants in the certification system, i.e. companies along the supply chain using the ISCC System (System Users) and Certification Bodies cooperating with ISCC.
- The documents **ISCC EU 202-1 Agricultural Biomass: ISCC Principle 1** and **ISCC EU 202-2 Agricultural Biomass: ISCC Principles 2-6** shall apply to all farms and plantations.
- The document **202-5 – Waste and Residues** shall apply to all supply chain elements which are involved in the production, collection or processing of waste and residues.
- The document **ISCC EU 203 – Traceability and Chain of Custody** shall apply to all participants in the certification system, i.e. companies along the supply chain using the ISCC System (System Users) and Certification Bodies cooperating with ISCC.
- The document **ISCC EU 204 – Risk Management** shall apply to all participants in the certification system, i.e. companies along the supply chain using the ISCC System (System Users) and Certification Bodies cooperating with ISCC.
- The document **ISCC EU 205 – Greenhouse Gas Emissions** shall apply to all participants in the certification system, i.e. companies along the supply chain using the ISCC System (System Users) and Certification Bodies cooperating with ISCC.
- The document **ISCC EU 208 – Logos and Claims** shall apply to all participants in the certification system, i.e. companies along the supply chain using the ISCC System (System Users) and Certification Bodies cooperating with ISCC.

## 3.2 Certification Requirements for Supply Chain Elements

This section highlights important audit and certification requirements for supply chain elements relevant under the standard ISCC Japan FIT. The audit and certification requirements for the different supply chain elements as laid down in detail in ISCC EU 203 “Traceability and Chain of Custody” apply.

*Principles and Criteria for the supply chain*

The ISCC Japan FIT standard requires for all scopes to be verified/audited internally (i.e. by the First Gathering Point/Central Office or by the Collecting Point) against the ISCC Japan FIT Principles and Criteria (see chapters 4 and

5 of this document). Independent third-party certification ensures compliance with the strict requirements regarding ecological and social practices, greenhouse gas emissions savings and the traceability of materials through the supply chain. In case of agricultural biomass, the external auditor, through independent third-party verification, will audit a sample of the farms/plantations against the six ISCC Principles for agricultural biomass in the framework of the certification of the First Gathering Point/Central Office. In case of waste and residue material, the external auditor, through independent third-party verification, will audit a sample of the Points of Origin (the sampling methodology described in chapter 3.2.2 applies). For both options, collecting points, processing units (e.g., oil mills) and further downstream entities in the supply chain, such as further processing units, traders and storage facilities, must be covered by individual third-party certification against the ISCC Japan FIT Principles and Criteria as laid out in chapters 4 and 5 of this document, and supply chain certification as laid out in this document. It must be ensured that only Identity Preserved (IP) or Segregation is applied as chain of custody model. The requirements for chain of custody for IP and Segregation as well as for traceability documentation as laid out in document ISCC EU 203 "Traceability and Chain of Custody" apply.

*Relevant supply chain elements*

Relevant supply chain elements under this standard are farms/plantations, points of origin, first gathering points (or central offices), collecting points (or central offices), processing units, as well as traders and storage facilities. The transport of sustainable material between the different elements of the supply chain is not subject to individual certification. All relevant information regarding transport (e.g. delivery documents, means of transport, transport distance, respective greenhouse gas emissions) is covered by the certification of the above-mentioned elements of the supply chain. Under ISCC all elements of the supply chain that cannot be covered under a group certification must obtain a certificate in order to handle sustainable materials. With this approach supply chains can be set-up flexibly and adjusted if required. ISCC certificates are site specific, i.e. a certificate can only be issued for one geographical site. ISCC certificates can cover more than one scope (i.e. the type of certified operation).

### 3.2.1 Farms/Plantations

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

> Individual certification as Farm/Plantation

> As part of a group of plantations organised under a Central Office

> As part of a group plantations delivering to a First Gathering Point

*Self-declarations*

If farms/plantations are participating in a group certification they have to conduct self-assessment and provide a signed self-declaration to the First Gathering Point or Central Office.

Farms and plantations that cultivate sustainable biomass or from where agricultural crop residues occur must comply with the ISCC Principles 1-6 for

agricultural biomass. The six principles cover ecological, social and economic criteria as well as criteria on land-use and land-use change.

*No "cherry picking"*

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

### 3.2.2 First Gathering Point and Central Office for Farms/Plantations

*Group certification*

First gathering points have a contractual relationship with the supplying farm or plantation for the delivery of sustainable crops or agricultural crop residues (e.g., in the context of palm, palm oil mills often act as First Gathering Points). A Central Office is the representative body of at least one group of homogeneous farms or plantations that are certified as an independent group of agricultural producers. The Central Office does not receive ownership of the sustainable materials. First Gathering Points and Central Offices are the heads of the groups for the farm or plantation supplying sustainable biomass, i.e. they are responsible for the management of their respective groups of farms or plantations.[5] In this role, the First Gathering Points and Central Offices must receive a signed self-declaration/self-assessment from each farm or plantation before the first delivery of the sustainable biomass. They must also conduct annual internal audits at their supplying farms or plantations. For the certification of First Gathering Points and Central Offices a sample of the supplying farms or plantations is subject to an audit. 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*

*Minimum sample size*

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

First Gathering Points and Central Offices must be certified individually. The audit covers the specific sustainability requirements regarding environmental,

[5] *For further information on group certification requirements see ISCC EU 203 "*Traceability and Chain of Custody*"*

social/labour and governance requirements laid down in chapters 4 and 5 of this document. Furthermore, the relevant requirements of their management system, traceability, chain of custody and greenhouse gas emissions according to ISCC EU 203 apply.

### 3.2.3 Point of Origin for Waste and Residues

*Certification options*

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

> Individual certification

> As part of a group organised under a central office

> As supplier to a collecting point

*Assessment of waste/residues*

Points of origin delivering sustainable 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.

*Self-declarations*

Points of origin covered under the certificate of a Collecting Point or Central Office have to sign a self-declaration either to the collecting point or central office respectively. 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 on-site access for auditors to verify compliance with the ISCC requirements if required.

*Sample audits of points of origin*

Points of origin generating more than 10 metric tons of a waste or residue material per month (or more than 120 metric tons per year) are considered to have a higher risk of fraud due to the higher amount of material generated. 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 3.2.2 for details on the calculation of the sample size).

*Audit requirements*

The audit covers the specific sustainability requirements regarding environmental, social/labour and governance requirements laid down in chapters 4 and 5. Furthermore, the relevant requirements of their management system, traceability and chain of custody according to ISCC EU 203 apply.

### 3.2.4 Collecting Point for Waste and Residues

*Self-declarations must be available*

Collecting Points collecting waste and residues as sustainable from (not individually certified) points of origin must receive a signed self-declaration from these points of origin. Only when a self-declaration has been signed by

the point of origin can the collected material be considered sustainable. Material which has been collected from points of origin which are not certified individually and have not signed a self-declaration must be considered as non-sustainable. The self-declaration must be issued to the certified collecting point and must be available during the audit.

*Audit of sample of points of origin*

A sample of (not individually certified) 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. See chapter 3.2.2 for information on how the sample size is calculated and determined.

*Audit requirements*

The audit covers the specific sustainability requirements regarding environmental, social/labour and governance requirements laid down in chapters 4 and 5. Furthermore, the relevant requirements of their management system, traceability, chain of custody and greenhouse gas emissions according to ISCC EU 203 apply.

### 3.2.5 Processing Unit

*Audit requirements*

Processing units, such as oil mills, refineries or biodiesel plants must be certified individually. Group certification or sampling is not allowed for processing units. The audit covers the specific sustainability requirements regarding environmental, social/labour and governance requirements laid down in chapters 4 and 5 of this document. Furthermore, the relevant requirements of their management system, traceability, chain of custody and greenhouse gas emissions according to ISCC EU 203 apply.

### 3.2.6 Traders and Storage Facilities

*Certification options*

All traders and storage facilities trading and/or storing sustainable materials must be covered by certification. If a storage facility owns and trades the sustainable material it has to be additionally certified as trader.

Storage facilities have three options to be covered under ISCC certification:

> 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/central office, collecting point/central office, processing unit, trader with storage)

*Sample audits*

For the certification of a logistic center a sample of all storage facilities used for sustainable material is audited. The same applies to the certification of storage facilities in the framework of the certification of a third party. Here, a sample of all storage locations that are not individually certified as warehouse or as part of a logistic center are subject to an audit. To calculate the sample size the approach described above in chapter 3.2.2 applies.

*Audit requirements*

The audit covers the specific sustainability requirements regarding environmental, social/labour and governance requirements laid down in chapters 4 and 5 of this document. Furthermore, the relevant requirements of their management system, traceability and chain of custody according to ISCC EU 203 apply.

## 3.3 Additional Criteria for Japan FIT Eligible Material

### 3.3.1 Greenhouse Gas Emissions

*ISCC Japan FIT GHG methodology*

For Greenhouse Gas calculations, the ISCC Japan FIT standard requires the calculation of GHG emissions along the supply chain so that each batch of ISCC Japan FIT certified material has a GHG intensity associated with it. For such GHG calculations, the method as described in the ISCC system document 205 must be applied with the following amendments:

- The fossil reference value for the calculation of the emissions savings for the provision of electricity shall be 180 $gCO_2eq$ / MJ electricity.
- The minimum emission saving targets are dependent on the FIT approval date[6] of the installation (i.e. power plant). Installations that received FIT approval prior to the financial year (FY)[7] 2022 may report emissions savings on a voluntary basis. Installations receiving FIT approval from FY 2022 – FY 2029 must reach a minimum reduction of 50% until FY 2029. Thereafter, they must reach a minimum reduction of 70% versus the fossil reference value. Installations receiving FIT approval from FY 2030 onwards must reach a minimum reduction of 70% from the start.
- In addition to the emission factor options provided in the ISCC EU 205 document, the ones provided by the Japanese Ministry of Environment may also be used.[8]
- The use of default values is an option under ISCC Japan FIT. In this case, the default values provided by METI must be used. The default values that are referred to in ISCC document ISCC EU 205 (i.e., the default values stated in the Renewable Energy Directive) cannot be applied under ISCC Japan FIT. Alternatively to the use of default values, System Users can calculate their actual emissions using the calculation methodology developed by METI.[9]
- The Global Warming Potentials (GWP's) shall be $CH_4$:25 and $N_2O$:298.

[6] *An economic operator is approved under FIT when their project is approved by METI as eligible under the Japan FIT system. The approval process must take place before starting equipment procurement and construction*

[7] *The financial year in Japan starts on 1 April until 31 March of the next year*

[8] *The values provided by the Japanese Ministry of Environment can be consulted in the section of the ISCC website dedicated to the ISCC Japan FIT scheme (https://www.iscc-system.org/certification/iscc-certification-schemes/iscc-japan-fit/)*

[9] *The methodology for calculating actual emissions is available in the official document from METI: https://www.enecho.meti.go.jp/category/saving_and_new/saiene/kaitori/dl/fit_2017/legal/lifecycleGHG.pdf*

The System User shall calculate and minimize the GHG emissions along the supply chain related to the cultivation or collection, transport and processing of the sustainable material from the first element in the supply chain to the point of delivery (see also chapter 5.2.19 of this document).

*Grace period*

METI has set up a "grace period" from 1 April 2022 to 31 March 2026 for economic operators to adapt to GHG reduction criteria for Japan FIT:

- Power plants approved under FIT before 31 March 2022 do not have to meet lifecycle GHG reduction requirements applicable under the FIT system
- Power plants approved under FIT after 1 April 2022 have to meet lifecycle GHG reduction requirements either by the start of operations[10] onwards or by 31 March 2026, whichever comes earlier
- All power plants approved under FIT after 1 April 2026 have to meet the lifecycle GHG reduction requirements.

During the grace period, the annex to the certificate issued to the power plant will specifically state whether or not the economic operator has met the GHG reduction requirements under Japan FIT. During the grace period, a System User can therefore obtain a certificate stating compliance with the ISCC Japan FIT requirements excluding GHG reduction criteria, and later extend the compliance in order to include the GHG criteria as well. This extension must be reflected by the CB in the annex to the same certificate, with no consequences on the period of validity of that certificate.

### 3.3.2 Requirements Related to Chain of Custody

*Identity preserved or segregation*

The System User shall ensure that the Chain of Custody model for Identity Preserved (IP) and/or Segregation is used. The requirements for chain of custody for IP and Segregation as well as for traceability documentation as laid out in document ISCC EU 203 "Traceability and Chain of Custody" apply.

## 4 Sustainability Principles for Plantations

Farms and plantations that produce eligible sustainable material must comply with the sustainability requirements as stated in ISCC EU 202-1 "Agricultural Biomass ISCC Principle 1" and ISCC EU 202-2 "Agricultural Biomass ISCC Principles 2-6". The six ISCC Principles cover the following topics:

**Principle 1: Protection of land with high biodiversity value or high carbon stock**

[10] *"Start of operations" means the date when the power plant starts supplying generated power. Since only newly built power plants can apply under Japan FIT, changing feedstock in existing power plants or expansion of existing power plants is not possible*

ISCC Principle 1 specifies requirements on land-use change, i.e. areas which are excluded from any kind of biomass production and areas which can only be used for biomass production under specific conditions. The cut-off date for land use change is 1st January 2008. This means that any plantation where conversion of land with high carbon stock or high biodiversity value took place in or after January 2008 is excluded from ISCC certification. Areas that are protected from land-use change include primary forests, highly biodiverse forests and other wooded land, designated nature protection areas (e.g. areas designated for the protection of rare, threatened or endangered species or ecosystems), highly biodiverse grassland (both natural and non-natural), peatland, wetland and other land with high carbon stock (e.g. continuously forested areas or forested areas with 10-30% canopy cover).

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

ISCC Principle 2 promotes the application of good agricultural practices. It includes requirements covering the conservation of natural resources and biodiversity, maintenance and improvement of soil quality and fertility and the application, handling and storage of fertilizers and plant protection products. The maintenance and improvement of water quality and quantity are covered. The plan to reduce GHG emissions and air pollutants aims to improve the efficiency of fossil energy use and increase the usage of renewable energies. It should further assess major air pollutants and implement, record and monitor the reduction of such pollutants.

**ISCC Principle 3: Safe working conditions**

ISCC Principle 3 defines safe working conditions including health, safety and hygiene policies, the training and competence of workers, the use of protective clothing and procedures in case of accidents and thereby ensures workers' health and safety.

**ISCC Principle 4: Compliance with human and labour rights and responsible community relations**

ISCC Principle 4 includes requirements related to basic human and labour rights as well as provisions for responsible community relations. Criteria cover rural and social development regarding the plantations' responsibility towards surrounding communities. Further, employment conditions are elaborated that are based on but not limited to core ILO standards (e.g. 29, 105, 138, 182, 87, 98, 110, 100 and 111) referring to no child labour and no forced labour and workers' rights of association and collective bargaining.

**ISCC Principle 5: Compliance with land rights, laws and international treaties**

ISCC Principle 5 aims to secure land rights and to ensure that all practices of a plantation are in line with applicable regional and national laws and international treaties.

**ISCC Principle 6: Good management practices and continuous improvement**

ISCC Principle 6 describes the minimum requirements of good management practices of farms and plantations and requirements to facilitate a continuous improvement process.

# 5 ISCC Japan FIT Principles and Criteria

*ISCC Japan FIT P&Cs*

The following chapter includes the Principles and Criteria (P&C) for the certification of sustainable material under ISCC Japan FIT.

The ISCC Japan FIT Principles and Criteria (P&C) cover social, ecological and economic mandatory criteria[11] for points of origin, first gathering points, collecting points, central offices, processing units, trader and storage facilities along the supply chain.

*Immediate requirements and continuous improvement*

The six ISCC Principles for agricultural biomass and the ISCC Japan FIT P&Cs comprise 'immediate requirements', 'short-term requirements, 'mid-term requirements' and 'best practice requirements'. Farms/Plantations and System Users have to comply with the 'immediate requirements' by the time of the first certification, 'short-term requirements' must be complied with after 3 years of certification, 'mid-term requirements' must be implemented after 5 years of certification. The level of implementation of each requirement is indicated below for each criterion.

## 5.1 Overview

The following table provides an overview on all P&Cs that have to be implemented by Points of Origin (PoO), First Gathering Points (FGP)/Central Offices (CO), Collecting Points (CP) /Central Offices (CO), Processing Units (PU) and Trader/Storage (TRS).

| No. | Criterion | | | | |
|---|---|---|---|---|---|
| | | PoO | FGP/CO – CP/CO | PU | TRS |
| **5.2 Environmental Protection** | | | | | |
| 5.2.1 | Environmental impact assessment for certain actions | X | X | X | |
| 5.2.2 | Avoidance of damage or deterioration of habitats | X | X | X | |
| 5.2.3 | Natural vegetation areas around springs and natural watercourses are to be maintained or re-established | X | X | X | |
| 5.2.4 | Prohibition of chemicals | X | X | X | |
| 5.2.5 | Local restrictions on the use of chemicals are followed | X | X | X | |
| 5.2.6 | Appropriate facilities for measuring and mixing chemicals | X | X | X | |
| 5.2.7 | Redundant chemicals must be disposed of via authorized or approved channels | X | X | X | |
| 5.2.8 | Surplus application mix or tank washings are disposed of in a way that does not contaminate the ground water | X | X | X | |
| 5.2.9 | Avoidance of re-usage of empty chemical containers | X | X | X | |
| 5.2.10 | Empty chemical containers are cleaned prior to disposal | X | X | X | |
| 5.2.11 | The premises must have adequate provisions for waste disposal | X | X | X | X |
| 5.2.12 | During disposal of empty chemical containers exposure to humans and the environment is avoided | X | X | X | |

[11] *The terms 'requirement' and 'criterion' are used synonymously in this document.*

| | | | | | |
|---|---|---|---|---|---|
| 5.2.13 | Chemical products are stored in accordance with local regulations in a secure, appropriate storage facility | X | X | X | |
| 5.2.14 | Liquids are not to be stored on shelves above powders | X | X | X | |
| 5.2.15 | The product inventory must be documented and readily available | X | X | X | |
| 5.2.16 | Mineral oil products are stored in a safe manner | X | X | X | |
| 5.2.17 | Respect existing water rights in the context of social and environmental sustainability | X | X | X | |
| 5.2.18 | Waste management includes reduction, reuse and recycling. It reduces wastage and avoids the use of landfills or burning | X | X | X | X |
| 5.2.19 | Reduction of pollution and emissions including GHG | X | X | X | X |
| **5.3 Safe Working Conditions** | | | | | |
| 5.3.1 | Records kept for training activities and attendees | X | X | X | X |
| 5.3.2 | Certificates of competence are available for dangerous or complex work | X | X | X | X |
| 5.3.3 | All workers received adequate health and safety training and they are instructed according to the risk assessment | X | X | X | X |
| 5.3.4 | The System User has a health, safety and hygiene policy and procedures including issues of the risk assessment | X | X | X | X |
| 5.3.5 | Work-related accidents are covered by contracts or adequate compensation is received | X | X | X | X |
| 5.3.6 | Workers are equipped with suitable protective clothing | X | X | X | X |
| 5.3.7 | Potential hazards are clearly identified by warning signs | X | X | X | X |
| 5.3.8 | Restrictions related to hazardous activities are followed | X | X | X | X |
| 5.3.9 | Accident procedures and equipment are available | X | X | X | X |
| 5.3.10 | There are facilities to deal with accidental operator contamination | X | X | X | X |
| **5.4 Compliance with Human, Labour and Land Rights** | | | | | |
| 5.4.1 | A self-declaration on good social practice regarding human rights is available | X | X | X | X |
| 5.4.2 | Negative environmental, social, economic and cultural impacts are avoided | X | X | X | |
| 5.4.3 | Provision and disclosure of information | X | X | X | X |
| 5.4.4 | Residents at the site of the System User have access to basic services | X | X | X | X |
| 6.4.5 | All children living at the site of the System User have access to quality primary school education | X | X | X | X |
| 5.4.6 | Other forms of social benefits are offered by the employer to workers and their families and/or community | X | X | X | X |
| 5.4.7 | Workers and affected communities must be able to make a complaint | X | X | X | X |
| 5.4.8 | Mediation is available in case of a social conflict | X | X | X | X |
| 5.4.9 | There is no forced labour at the site of the System User | X | X | X | X |
| 5.4.10 | There is no child labour at the site of the System User | X | X | X | X |
| 5.4.11 | There is no discrimination at the site of the System User | X | X | X | X |
| 5.4.12 | Employment conditions comply with equality principles | X | X | X | X |
| 5.4.13 | Respect and ensure gender equity | X | X | X | X |
| 5.4.14 | Regular employment is available wherever possible | X | X | X | X |
| 5.4.15 | Workers are treated with dignity and respect | X | X | X | X |
| 5.4.16 | All workers are to be provided with fair legal contracts | X | X | X | X |
| 5.4.17 | The employment conditions of individual workers comply with legal regulations and/or collective bargaining agreements | X | X | X | X |
| 5.4.18 | A living wage is paid which meets at least legal or industry minimum standards | X | X | X | X |
| 5.4.19 | An elected worker or a workers' council represents the interests of the workers | X | X | X | X |
| 5.4.20 | Labour organisations and collective bargaining are allowed for negotiating working conditions | X | X | X | X |
| 5.4.21 | There is a person responsible for workers' health, safety and good social practice | X | X | X | X |
| 5.4.22 | The management communicates openly with workers | X | X | X | X |
| 5.4.23 | Records on all workers and employees are available | X | X | X | X |
| 5.4.24 | Working times and overtime are documented | X | X | X | X |

| | | | | | |
|---|---|---|---|---|---|
| **5.5 Compliance with Laws and International Treaties** | | | | | |
| 5.5.1 | Legitimacy of land use | X | X | X | X |
| 5.5.2 | Compliance with applicable laws and treaties | X | X | X | X |
| 5.5.3 | A written anti-bribery and -corruption statement must be in place | X | X | X | X |
| 5.5.4 | Any conflict of interest with ISCC must be declared to ISCC prior to entering in a business relationship | X | X | X | X |
| **5.6 Good Management Practices and Continuous Improvement** | | | | | |
| 5.6.1 | Basic economic documentations | X | X | X | X |
| 5.6.2 | Business plan | X | X | X | |
| 5.6.3 | Good relationship with customer | X | X | X | X |
| 5.6.4 | Establishment of a recording system for each unit of production | X | X | X | |
| 5.6.5 | Commitment of continuous improvement for each unit of production | X | X | X | |
| 5.6.6 | Subcontractors must fully comply with the ISCC sustainability requirements | X | X | X | X |

## 5.2 Environmental Protection

### 5.2.1 Environmental impact assessment for certain actions

*Activities for environmental impact assessment*

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

*Direct and indirect effects on different factors*

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

(a) Human beings, fauna and flora;

(b) Soil, water, air, climate and the landscape;

(c) Material assets and the cultural heritage;

(d) Interaction between the factors referred to in points a, b and c.

**Degree of obligation:** immediate requirement

### 5.2.2 Avoidance of damage or deterioration of habitats

*Protection of species and habitats*

Evidence is provided that the production or processing of the sustainable material does not interfere with the protection of habitats and appropriate management measures are identified and implemented to avoid damage to or deterioration of habitats. Legal requirements related to the protection of species and habitats must be met, any constraints must be followed and damage to or deterioration of habitats or species prevented. Wild species or products from their natural habitat shall be gathered only when permitted by law and shall do so only in a manner that assures those species will continue

to flourish in their natural habitat along with other species that normally depend on the gathered species. Illegal or inappropriate hunting, fishing, trapping or collecting activities in these areas are controlled as far as possible and, if necessary, prohibited.

*Ecological corridors and landscape elements*

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

**Degree of obligation:** immediate requirement

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

*Riparian buffer zones*

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

**Degree of obligation:** immediate requirement

### 5.2.4 Prohibition of chemicals

*Avoidance of hazardous chemicals*

Chemicals listed in the Stockholm Convention on Persistent Organic Pollutants must not be applied on any (own and leased) land of the System User.[12] The use of chemicals listed in the WHO classes 1a and 1b lists is also not allowed under ISCC. Chemicals listed in Annex III of the Rotterdam Convention (UNEP's Prior Informed Consent (PIC) Program list) shall be avoided. Alternatives should be taken into consideration where available and a phase-out shall be considered. In case chemicals listed in WHO 1a or 1b are still in use, a phase-out plan must be in place ensuring that none of these substances will be used anymore by January 2023. In cases where there are no alternatives to a chemical substance named in WHO 1a and 1b, an external expert must be consulted to confirm this. This expert must have the professional background and expertise to analyse the situation appropriately and take a decision.

**Degree of obligation:** immediate requirement

### 5.2.5 Local restrictions on the use of chemicals are followed

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

[12] *http://chm.pops.int/Convention/ConventionText/tabid/2232/Default.aspx*

**Degree of obligation:** immediate requirement

### 5.2.6 Appropriate facilities for measuring and mixing chemicals

*Safe and efficient mixing and filling*

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

*Avoidance of spillage and contamination*

There should be facilities and procedures available to deal with spillage to avoid contamination of the ground water. The chemical storage facilities and all designated fixed filling/mixing areas should be equipped with a container of absorbent inert material such as sand, a floor brush and dustpan and plastic bags, which must be signposted and kept in a fixed location, to be used in case of spillage of a chemical product.

**Degree of obligation:** immediate requirement

### 5.2.7 Redundant chemicals must be disposed of via authorised or approved channels

*Best practices during disposal*

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

**Degree of obligation:** immediate requirement

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

*Avoidance of surface water contamination*

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

**Degree of obligation:** immediate requirement

### 5.2.9 Avoidance of re-usage of empty chemical product containers

*Re-usage of empty containers*

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

**Degree of obligation:** immediate requirement

### 5.2.10 Empty chemical containers are cleaned prior to disposal

*Rinsing of empty containers*

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

**Degree of obligation:** immediate requirement

### 5.2.11 The premises must have adequate provisions for waste disposal

*Designated waste storage areas*

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

*Risk management*

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

*Waste burning on-site*

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

> Burning hazardous waste like solvents, certain plastics or chemicals on-site is not allowed;

> PVC (polyvinyl chloride) and certain other plastics that cause harmful fumes such as dioxins are prohibited to be burned in on-site incinerators (especially in open fires or low-temperature incinerators);

> Incinerators and burning sites are in legally permitted locations and fit for purpose.

*Waste disposal on-site*

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

> Sanitary landfills on the site of the operation must be designed according to the requirements of national legislation or, where not available, governed by best practice guidelines defined by the management;

> Litter and other general waste must not be thrown into ditches, stream ways or holes that might flood;

> During disposal, burned waste must be covered with a suitable layer of soil.

**Degree of obligation:** immediate requirement

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

*Contamination risk minimised*

The system used to dispose of empty chemical containers must ensure that people cannot come into physical contact with the empty containers. The risk of contamination of the environment, watercourses, flora and fauna must be minimised. Where official collection and disposal systems exist, there must be documented records that the System User uses these systems.

**Degree of obligation:** immediate requirement

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

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

*Storage of chemicals*

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

(1) Are structurally sound and robust;

(2) Have a sealed floor;

(3) Are built of materials and/or located so as to protect against temperature extremes;

(4) Are built of materials that are fire resistant (Minimum requirement RF 30, e.g. 30 minutes resistance of fire);

(5) Have sufficient and constant ventilation of fresh air to avoid a build-up of harmful vapours;

(6) Are located in areas with sufficient illumination both by natural and by artificial lighting, to ensure that all product labels can be read easily on the shelves;

(7) Are located in a separate space isolated from any other materials.

*Original packaging*

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

**Degree of obligation:** immediate requirement

### 5.2.14 Liquids are not to be stored on shelves above powders

*Storage of liquids and powders*

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

**Degree of obligation:** immediate requirement

### 5.2.15 The product inventory must be documented and readily available

*Inventory reporting*

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

**Degree of obligation:** immediate requirement

### 5.2.16 Mineral oil products are stored in a safe manner

*Storage of mineral oil products*

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

**Degree of obligation:** immediate requirement

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

*Water availability*

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

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

**Degree of obligation:** immediate requirement

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

*Waste management practices*

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

> The prevention of waste;

> The prevention of on-site burning of certain waste materials;

> The prevention of contamination of on-site landfill disposal;

> The prevention of contamination with respect to the disposal of ash;

> The prevention of contamination from grey water runoff and disposal.

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

*Waste management measures*

Waste reduction, reuse and recycling avoids or reduces waste and avoids the use of landfills or burning. It should be documented if on-site burning or landfill disposal took place. An assessment of risks to humans (both workers and neighbouring communities) and the environment should be conducted if burning or disposal take place on the premises of the System User. Appropriate management measures could be, inter alia, the minimisation of waste materials, energy recovery or efficient burning sites/incinerators. Record keeping must be in place for the amounts of waste produced and on-site disposal (including discharge to landfill, drains, sewers, surface water, land or groundwater). If burning takes place, further records on the types of waste burned and the type of burning practice (e.g. open fire, low temperature incinerators) should be available. Records of the risk assessment as well as appropriate monitoring and management measures must be kept for at least five years. A comprehensive, current, documented plan that covers waste reduction, pollution and waste recycling must be available. Air, soil, water, noise and light contamination must be considered.

**Degree of obligation:** immediate requirement

### 5.2.19 Reduction of pollution and emissions including GHG

*Minimise GHG emissions and air pollutants*

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

The plan includes the following steps:

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

**Degree of obligation:** immediate requirement

**Implementation and monitoring of minimisation measures**

*Monitoring and documentation of GHG emissions*

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

> EU Renewable Energy Directive Methodology (see document ISCC EU 205 “Greenhouse Gas Emissions”),

> Biograce GHG calculation tool

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

**Degree of obligation:** immediate requirement

## 5.3 Safe Working Conditions

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

### Training and Competence

#### 5.3.1 Records are kept for training activities and attendees

*Competence of workers to ensure health and safety*

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

> The handling of hazardous chemicals;

> Waste management;

> The handling of protective equipment for chemicals, fuels, gas and electricity.

*Record-keeping for training*

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

**Degree of obligation:** immediate requirement

#### 5.3.2 Certificates of competence are available for dangerous or complex work

*Qualifications for dangerous works*

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

workers who carry out these tasks and show certificates of training or proof of competence.

**Degree of obligation:** immediate requirement

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

*Competence of workers*

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

**Degree of obligation:** immediate requirement

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

*Health and safety risks*

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

*Risk measures*

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

*Implementation of measures*

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

**Degree of obligation:** immediate requirement

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

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

**Degree of obligation:** immediate requirement

### 5.3.6 Workers are equipped with suitable protective clothing

*Protection of workers and reduction of accidents*

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

*Cleaning of protective clothing*

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

*Disposal of protective clothing*

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

**Degree of obligation:** immediate requirement

### 5.3.7 Potential hazards are clearly identified

*Warning signs*

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

**Degree of obligation:** immediate requirement

### 5.3.8 Restrictions related to hazardous activities are followed

*Young, disabled and pregnant workers*

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

**Degree of obligation:** immediate requirement

### 5.3.9 Accident procedures and equipment are available

*Accident procedure at storage*

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

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

**Degree of obligation:** immediate requirement

### 5.3.10 There are facilities to deal with accidental operator contamination

*Eye wash and first aid kit*

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

**Degree of obligation:** immediate requirement

## 5.4 Compliance with Human, Labour and Land Rights

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

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

*Commitment to good social practices*

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

> a commitment to the ILO core labour standards

> respect for a living wage

> respect for the social environment

> respect for legal land titles

> sufficient compensation for communities

> commitment to solving social conflicts

> commitment to reduce key economic, environmental and social impacts

**Degree of obligation:** immediate requirement

### 5.4.2 Negative environmental, social, economic and cultural impacts are avoided

*Social impact assessment*

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

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

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

**Degree of obligation:** immediate requirement

*Action plan to address impacts*

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

**Degree of obligation:** short-term requirement

### 5.4.3 Provision and disclosure of information

*Appropriate channels and languages*

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

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

**Degree of obligation:** immediate requirement

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

*Well-being of employees and families*

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

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

**Degree of obligation:** immediate requirement

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

*Education of employees and families*

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

**Degree of obligation:** immediate requirement

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

*Incentives for workers*

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

**Degree of obligation:** immediate requirement

### 5.4.7 Workers and affected communities must be able to make a complaint

*Stakeholder consultation*

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

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

**Degree of obligation:** immediate requirement

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

**Degree of obligation:** best practice requirement

### 5.4.8 Mediation is available in case of a social conflict

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

**Degree of obligation:** best practice requirement

### 5.4.9 There is no forced labour at the site of the System User

*Forced labour and retaining salary, property*

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

**Degree of obligation:** immediate requirement

### 5.4.10 There is no child labour at the site of the System User

*Child labour is prohibited*

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

**Degree of obligation:** immediate requirement

### 5.4.11 There is no discrimination at the site of the System User

*Equal employment conditions*

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

**Degree of obligation:** immediate requirement

### 5.4.12 Employment conditions comply with equality principles

*Equality of opportunities*

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

**Degree of obligation:** immediate requirement

### 5.4.13 Respect and ensure gender equity

*Equal participation*

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

**Degree of obligation:** immediate requirement

### 5.4.14 Regular employment is available wherever possible

*Employment relationships*

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

**Degree of obligation:** best practice requirement

### 5.4.15 Workers are treated with dignity and respect

*Punishment or abuse*

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

**Degree of obligation:** immediate requirement

### 5.4.16 All workers are to be provided with fair legal contracts

*Signed working contracts*

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

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

**Degree of obligation:** immediate requirement

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

*Conformity of employment conditions*

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

*Working hours*

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

*Maternity leave*

Workers who take maternity leave are entitled to return to their employment subject to the same terms and conditions employment as before. They must not be subject to any discrimination, loss of seniority or deduction of wages. For further guidance on the protection of maternity, ILO Convention 183 can be consulted.[13]

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

*Pay slips*

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

[13] *See also ILO 183, https://www.ilo.org/dyn/normlex/en/f?p=1000:12100:0::NO::P12100_ILO_CODE:C183*

**Degree of obligation:** immediate requirement

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

*Payment*

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

**Degree of obligation:** immediate requirement

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

*Represent of workers*

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

**Degree of obligation:** immediate requirement

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

**Degree of obligation:** best practice requirement

### 5.4.20 Labour organisations and collective bargaining are allowed for negotiating working conditions

*Labour organisations*

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

**Degree of obligation:** immediate requirement

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

*Competence of represent*

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

**Degree of obligation:** immediate requirement

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

**Degree of obligation:** short-term requirement

### 5.4.22 The management communicates openly with workers

*Continuous communication with workers*

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

**Degree of obligation:** best practice requirement

### 5.4.23 Records on all workers and employees are available

*Record-keeping of employees*

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

**Degree of obligation:** immediate requirement

### 5.4.24 Working times and overtime are documented

*Record-keeping of working times*

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

**Degree of obligation:** immediate requirement

## 5.5 Compliance with Laws and International Treaties

### 5.5.1 Legitimacy of land use

*Ownership of land*

The System User should be able to prove that the land is being used legitimately and that traditional and customary land rights or tenure have been secured. Documents must show legal ownership or lease, history of land

tenure and the actual legal use of the land. The System User must identify and respect existing land rights. The rights of indigenous people must be respected. Within this context, the use of the land by pastoralists, indigenous people, artisanal fishers and other comparable users is allowed, excluding any illegal hunting, illegal fishing and illegal collection of products. The process of Free Prior and Informed Consent (FPIC) is applied in case of new land acquisitions.

**Degree of obligation:** immediate requirement

### 5.5.2 Compliance with applicable laws and treaties

*Legitimacy and legal commitment*

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

(1) Nationally and internationally protected areas

(2) Environmental impact assessments

(3) The handling of chemical products

(4) Water conservation and management (relating to, for example, abstraction, use and discharge of water, protection of water bodies, water quality)

(5) Energy use and related emissions and air pollutants

(6) Reuse, recycling and disposal of hazardous and non-hazardous waste

(7) Health and safety of workers

(8) Rights of permanent and temporary workers (e.g. overtime work, paid holiday-, sick- and parental leave)

(9) Rights of local communities and indigenous groups.

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

**Degree of obligation:** immediate requirement

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

There is a prohibition on any and all forms of bribery, corruption, extortion or embezzlement. Adequate procedures are in place to prevent bribery in all commercial dealings undertaken by the System User. This must be confirmed by every System User by signing a statement not to offer or accept bribes or engage in any other form of corruption. Awareness for the topic should be raised in trainings.

**Degree of obligation:** immediate requirement

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

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

**Degree of obligation:** immediate requirement

## 5.6 Good Management Practices and Continuous Improvement

### 5.6.1 Basic economic documentation

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

*Record-keeping*

**Degree of obligation:** immediate requirement

### 5.6.2 Business plan

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

*Social well-being through economic sustainability*

**Degree of obligation:** immediate requirement

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

*Business plan*

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

**Degree of obligation:** short-term requirement

### 5.6.3 Good relationship with customers

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

*Customer relationship*

**Degree of obligation:** best practice requirement

### 5.6.4 Establishment of a recording system for each unit of production

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

*Record-keeping*

**Degree of obligation:** immediate requirement

### 5.6.5 Commitment of continuous improvement for each unit of production

*Improvement in activities*

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

**Degree of obligation:** mid-term requirement

### 5.6.6 Subcontractors must fully comply with the ISCC sustainability requirements

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

*Compliance of subcontractors*

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

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

**Degree of obligation:** immediate requirement