

ISCC EU 102

GOVERNANCE

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Summary of Changes

The following is a summary of the main changes to the previous version of the document (ISCC EU System Document 102 “Governance” v4.1). The revision of the document includes relevant adjustments based on the revised Renewable Energy Directive (RED) EU/2018/2001 also referred to here as RED III. Minor amendments, e.g. corrections of spelling mistakes, are not listed.

Summary of changes made in version 4.1	Chapter
General: All reference with regard to the RED refer to the revised Renewable Energy Directive EU/2018/2001 (also referred to here as RED III)	
General: All references to “Integrity Auditor” from the previous version of the ISCC System Document 102 (version 4.1.) have been amended to “ <i>Integrity Assessor</i> ”	
General: All references to the term “severe non-conformity” and “severe non-conformities” from the previous version of the ISCC System Document 102 (version 4.1.) have been amended to “major or critical non-conformity” and “major or critical non-conformities” respectively.	
General: All references to “verified fraud” from the previous version of the ISCC System Document 102 (version 4.1.) have been amended to “fraud (as verified in consultation with national authorities).”	
Reference to the International Standard on Assurance Engagements ISAE 3000 has been updated to ISAE 3000 (Revised)	1
Amendment/Addition: “If ISCC is required to do so <i>by the European Commission or competent authorities of EU Member States in their supervisory or monitoring function or activities</i> , certain information may be provided to the European Commission or competent authorities of EU Member States.”	6
Amendment: “If ISCC is required to do so <i>by the European Commission or competent authorities of EU Member States in their supervisory or monitoring function or activities</i> , certain information may be provided to the European Commission or competent authorities of EU Member States.”	6
Removal: “ <i>ISCC publishes a list of accepted complaints on the ISCC website. The list includes the unique reference number of the case, the economic operator concerned by the complaint, the day of receipt of the complaint, the day of receipt of the complaint, as well as the status of the case.</i> ”	9.2
Addition: “An ISCC certificate can only be issued if there are no <i>major or critical</i> non-conformities at the time of issuance and all prior existing major or critical non-conformities have been resolved or addressed accordingly. All required evidence to prove conformity or removal of prior <i>major or critical</i> non-conformity respectively must be made available to the CB at the latest 40 calendar days after the date on which the non-conformity was identified. If the <i>major or critical</i> non-conformities cannot be	10.1

Summary of changes made in version 4.1	Chapter
addressed accordingly within the defined timeframe, the certificate cannot be issued, and the audit must be marked as failed.”	
Amendment: “Missing or delayed participation <i>by third parties (for example, external warehouses and supplying PoOs as applicable) in audits as applicable</i> ”	10.2.1
Amendment: “The CB shall end the suspension <i>in accordance with ISCC System Documents</i> within or after this period if it confirms the successful implementation of the corrective measures <i>and if conformity with the ISCC requirements can be demonstrated.</i> ”	10.2.1
Addition: “ <i>Acting outside the permissible scope of certification (e.g. a System User certified as a Processing Unit but selling sustainable material under ISCC without any processing, in effect acting as a Trader)</i> ”	10.2.1
Amendment: “Accounting biomass or other materials or products as sustainable according to the ISCC System requirements, although the sustainability of the material or product cannot be traced, verified or validated (e.g. due to missing, incomplete or incorrect self-declarations, Sustainability Declarations, <i>and/or missing or invalid certificates of suppliers and/or mass balance calculations or negative mass balances</i>)”	10.2.1
Amendment: “Missing or delayed cooperation in surveillance audits ordered by the CB and/or by ISCC, <i>leading to surveillance audits not being conducted within the time required by ISCC System Documents</i> ”	10.2.1
Addition: For exceptional reasons the suspension can be extended <i>once, for up to 30 calendar days only after the consent of ISCC in order to implement remaining corrective measures.</i>	10.2.1
Addition: “ <i>ISCC is entitled to request a statement from the CB and/or the System User regarding the change of certificate status of a System User.</i> ”	10.2.2
Addition: “ <i>(Unintentional) provision of incorrect or false information in audit reports, without severe impact</i> ”	10.3
Addition: “ <i>Incorrect assessment of risk level as applicable during an audit (e.g. for an audit of a PoO handling waste and residues)</i> ”	10.3
Addition: “ <i>(Unintentional) provision of incorrect or false information in audit reports, with severe impact</i> ”	10.3
Addition: “ <i>Submission of audits using outdated and invalid versions of ISCC Audit Procedures or Audit Procedure System</i> ”	10.3
Addition: “ <i>Conduction of remote audits in scenarios wherein on-site audits are required by ISCC System Documents, without the prior consent of ISCC</i> ”	10.3
Addition: “ <i>Incorrect reporting of material quantities, or periods associated with the quantities, in the audit report impacting the issuance of quantity dependent fees</i> ”	10.3
Addition: “ <i>Certificates of successful audits are not issued within sixty calendar days of the audit of the System User being conducted</i> ”	10.3
Addition: “ <i>Certificates of successful audits being issued more than seven calendar days prior to the starting date of the validity period</i> ”	10.3
Amendment: “Mandatory audits, such as surveillance audits, are not conducted <i>within the time required by ISCC System Documents</i> ”	10.3
Addition: <i>Conduction of audits (certification and, if applicable, surveillance audits) for the same System User, by the same auditor for more than three consecutive years</i>	10.3
Addition: <i>Entering inaccurate or false information in the ISCC HUB (e.g. when changing the status of a certificate in the ISCC HUB)</i>	10.3
Addition: “ <i>Rescheduling may be possible if the Certification Body submits a written request and provides sufficient reasoning for the request within the aforementioned timeframe. If the Certification Body cannot confirm the date proposed by ISCC, the Certification Body is obliged to immediately provide ISCC with two alternative dates.</i> ”	11.3.2

Summary of changes made in version 4.1	Chapter
<p><i>These alternative dates shall be within a period of two months of receipt of the first invitation letter sent by ISCC. The ISCC management will then assess the reasoning and the proposed date(s). If a Certification Body does not reply within the timeframe of 7 calendar days after receipt of the invitation letter this is considered non-cooperation in the ISCC Integrity Programme."</i></p>	

1 Introduction

ISCC – International Sustainability and Carbon Certification – is a globally applicable sustainability certification system and covers all kinds of agricultural and forest biomass, biogenic waste and residues, non-biological renewable materials and recycled carbon-based materials.

All types of raw material

The ISCC Certification Systems are applicable to all elements of the supply chains and for different sectors and markets, including energy, food, feed and industrial applications.

Entire supply chains and different markets

ISCC is an independent multi-stakeholder initiative that has been developed and is continuously improved with the involvement of its stakeholders. The ISCC System is governed by the legally registered ISCC Association (ISCC e.V.).

Multi-stakeholder organisation

ISCC is a standard setting organisation responsible for the development, surveillance, revision and continuous improvement of the ISCC Certification Systems. ISCC operates different certification systems for different markets. These systems include ISCC EU, ISCC PLUS and ISCC CORSIA.

Different ISCC systems

ISCC EU is a certification system to demonstrate compliance with the legal requirements for the sustainability and greenhouse gas emissions savings criteria of the revised Renewable Energy Directive (RED) EU/2018/2001¹ (often referred to as RED III). ISCC EU has been fully recognised by the European Commission since 2011.

ISCC EU recognised by the EC

ISCC PLUS certification is applicable for the bioeconomy and circular economy for food, feed, chemicals, industrial applications (e.g. plastics or packaging) and energy from renewable sources used outside of the European Union (i.e. markets that are not regulated by the RED III). ISCC PLUS covers the same certification requirements as ISCC EU but can be customised to meet the needs of different markets or specific applications.

ISCC PLUS markets

The verification of compliance with the ISCC requirements as well as the issuance of ISCC certificates are performed by recognised third-party Certification Bodies (CBs) cooperating with ISCC.

Third-party certification

During the development of its systems, ISCC takes into account and complements best practice initiatives like the ISEAL Alliance and international standards like ISAE 3000 (Revised)² and the International Organisation for Standardization (ISO). This facilitates and enables the consistent and reliable application of the ISCC System, especially with respect to quality control, risk management, the planning and conducting of audits, sampling processes, surveillance and reporting. Furthermore, ISCC operates the ISCC Integrity Programme, which is a tool to continuously monitor the performance of ISCC

Best practices

¹ The "Directive (EU) 2018/2001 on the promotion of the use of energy from renewable sources (recast)" has been amended by Directive (EU) 2023/2413. The text of the revised Directive EU/2018/2001 is in the following referred to as RED III

² International Standard on Assurance Engagements 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information

System Users as well as the performance of the CBs cooperating with ISCC to ensure and maintain the high quality of ISCC.

2 Scope and Normative References

This document lays down the general principles according to which the ISCC is governed globally. It specifies the goal and internal structure of ISCC, as well as the relationship between ISCC and its stakeholders.

The principles and requirements specified in this document have to be considered for all activities related to ISCC. They apply to ISCC as an organisation, to cooperating CBs, to ISCC System Users and to other stakeholders of ISCC.

3 ISCC's Goal and Mission

ISCC's mission is to advance, facilitate and incentivise the production, procurement, financing and use of sustainable products. ISCC wants to contribute to and promote environmentally, socially and economically sustainable production and use of agricultural and forest biomass, biogenic waste and residues, non-biological renewables and recycled carbon-based materials and of the products derived therefrom.

Promotion of sustainability

In order to achieve this, ISCC has established a high-quality global sustainability certification system which covers the entire supply chain. It can be used to prove compliance with legal sustainability requirements under the RED III and also to show compliance with voluntary sustainability requirements in other markets. The ISCC System is feasible, reliable and trustworthy. It was established and is continuously reviewed and improved by means of a multi-stakeholder dialogue. Openness, reliability, consistency, integrity, quality and transparency are core features of the ISCC System and are fundamental for ISCC's relationship with its stakeholders. The goal of ISCC is to contribute to enhancing and establishing sustainability certification in all markets and for all types of raw material.

High-quality certification system

The procedures and processes for the governance of ISCC which are specified in this document, are essential guidelines for ISCC.

4 ISCC: A Multi-Stakeholder Organisation

Stakeholders of ISCC are individuals or groups that have an interest in any ISCC decision or activity. Stakeholders of ISCC include all types of companies from all sectors and from across the entire supply chain that ISCC is active in, Non-Governmental Organisations (NGOs), scientific institutions, research and other organisations, representatives from the public sector or individuals who are involved with ISCC and who support its goals.

Definition stakeholder

The ISCC Association (ISCC e.V.) is the legally registered body responsible for governing ISCC, for guiding the strategic decisions taken by ISCC, and for unifying and representing ISCC's stakeholders. The ISCC Association guarantees adherence with the multi-stakeholder process. Legal persons may become members of the ISCC Association if they share the goal and mission of ISCC. Members can participate in the organisation and have a voting right.

*ISCC
Association*

The General Assembly is the annual meeting of the members held by the ISCC Association. During the annual General Assembly, the members of the ISCC Association elect the Board of the ISCC Association (ISCC Board) and discuss and decide on strategically important matters. The ISCC Board represents the three different stakeholder groups participating in ISCC:

*General
Assembly and
Stakeholders*

Raw material producers and processors

Trade, logistics and users

NGOs, social affairs, science and research, public sector

The ISCC Board is made up of the Chairperson, the Vice-Chairperson and two representatives of each stakeholder group ensuring equal representation of interests. Decisions of the ISCC Board shall only be taken where a quorum of the majority of stakeholder groups is reached. The ISCC Board may initiate and establish Stakeholder Committees to support ISCC in the handling of specific topics and to facilitate regional stakeholder dialogue. Information on the current ISCC Board Members is available on the ISCC website including the names, the stakeholder group represented and a summary of relevant experience.

ISCC Board

The day-to-day operations, management and development of the ISCC System are assigned to ISCC System GmbH (ISCC limited liability corporation). Within ISCC System GmbH, any person having a potential conflict of interest shall be excluded from decision-making. Potential conflicts of interest shall be immediately reported internally and are documented and regularly reviewed.

*ISCC System
GmbH*

Stakeholders of ISCC either have the option to engage with ISCC by becoming members in the ISCC Association, by participating in Stakeholder Committees, the regional stakeholder dialogue and Working Groups, or by giving feedback to ISCC through public consultation, via email, over the telephone or in person. Membership in the ISCC Association is not a precondition for System Users to become certified or to engage in the stakeholder dialogue with ISCC.

*Engaging with
ISCC*

Stakeholder Committees are set-up by the ISCC Board as required to support the handling of specific topics. They are a valuable tool for engaging with stakeholders from specific regions or with stakeholders with experience of in specific technical issues. Members of the ISCC Association, ISCC System Users, CBs cooperating with ISCC, and other stakeholders may participate in Stakeholder Committees. Within the framework of a Stakeholder Committee, Working Groups can be established to focus and work on specific topics or

*Stakeholder
Committees*

issues relevant for ISCC. The participants of a Working Group should have fundamental experience and expertise in the relevant topic being dealt with by the Working Group in order to support an effective and efficient working procedure. The main tasks of Stakeholder Committees are:

- > Organisation of stakeholder involvement and dialogue in a region or on a specific topic
- > Development of guidance on how to facilitate and improve the application of the ISCC System in specific regional or technical contexts and risks to address in individual markets
- > Support of CBs with information about local or regional conditions, requirements and risks
- > Support of ISCC in the procedure of risk assessment and management in the regions and markets where ISCC is applied by System Users
- > Special consideration of the local and regional regulatory framework
- > Promotion of the ISCC System and facilitation of the ISCC goal
- > Mediation of local or regional conflicts

The structure of the ISCC Association as well as the rights and duties of the involved parties are specified in the ISCC Document 101 “ISCC Statutes”, which is publicly available on the ISCC website.

Another important stakeholder group for ISCC are Certification Bodies (CBs) who cooperate with ISCC. The CBs are responsible for the consistent verification of compliance of System Users with the ISCC requirements. CBs cannot become members in the ISCC Association in order to avoid any potential conflicts of interest and to ensure their role as independent third parties. Nevertheless, CBs can participate in ISCC’s Stakeholder Committees, Working Groups and other ISCC events. Furthermore, ISCC organises regular meetings with the representatives of CBs cooperating with ISCC. The aim of those meetings is to exchange feedback and practical experiences in relation to the daily application of ISCC, to discuss best practices, to identify and reduce potential risks and to facilitate improvements of the system. This way CBs are included in the multi-stakeholder approach of ISCC and can support the implementation of best practices and the continuous improvement of ISCC.

*Certification
Bodies*

Figure 1 provides an overview of the organisational set-up of ISCC, ISCC stakeholder dialogue and the division of responsibilities within ISCC.

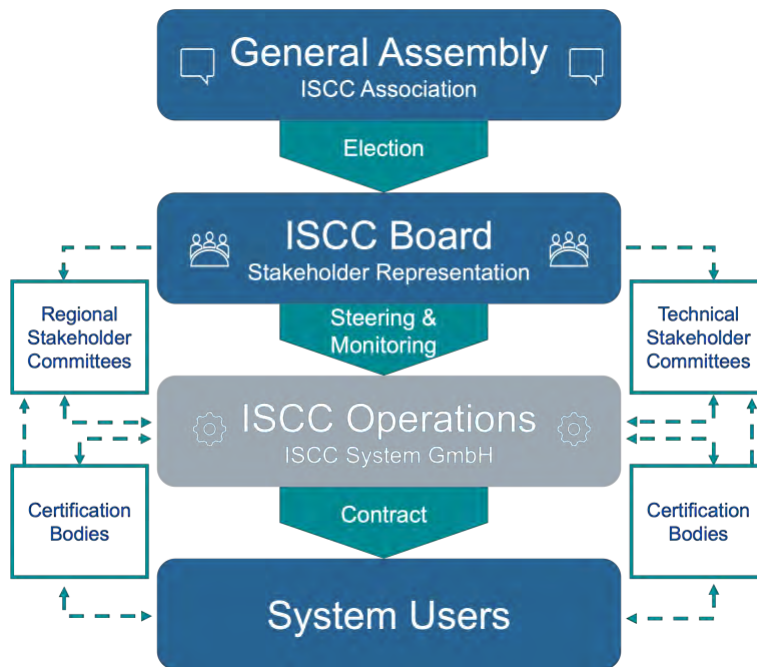


Figure 1: Organisational set-up, Interaction between Stakeholders, ISCC Association (ISCC e.V.) and ISCC System GmbH

5 ISCC Documents, Updates and Public Consultation

The ISCC Certification Systems rely on a set of ISCC Documents, such as ISCC System Documents, Guidance Documents or audit procedures. ISCC may change or supplement the ISCC Documents at any time in order to ensure or improve the compliance with legal requirements or voluntary commitments for the proof and demonstration of sustainability, or to ensure or improve the integrity of the ISCC Certification Systems. The latest version of the ISCC Documents is available on the ISCC website.

ISCC Documents

The ISCC System Documents contain general requirements, processes and guidelines applicable to ISCC, System Users, Certification Bodies and auditors. They specify for instance the procedures for conflict resolution, dealing with non-conformities, the ISCC Impact Assessment, the ISCC Integrity Programme, Risk Management and corresponding requirements. Furthermore, they describe, for example, the specific sustainability requirements for the different kinds of raw materials that can be covered under the ISCC EU certification, requirements for supply chain certification, traceability and chain of custody, and requirements for greenhouse gas calculation and verification.

ISCC System Documents

If required, ISCC may also develop Guidance Documents and additional documents to further specify requirements for System Users, Certification Bodies and auditors.

Guidance Documents

In the event of non-fundamental (operative) adjustments or changes to the content of one of the ISCC Systems, ISCC incorporates the adjustments into

Adjustments and System Updates

the respective ISCC Documents and communicates the adjustments to all relevant stakeholders via ISCC System Updates. ISCC may also communicate additional, specified, or adjusted requirements for System Users and/or Certification Bodies by ISCC System Updates which must be taken into account by System Users and Certification Bodies. In the event of newly developed ISCC Documents or fundamental (strategic) changes to existing ISCC Documents, ISCC will publish the respective documents on the ISCC website for public consultation in order to gather feedback from its stakeholders. If adjustments or changes are required to ensure compliance with legal requirements and/or to maintain the recognition of ISCC by a competent authority, a Public Consultation does not apply. In case of adjustments or changes to the relevant content of ISCC EU in the version recognised by the European Commission, the European Commission will be notified of these adjustments or changes. Only after approval by the European Commission can such adjustments or changes be implemented. If fundamental changes of the existing system are requested (especially in the ISCC PLUS System) ISCC will notify the Board of the ISCC Association. Only after approval by the ISCC Board can such adjustments or changes be implemented.

The procedure of the public consultation is as follows:

Public Consultation

ISCC publishes fundamentally changed or new documents for public consultation.

ISCC invites all interested parties to send their feedback. Documents in the Public Consultation will be announced by ISCC via the various communication channels (e.g. System Updates, newsletters, social media) in order to ensure adequate balance of all stakeholder groups.

The first round of public consultation will last 60 calendar days from the date of publishing. A contact form to send feedback is available on the ISCC website.

ISCC will publish the feedback during the public consultation phase in the table below to ensure transparency.

If substantial and unresolved issues persist after the first consultation round, or if insufficient feedback was received (for example, inadequate representation of relevant stakeholder groups), ISCC will carry out one or more additional rounds of consultation that last 30 calendar days. In this case, ISCC will provide a synopsis of the feedback received in the previous round.

After the final round of public consultation, ISCC will analyse and consider the feedback received before publishing the final version of the document. All feedback is handled impartially. In the case of adjustments or changes to the relevant content of ISCC EU and/or ISCC PLUS ISCC will notify the European Commission and/or the ISCC Board for final approval.

ISCC will announce the date from which on the document will be valid and will allow an appropriate transitional period for all stakeholders to adapt to the adjustments or changes.

All obligations and requirements stated in the ISCC Documents (e.g. ISCC System Documents and Guidance Documents) and any corresponding adjustments communicated through ISCC System Updates will be referred to as “requirements” or “ISCC requirements”. System User have to comply with the ISCC requirements to receive an ISCC certification. Compliance with the respective ISCC requirements is verified during audits by CBs cooperating with ISCC.

*ISCC
requirements*

In order to facilitate reliable and consistent audits, ISCC provides audit procedures to CBs which have to be used during the audits and have to be provided to ISCC together with other documents relevant for the certification (see ISCC EU System Document 103 “Requirements for Certification Bodies and Auditors”). The audit procedures are working documents or “checklists” containing the ISCC requirements as laid down in the System and Guidance Documents. ISCC uses the completed audit procedures to perform internal reviews and risk analyses, to gather relevant data to fulfil its reporting obligations, to conduct the ISCC Impact Assessment and to evaluate the performance of CBs and auditors.

Audit procedures

6 Authorities, Reporting and Processes

The European Commission is the competent authority to recognise and monitor certification systems, which can be used to demonstrate compliance with the legal requirements specified in the RED III. In this regulatory framework the ISCC EU System is considered a so-called “voluntary scheme”. The recognition of ISCC EU by the European Commission enables System Users to use the ISCC EU Certification System in order to demonstrate that consignments of biofuel, bioliquid or biomass fuel, recycled carbon fuel and renewable liquid and gaseous transport fuel of non-biological origin comply with the respective legal requirements specified in the RED III. In the case that the RED III is replaced or amended, the repealing Directive(s) shall be taken as basis for the relevant terminology. According to the RED III, ISCC must apply for re-recognition of the ISCC EU System by the European Commission every five years. If the ISCC EU System undergoes changes to its contents in a way that might affect the basis of the decision of recognition, such changes will be notified to the Commission without delay.

*European
Commission*

Furthermore, ISCC regularly (at least annually) reports to the European Commission on its activities and the status of ISCC EU. Reporting shall comply with the requirements specified in Annex III of Implementing Regulation (EU) 2022/996³. The reporting provides information about the

*Reporting to
European
Commission*

³ Implementing Regulation (EU) 2022/996 on rules to verify sustainability and greenhouse gas emission saving criteria and low indirect land-use change-risk criteria

operation of the “voluntary schemes” and will be made public on the ISCC website in order to increase transparency and to improve oversight by the Commission.

Reporting to the European Commission includes the following aspects:

Elements for reporting

- > rules on the independence, modality and frequency of audits, both in relation to what is stated on those aspects in the scheme documentation, at the time the scheme concerned was approved by the Commission, the modified regulatory framework, findings from internal monitoring on the auditing process of certification bodies and evolving industry best practice;
- > rules and procedures for identifying and dealing with non-compliance, in particular with regard to dealing with situations or allegations of serious wrongdoing on the part of system users;
- > findings from internal monitoring on the auditing process of Certification Bodies and System Users in the context of the ISCC Integrity Programme
- > evidence of fulfilling the legal requirements on transparency and publication of information in line with Article 6 of Implementing Regulation (EU) 2022/996;
- > stakeholder involvement, particularly as regards the consultation of indigenous and local communities prior to decision making during the drafting and reviewing of the scheme as well as during audits and the response to their contributions;
- > overview of the activities carried out by the voluntary scheme in cooperation with the certification bodies in order to improve the overall certification process and the qualification and independence of auditors and relevant scheme bodies;
- > market updates of the scheme, the amounts of feedstock, biofuels, bioliquids, biomass fuels, recycled carbon fuels and renewable fuels of non-biological origin all certified, by country of origin and type, and the number of participants;
- > overview of the effectiveness of implementing a system by the governance body of the scheme that tracks the proofs of conformity with the sustainability criteria that the scheme gives to its member(s). This shall cover, in particular, how the system prevents fraudulent activities with a view, in particular, to the timely detection, treatment and follow-up of suspected fraud and other irregularities and where appropriate, number of cases of fraud or irregularities detected;
- > criteria for the recognition of Certification Bodies;
- > rules on how the monitoring is conducted and the results of its periodic review, specifically on oversight of the work of the Certification Bodies and their auditors as well as on the system of handling complaints against Economic Operators and Certification Bodies;

- > possibilities to facilitate or improve the promotion of best practice
- > for the certification of forest biomass, information on the way the risk assessment as required in Art. 29(6) and (7) of the RED III is made
- > For emission savings from soil carbon accumulation via improved agricultural management (esca) information on penalties and detailed statistical information and qualitative feedback on the implementation of the esca methodology according to Annex V of Implementing Regulation (EU) 2022/996

Furthermore, a summary of complaints received in the previous year by third parties must be included in the report.

In the annual report, ISCC also provides an aggregated list of the major and critical non-conformities detected by CBs during the audits of System Users in the previous year. The list includes:

- > The individual ISCC requirements (including the number of the requirement as indicated in the publicly available audit procedure) and the amount of major and/or critical non-conformities detected per requirement;
- > The summary of the actions and measures defined by the CBs for correction of the violation of each ISCC requirement leading to major non-conformities⁴;
- > An aggregate list of the average timing for correction of major non-conformity, as agreed by the CB during the audit of the System User
- > A summary of the critical non-conformities detected during the previous year linked to the actions taken or planned by ISCC within its certification scheme to directly or indirectly tackle and/or minimize the risk of mentioned critical non-conformities.

The report shall be submitted to the Commission annually by 30 April. ISCC will send out a data template to the System Users to collect the necessary information for the market update of the scheme. This includes, inter alia, the amounts of feedstocks (raw materials) and biofuels certified according to ISCC in the previous calendar year by country of origin and type of feedstock (raw material). ISCC will provide the data template three months prior to the due date for reporting to the System Users that were certified during the previous calendar year. System Users are obliged to fill in the template truthfully and completely. System Users shall return the completed data template to ISCC within 30 calendar days after the data template has been provided by ISCC. ISCC will treat all information received from individual System Users as confidential. The information received from individual System Users will be aggregated and submitted to the Commission by ISCC in anonymised form. In case System Users do not comply with their reporting obligations the provisions specified in chapter 10 ("Non-conformities and

*Reporting
procedure*

⁴ In case of critical non-conformities, a correction is not possible, and the certificate must be withdrawn immediately (see chapter 10 for further information)

Sanctions”) apply. Furthermore, ISCC is entitled to publish the name of System Users who fail to comply with this reporting obligation on the ISCC website and to inform competent governmental authorities including the Commission.

The European Commission is entitled to investigate whether recognised voluntary schemes are operating according to the established regulations and rules and whether the sustainability and GHG emissions saving criteria of a specific batch of material have been met.⁵ Those investigations can be conducted upon the European Commission’s own initiative or on request of a Member State. In this context ISCC is required to support the European Commission and national authorities responsible for the supervision of the certification bodies and to provide the relevant and requested information in a timely manner.

*Investigations by
EC possible*

ISCC will facilitate those information requests from the European Commission or other competent authorities of EU Member States by providing the requested information in a timely manner. In the framework of the registration, audit and certification process System Users and CBs have to provide specific information and documents to ISCC (see ISCC EU System Documents 103 “Requirements for Certification Bodies and Auditors” and 201 “System Basics” for details). If ISCC is required to do so by the European Commission or competent authorities of EU Member States in their supervisory or monitoring function or activities, certain information may be provided to the European Commission or competent authorities of EU Member States. This may include individual (actual) greenhouse gas emissions calculations and sustainability criteria that are covered by ISCC certification and audit procedures completed by the CB during the audit. The obligation to provide such information and documents upon request of the competent authorities shall continue to exist after the termination of the Agreement between ISCC and the System User for information relating to the period up to the end of the Agreement or the year in which the end of the Agreement falls.

*Information
provided upon
request*

Besides the European Commission, ISCC works together with competent national authorities so as to ensure compliance with national requirements, especially those regarding the implementation and transposition of the relevant European Directives into national law. The acceptance of national certification schemes is specified in ISCC EU System Document 201 “System Basics”.

*National
authorities*

ISCC cooperates with independent third-party CBs that are responsible for conducting audits and issuing ISCC certificates to System Users after compliance with the respective ISCC requirements has been verified during the audit. CBs may cooperate with ISCC CBs if they are recognised by a competent national public authority or if they are accredited against ISO/IEC 17065 or ISO/IEC 17021. The respective body responsible for the recognition or accreditation of a CB is also responsible for the monitoring and surveillance

*Certification
Bodies*

⁵ See Art. 30(8) and (10) of the RED III

of the CB. The monitoring and surveillance of the CBs is supported by ISCC through the ISCC Integrity Programme. Furthermore, ISCC closely cooperates with the CBs, e.g. in the form of regular meetings held to exchange feedback and practical experiences with the aim of continuously improving ISCC. CBs must comply with the requirements specified in ISCC EU System Document 103 “Requirements for Certification Bodies and Auditors”.

According to Art. 30 (9) of the RED III competent authorities of Member States shall supervise the operation of CBs that conduct audits under a recognised voluntary scheme. ISCC has registration and certification procedures as well as contractual arrangements with System Users (via the System User Agreement) and CBs (via the Cooperation Agreement and the ISCC General Terms of Certification) in place so that the Member States can supervise the operation of the Certification Bodies as set out in the RED III. This includes that access is granted to the premises of economic operators when requested and that CBs shall submit, upon the request of competent authorities, all relevant information necessary to supervise the operation of the CB, including the exact date, time and location of audits (see ISCC EU System Documents 103 “Requirements for Certification Bodies and Auditors” and 201 “System Basics” for further information). System Users and Certification Bodies failing or unwilling to comply with these requirements will respectively be excluded from re-certification with ISCC and from conducting audits for ISCC.

*Supervision of
CBs by Member
States*

ISCC System Users are companies or organisations (natural or legal persons) that conclude a contract and register one or more operational units with ISCC to become certified and thus “use” the ISCC System to demonstrate the sustainability of a raw material or product. A competent and ISCC trained auditor working with a recognised CB assesses and evaluates the compliance of the System User with the relevant ISCC requirements during an audit at the System Users premises. If compliance has been demonstrated, the CB issues an ISCC certificate to the System User.

*ISCC System
Users*

All certificates are available on the ISCC website together with their annexes and Summary Audit Reports as uploaded to the ISCC HUB by CBs. Specific information on certificates or Summary Audit Reports may be redacted to comply with personal data protection legislation. Information provided on a certificate may comprise but is not limited to the name and address of the certified unit, the name and address of the CB, the issue date as well as site-specific information regarding the products and the calculation of greenhouse gas emissions. In particular, ISCC shall also be entitled to make the geo-coordinates of the certified sites publicly available on the ISCC website via web-based services for the visualisation of geo-data. Furthermore, ISCC publishes all withdrawn, suspended and fake certificates and information on companies that are temporarily or permanently excluded from ISCC certification. Additionally, ISCC publishes information on non-compliant Points of Origin on the ISCC website. Customers of ISCC System Users or other interested parties can verify via the ISCC website if a company or supplier holds a valid ISCC certificate and is eligible to make sustainability claims

*Publication of
certificates and
Summary Audit
Reports*

according to ISCC. Any changes in the certification status are published without delay. Figure 2 provides an overview of relevant elements in the ISCC (EU) System.

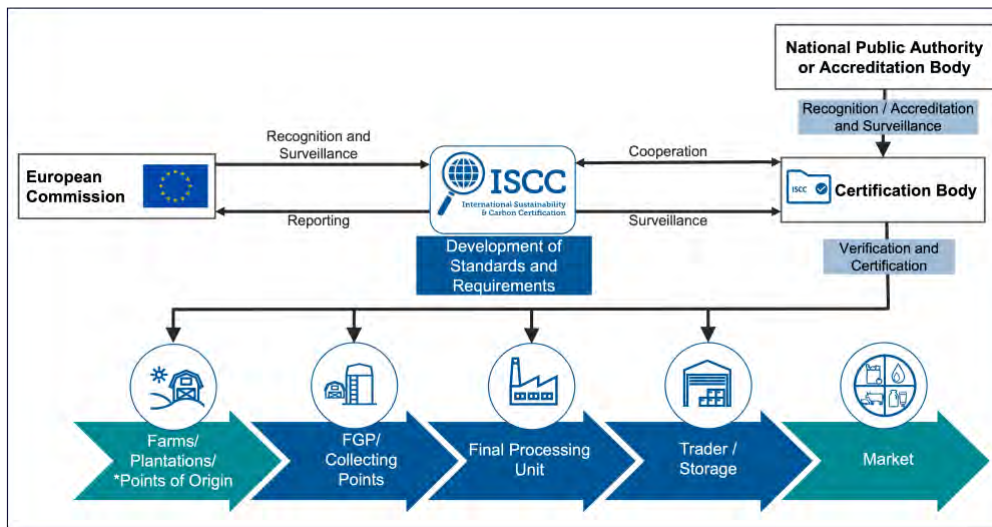


Figure 2: The processes and elements of ISCC at a glance

7 Transparency

Transparent provision of information is a precondition for ISCC to offer a high-level sustainability certification system that is feasible, secure and credible. ISCC publishes relevant information about the ISCC System, which is freely accessible on the ISCC website. Publicly available information about ISCC explicitly includes, but is not limited to:

[ISCC website](#)

- > ISCC System documents, including fees and the ISCC Terms of Use, and the guidelines for audits (audit procedures), in the latest applicable version (with version number and date)
- > An archive of the ISCC System Updates informing about adjustments and clarifications of ISCC requirements
- > Instructions for System Users on how to participate in the system
- > Information on the governance structure of ISCC, including details on the relevant bodies, ownership structure, composition and experience of the Board of Directors, Technical committees, and list of members with voting rights
- > ISCC contact details
- > Options for stakeholders to give feedback about the standard and developments of the standard (public consultation)
- > Contact form to submit complaints and description of the process for dealing with complaints and appeals

- > A list of all Certification Bodies cooperating with ISCC that are permitted to conduct ISCC audits, including contact details, the body responsible for accreditation or the entity or national public authority responsible for the recognition and monitoring of the Certification Body, as well as Certification Bodies that cooperated with ISCC (until 12 months after the last audit)
- > A list of certified ISCC System Users, the scope of certification, information about the status of the certification (valid, expired, terminated, suspended or withdrawn) and copies of the certificates and Summary Audit Reports as issued by the Certification Bodies. Certificates that are withdrawn, terminated, or expired are listed on the ISCC website for at least 5 years after the withdrawal, termination or expiration date
- > A list of ISCC System Users being excluded from ISCC certification due to serious non-compliances with ISCC and the period of the exclusion
- > A list of non-compliant Points of Origin
- > List of other voluntary schemes recognised under ISCC
- > Documentation of ISCC stakeholder meetings and other events including the annual ISCC Global Sustainability Conference
- > Documentation of ISCC participation in external events
- > Announcement of all ISCC Trainings and events
- > Regular newsletters and social media feeds informing all stakeholders about the latest ISCC activities and opportunities to get involved with ISCC
- > The results of monitoring activities on Certification Bodies and System Users in the context of the ISCC Integrity Programme, as reported to the European Commission

8 Quality and Risk Management

ISCC is committed to continuously improving its system. The quality and risk management in the ISCC framework contributes to this continuous improvement process. It aims to ensure consistency in all activities related to ISCC, especially with regards to the practical implementation and the secure and credible verification of compliance with the ISCC System. The principles for quality management apply to ISCC management and all of ISCC's operations. Core features of ISCC's quality and risk management are:

- > The ISCC Integrity Programme: Ensures a consistent and objective audit and certification process by CBs cooperating with ISCC worldwide. It enables closer monitoring of the CBs' verification activities and System Users' compliance with ISCC requirements. It is based on an ongoing assessment process that is part of the continuous improvement of the ISCC System. It consists of ISCC System User assessments and

*Continuous
improvement
process*

*Integrity
Programme*

assessments of CB head offices planned randomly or on a targeted basis e.g. after risk evaluations or complaints. The assessments are conducted by ISCC experts (such as e.g. Integrity Assessors) and can cover all the countries in which the CB carries out ISCC activities.

- > **Anti-Corruption Policy:** ISCC and System Users are bound to avoid any undue pecuniary or other advantage of any kind in any way connected to the ISCC Certification System and that may affect its validity or integrity. ISCC and System Users commit to taking reasonable measures to prevent that any undue advantage such as mentioned takes place, including actions and processes in connection with the acquisition and continuation of the ISCC Certification or with the storage, trade or other handling of Sustainable Material or with Claims with regard to material.
- > **Benchmarking processes:** ISCC regularly participates in benchmarking processes comparing different systems for sustainability certification. ISCC uses the results of those processes, and the feedback provided to learn and improve continuously.
- > **ISCC multi-stakeholder dialogue:** The development of ISCC is based on an open multi-stakeholder process. Aspects of the multi-stakeholder dialogue include the ISCC Association, regular Stakeholder Committees and meetings with cooperating CBs. The extensive stakeholder dialogue under ISCC enables the identification, evaluation and implementation of stakeholder requirements, region-specific solutions and risk prevention measures.
- > **Regular participation in sustainability conferences:** ISCC participates in international conferences. In addition, ISCC organises the annual “ISCC Global Sustainability Conference”. At the conferences ISCC and its latest developments are presented. During conferences ISCC also receives valuable feedback which is relevant for the continuous improvement of the system.
- > **ISCC Training Programme:** ISCC has developed a specific training programme for auditors, CBs, System Users and other interested stakeholders covering various topics within ISCC. ISCC offers trainings in different countries on a regular basis. The following training modules have been developed so far⁶: ISCC Basic Training, ISCC Greenhouse Gas (GHG) Training, Plantation Audit and Land Use Assessment Training, Waste and Residues Training, ISCC PLUS Training, ISCC CORSIA Training, ISCC RFNBOs Training, ISCC ARIA Training, ISCC Independent Smallholder Training, ISCC Independent Smallholder Training. The trainings are used to provide consistent audit processes, to update participants on the latest requirements and also to receive feedback and provide opportunities for discussions. Participation in certain trainings is a mandatory requirement for auditors to conduct ISCC audits

*Anti-Corruption
Policy*

Benchmarks

*Stakeholder
dialogue*

*Sustainability
conferences*

ISCC Trainings

⁶ Further ISCC trainings may be set up as required. An overview of all current ISCC training is available on the ISCC website

or certain aspects of ISCC audits (see ISCC EU System Document 103 “Requirements for Certification Bodies and Auditors” for further information).

- > Requirements for CBs and feedback mechanisms: CBs cooperating with ISCC must have an adequate quality management system in place, reflecting the relevant aspects of ISCC appropriately. The specific requirements for CBs are specified in the ISCC EU System Document 103 “Requirements for Certification Bodies and Auditors”. ISCC organises regular meetings with representatives of recognised CBs. The aim of those meetings is to exchange practical feedback and experiences from the application of ISCC requirements, to discuss best practices, to identify potential risks to the system and to facilitate improvements of the system. In addition, CBs regularly participate in ISCC stakeholder events and provide feedback to ISCC directly via email and phone. The CBs cooperating with ISCC annually provide a report to ISCC regarding important non-conformities, corrective actions and risks, which have been detected during audits and other activities over the previous year (see ISCC EU System Document 103 “Requirements for Certification Bodies and Auditors” for further information). The results of both the regular meetings with the CBs and the annual reports are evaluated by ISCC. If required, ISCC provides additional guidance to all CBs to ensure a level playing field.
- > Discussions with authorities: ISCC engages with competent legislative bodies in the context of compliance with the legal requirements for the sustainability of fuels in Europe. Dialogue and discussions with the authorities provide feedback and valuable information which are also used for continuously improving the system.
- > Quality management by System Users: System Users must have a documentation and quality management in place and should aim to continuously improve upon processes related to ISCC. This means that all relevant processes of the System User which are related to ISCC should be integrated appropriately into the System Users quality management system. This includes in particular the identification and documentation of relevant processes and responsibilities as well as training and qualification of relevant employees implementing ISCC or handling sustainable material.
- > Customer and stakeholder service: System Users and stakeholders of ISCC can always contact and engage with ISCC directly via email, the contact form on the ISCC website, the ISCC Whistleblower Tool or via telephone (“ISCC helpdesk”) to submit questions, complaints, concerns and general feedback.

*Feedback from
CBs*

*Legislative
bodies and
authorities*

*Continuous
improvement*

*Customer
service*

The quality management of ISCC (see Figure 3) is based on a documentation management system. It includes different elements (e.g. manuals, policies, definition of responsibilities) and also the monitoring of documents and

*Documentation
management
system*

records, management reviews, internal auditing and monitoring, as well as procedures for the identification and management of non-conformities and procedures for taking preventive actions to eliminate the causes of potential non-conformities. Documentation is kept for a minimum of five years, or longer if required by the relevant national authority.

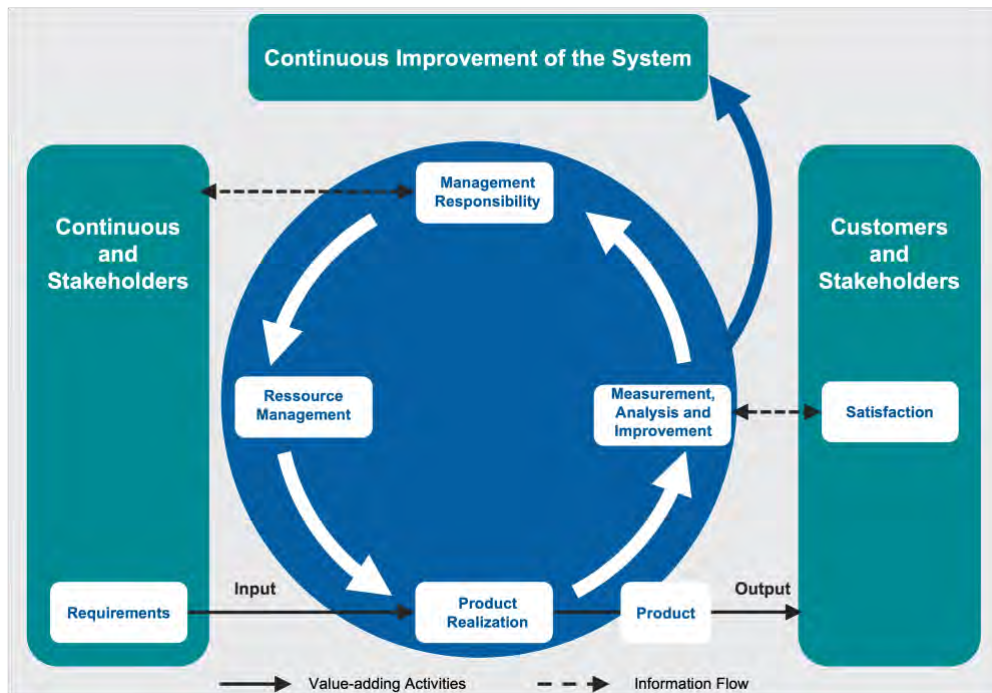


Figure 3: Model of a process-based quality management system (according to ISO 9001)

Risk management is an integral part of the quality management of the ISCC System and a component of all decision-making processes within ISCC.

*Risk
management*

- > Risk management by System Users and CBs: ISCC defines a procedure and specific indicators for risk assessment and management to ensure compliance with the requirements of the certification system with high levels of credibility and reliability. This procedure is an integral part of all operations and decisions in the ISCC System applicable to ISCC, the recognised CBs and ISCC's System Users. The procedure is specified in ISCC EU System Document 204 "Risk Management".

All institutions of the ISCC System are committed to clear quality policies as guidelines for daily operations. These guidelines are the basis for the successful implementation and performance of the certification system. The ISCC guidelines are described in Annex 1.

*Quality
guidelines*

ISCC has established an internal reporting procedure to ensure internal compliance. ISCC's internal reporting procedure enables ISCC to receive and investigate in full confidentiality any breaches or reports on non-compliance to ISCC's internal policies by any employees, service providers or agents of

*Internal
Compliance*

ISCC and of its affiliates. This entails that all employees and relevant personnel can anonymously and secure submit information on any complaints, conflicts or indications of non-compliance to ISCC. Therefore, ISCC authorized a designated competent person to receive and follow up on internal reports in an independent, confidential and timely manner. ISCC has established a clear policy against retaliation, which applies in the event that ISCC receives evidence from employees or relevant personnel under this section of retaliation (which includes but is not limited to early termination or cancellation of a contract, loss of income, coercion, intimidation or harassment, blacklisting or business boycotting or damage to their reputation). Relevant ISCC personnel systematically inform and train ISCC employees and other personnel to raise awareness amongst employees and relevant personnel about the internal reporting procedure.

9 Conflict Resolution

9.1 General Provisions and Definitions

ISCC has established a conflict resolution process to ensure that conflicts are handled in a consistent, impartial, nondiscriminatory, user friendly, timely and effective manner. The conflict resolution process aims to ensure the integrity and reliability of the ISCC Certification Systems.

Transparent and impartial

Conflicts should always be resolved at the lowest possible level and with direct participation of the parties involved in and affected by the conflict. Prior to initiating the ISCC conflict resolution process, affected parties should seek to resolve the conflict through direct dialogue. If dialogue between the parties involved does not resolve the conflict, the conflict resolution process as specified in this chapter can be instigated.

Conflicts can occur on different levels, respectively between different stakeholders, organisations or individuals in relation to ISCC's procedures:

Types and levels of conflicts

- > Category 1: Conflicts between a CB and a System User (e.g. regarding findings during audits and certification decisions)
- > Category 2: Conflicts between ISCC and CBs or System Users (e.g. regarding decisions made by ISCC in the framework of the ISCC Integrity Programme)
- > Category 3: Conflicts regarding activities of System Users or CBs impacting other stakeholders, including alleged non-conformities with ISCC requirements of System Users or CBs ("Whistleblower Reports")

ISCC's conflict resolution process consists of two levels: complaints and appeals. A complaint describes an expression of dissatisfaction or grievance with decisions or other activities of ISCC, System Users or CBs (referring to conflict categories 1 and 2). An appeal is a request for reconsideration of a

Complaints and appeals

decision made by ISCC based on a complaint. A Whistleblower Report describes an indication of non-conformity of System Users and CBs or other persons involved in an ISCC certification system with ISCC requirements or of a failure to follow ISCC policies and operating procedures (referring to conflict category 3).

Except from legal obligations to disclose information to authorities or courts, ISCC will not share any specific information regarding a conflict with any party not involved in the conflict resolution process while the investigation is ongoing.

*No disclosure
during process*

9.2 Complaints

Complaints may be filed with ISCC by any party (individuals or organisations) affected by activities or decisions of ISCC or having a material interest in the activities of ISCC such as System Users and their employees, Certification Bodies and their employees, auditors and other interested parties (e.g. competent authorities, NGOs, community groups and other stakeholders). Complaints can be submitted with respect to conflicts between a CB and a System User and for conflicts between ISCC and CBs or System Users.

*Eligible parties
for filing
complaints*

Complaints may be handed in via postal mail, e-mail, telephone, or the ISCC complaint form on the ISCC website that is available without access restriction. All incoming complaints are received and treated by the ISCC Integrity Management. For every incoming complaint under this section, ISCC evaluates if conflicts of interest are apparent, and if the complaint must be treated by an independent party. To avoid conflicts of interests for conflict category 2, conflicts regarding decisions made by ISCC in the framework of the ISCC Integrity Programme are treated by an independent party outside of the ISCC Integrity Management. When handing in the complaint through the ISCC complaint form, the complainant may indicate the wish to remain anonymous. After receipt of the complaint, the ISCC management decides on the admissibility of complaints based on the formal requirements specified below.

*Formal
requirements*

Complaints must:

- > Be addressed to ISCC
- > Be submitted in written form (preferably by using the complaint form on the ISCC website but also by email or mail).
- > Contain basic information about the complainant (name, address, contact information) and, if applicable, the organisation and position in the organisation
- > Contain a clear and brief description of the conflict, including the relevant circumstances and stakeholders/parties affected in a way that any impartial person or party can obtain a clear idea and an unambiguous understanding of the situation at hand
- > Be accompanied to the greatest extent possible with supporting evidence.

The complainant will be informed in writing without delay about the receipt of their complaint. ISCC management will decide if the complaint is admissible within 10 working days upon receipt of the complaint.

*Incoming
complaints*

Complaints are considered inadmissible if:

*Inadmissible
complaints*

- > The above stated requirements regarding form and content are not met
- > The complaint is not substantiated or is negligible; complaints against sanctions which have been imposed by ISCC in the framework of the ISCC Integrity Programme are regarded as not substantiated, if the sanctions are based on the violation of unambiguous ISCC requirements and are supported by unambiguous evidence
- > The complaint is not sufficiently supported by objective evidence in order to be able to obtain a clear idea and unambiguous understanding of the situation at hand, or is based on hearsay alone
- > The complaint aims for adjustments of the recognised ISCC standards; comments and feedback regarding the published and recognised ISCC Documents should not be addressed as complaint but can be made through the public consultation process or can be provided to ISCC by email or mail
- > The complaint aims to have sanctions amended which have been imposed by the CB due to non-conformities detected; such complaints have to be addressed to the CB
- > The complaint aims to have sanctions amended which have been imposed by ISCC due to fraudulent behaviour
- > The events on which the complaint is based occurred more than 18 months ago
- > The reason for the complaint does not explicitly relate to ISCC or to activities conducted within the framework of ISCC

Each accepted complaint will receive a unique reference number by which the complaint is registered within ISCC and which will be included in each communication regarding the complaint. Accepted complaints will be analysed, investigated and decided on impartially and unbiased by ISCC management on a case-by-case basis. For this, ISCC includes the points of view of all parties involved in the complaint and may schedule independent Integrity Assessments to evaluate evidence objectively. Any information on the complainant will be kept confidential by ISCC. For the analysis and investigation of a complaint, members of staff of ISCC involved in the decision-making process must be free of conflict of interest vis-à-vis the parties involved in the complaint. This means that they must be free from any relationship to the parties involved which may entail a personal or financial interest therein.

*Complaint
process*

In the course of investigating the reason for the complaint, ISCC is entitled to contact the parties and stakeholders affected and to ask for supporting evidence, documentation or statements in order to attain a sufficient understanding of the situation and to ensure that all parties involved can explain their position regarding the complaint. ISCC is also entitled to schedule an independent assessment in the framework of the ISCC Integrity Programme to gather further evidence. ISCC will react to any information and evidence received within 10 working days of receipt. Any result and decision will be communicated to the complainant by the ISCC management without delay. Based on the decision or any evidence received during the analysis of the complaint, ISCC is entitled to make provisions for certification audits or request that the CB conducts surveillance audits of the affected System Users (see chapter 10.2.1 in this document and chapter 4 in the ISCC EU System Document 201 “System Basics”). The handling of non-conformities and respective sanctions is described in chapter 10. A summary of complaints received during a calendar year will be included in the annual report to the EU (see chapter 6). ISCC will provide all documents related to a complaint and its handling to the European Commission or a Member State upon their request. This applies to complaints that affect any ISCC activities that are recognised by the European Commission.

9.3 Appeals

If the complainant does not accept ISCC’s decision on the complaint and the complaint is not considered inadmissible, the complainant can file an appeal against this decision. Appeals must be filed in writing within 10 working days of the complainant receiving the decision from ISCC management. The complainant will be informed by in writing without delay about the receipt of their appeal by ISCC.

Filing an appeal

ISCC will re-evaluate the complaint within 10 working days after receipt of the appeal, or, if additional evidence is requested from the complainant, within 10 working days after ISCC has received the relevant evidence. If the re-evaluation leads to a different decision ISCC will adjust its decision and communicate the adjusted decision.

Re-evaluation of the complaint

If the re-evaluation does not lead to a different decision or if the adjusted decision does not fully remedy the complaint, ISCC will, upon request of the appellant, establish an Arbitration Board and transfer the issue to the Arbitration Board for final decision.

Arbitration Board

With the request to transfer the issue to the Arbitration Board the appellant will have to agree and to sign an arbitration agreement that the dispute will be finally settled by the Arbitration Board according to the ISCC Rules of Arbitration to the exclusion of the ordinary course of law. The ISCC Arbitration Rules are based on the rules of a recognised institution and are adapted to ISCC requirements.

Arbitration agreement

Deposit required

With the request for arbitration the appellant will have to provide a deposit. ISCC will determine the amount of the deposit on a case-by-case basis dependent on the expected costs of the arbitration procedure (e.g. cost of the Arbitration Board, expert or legal opinion, site reviews). The deposit is to be paid into an escrow account designated by ISCC. The costs of the arbitration procedure will be shared between ISCC and the appellant according to the degree of victory. The decision on costs is made by the Arbitration Board with the final decision.

The Arbitration Board consists of three arbitrators who represent the three stakeholder groups that constitute the ISCC Board. When arbitration is requested, ISCC shall provide a list of possible arbitrators from these groups. The appellant and ISCC shall each bindingly select one arbitrator from this list. The selected arbitrators will select the third arbitrator from the list so that all stakeholder groups are represented. The arbitrators must be free of all conflicts of interest with respect to the appeal and its subject matter and must not have been involved in the matter before. The seat of the arbitration will be Cologne, Germany. The language of the arbitration shall be English. The law applicable to the merits shall be German law.

Arbitrators

The Arbitration Board shall hear the parties involved before deciding. The results of the hearing shall be documented. The Arbitration Board shall take all necessary measures to come to a fast, fair and well-reasoned decision including commissioning independent experts or legal advice. If the involved parties doubt the neutrality or qualification of experts, these doubts shall be submitted to the Arbitration Board before its final decision. The Arbitration Board may decide to substitute the expert.

*Arbitration
process*

The decision of the Arbitration Board shall be made within 6 months of receipt of all relevant information or evidence. If the Arbitration Board needs additional evidence, it should request this evidence within 2 months after receipt of evidence submitted so far. The decision of the Arbitration Board requires a simple majority. The minutes of the meetings must be prepared and documented by the Arbitration Board. The decision of the Arbitration Board must be documented in a report that is then to be submitted to the ISCC Board and the ISCC management which submits it to the parties involved.

*Binding
decisions*

9.4 Whistleblower Reports

Whistleblower Reports can be filed with ISCC by any party (individual or organisations) that has a material interest in the activities of ISCC, such as System Users and their employees, licensees, Certification Bodies and their employees, auditors, ISCC employees, and other third interested parties (e.g. competent authorities, NGOs, associations, community groups and other stakeholders). Whistleblower Reports can be submitted for any conflict regarding activities of System Users or CBs impacting other stakeholders, including alleged non-conformities with ISCC requirements of System Users or CBs.

*Eligible parties
for filing
Whistleblower
Reports*

Throughout the whistleblowing process, ISCC ensures the anonymity and protection of the Whistleblower in accordance with the EU Whistleblowing Directive.⁷ This includes that Whistleblowers acting in good faith will not be disadvantaged in any way by ISCC.

Anonymity

Whistleblower Reports should be submitted via the dedicated Whistleblower Tool accessible on the ISCC website without restriction. The Whistleblower Tool is secure and compliant with the EU General Data Protection Regulation (GDPR) and is end-to-end encrypted. All incoming Whistleblower Reports are only received and acted upon by authorized ISCC employees. Access to Whistleblower Reporting is restricted to designated authorized ISCC employees to ensure confidentiality. In the event that the Whistleblower Report is completely anonymous, the Whistleblower Tool ensures secure and anonymous communication between the Whistleblower and the authorized ISCC employees.

*Whistleblower
Tool*

Whistleblower Reports should:

*Formal
requirements*

- > Be submitted via the Whistleblower Tool in written form.
- > Contain a clear and brief description of the Whistleblower Report, including the relevant circumstances and stakeholders/parties affected in an unambiguous manner.
- > Be applicable to activities of System Users or CBs impacting other stakeholders, including alleged non-conformities with ISCC requirements, of either System Users or CBs.
- > Be accompanied to the greatest extent possible with supporting evidence.
- > Be reported by persons with reasonable grounds to believe, in light of the circumstances and the information available to them at the time of reporting, that the matters reported by them are true.

The Whistleblower will be informed in writing without delay about the receipt of their report. In order to provide timely feedback to Whistleblowers, ISCC allocates dedicated material and human resources. ISCC ensures that the ISCC employees authorised to process Whistleblower Reports are assigned with the highest standard of care and qualification, and that they process the reports with confidentiality and in a time-bound manner.

*Incoming
Whistleblower
Reports*

Shortly after the receipt of the Whistleblower Report, the authorized ISCC person decides on whether the report will or will not proceed to internal referral and/or if additional documentation or supporting evidence is required. In the course of investigating the content of the Whistleblower Report, ISCC is entitled to contact the parties and stakeholders affected and to ask for

*Whistleblower
Report process*

⁷ Directive (EU) 2019/1937 on the protection of persons who report breaches of Union law.

supporting evidence, documentation or statements in order to attain a sufficient understanding of the situation and to ensure that all parties involved can explain their position regarding the Whistleblower Report. ISCC is also entitled to schedule an independent assessment in the framework of the ISCC Integrity Programme to gather further evidence. Based on the decision or any evidence received during the analysis of the Whistleblower Report, ISCC is entitled to make provisions for certification audits or request that the CB conducts surveillance audits of the affected System Users (see chapter 10.2.1 in this document and chapter 4 in the ISCC EU System Document 201 “System Basics”). The handling of non-conformities and respective sanctions is described in chapter 10. This also applies to non-conformities of CBs that are detected throughout the analysis of the Whistleblower Report. A summary of the Whistleblower Reports received during a calendar year will be included in the annual report to the EC (see chapter 6). ISCC will provide all documents related to a Whistleblower Report and its handling to the European Commission or a Member State upon their request. This applies to Whistleblower Reports that affect any ISCC activities that are recognised by the European Commission.

ISCC shall safeguard the confidentiality of the identity of the Whistleblower under this section, during the reporting process and during investigations triggered by the Whistleblower Report. The protection of confidentiality does not apply where the reporting person has intentionally revealed his or her identity in the context of a public disclosure, or there exists a necessary and proportionate obligation under Union or national law in the context of investigations by authorities or judicial proceedings, in particular to safeguard the rights of defense of persons concerned.

Confidentiality

10 Non-conformities and Sanctions

10.1 General Provisions

Non-conformity means the non-fulfilment or violation of an ISCC requirement either by a CB or by a System User.

Definition

An ISCC certificate can only be issued if there are no major or critical non-conformities at the time of issuance and all prior existing major or critical non-conformities have been resolved or addressed accordingly. All required evidence to prove conformity or removal of prior major or critical non-conformity respectively must be made available to the CB at the latest 40 calendar days after the date on which the non-conformity was identified. If the major or critical non-conformities cannot be addressed accordingly within the defined timeframe, the certificate cannot be issued, and the audit must be marked as failed. Conformity can then only be verified through a new (re-)certification audit, leading to a new certificate in case of a successful audit result (see ISCC EU System Document 201 “System Basics” for further information). In cases where the detected non-conformities lead to an

Corrective measures are possible

exclusion from certification with ISCC, a new certificate can only be issued after the end of the exclusion period.

Non-conformities with ISCC requirements are classified according to the impact of the non-conformity and the fault of the responsible actor (System User or CB). The impact of a non-conformity is severe if the non-conformity:

Severity of non-conformities

- > Has led to any kind of raw material, intermediate product or final product declared as sustainable that does not meet the ISCC requirements entering the downstream supply chain or being placed on the market, or
- > Has had, has or may have an adverse impact on the reliability, integrity, recognition by the EC, functioning or performance of the ISCC Certification Systems (e.g. loss of confidence of market participants in the certification systems, restriction or withdrawal of the recognition by the EC).

Categories of non-conformities are:

Categories of non-conformities

- > Minor non-conformities: They have no severe impact, are not systematic, and can be corrected or have been corrected after detection. If such non-conformities are repeated after they have been detected, they may not be considered minor
- > Major non-conformities: They (1) have a severe impact or have a severe impact but are not minor and (2) are not critical. They cannot always be corrected after detection. If minor non-conformities are repeated after they have been detected, they may be considered as major.
- > Critical non-conformities: They have a severe impact and are systematic, irreversible or intentional, for example fraud. If major non-conformities are repeated after they have been detected, they may be considered as critical as this is an indicator for systematic non-conformities

Based on this classification the CB assesses non-conformities of System Users as minor, major or critical (see chapter 10.2 for example of non-conformities) and applies the respective sanctions and measures as described in chapter 10.2. In the framework of the Integrity Programme ISCC applies this classification to assess non-conformities of System Users or CBs as minor, major or critical and applies the respective sanctions and measures as described in chapters 10.2, 10.3 and 11. If required, ISCC is responsible for assessing the degree of negligence (ordinary or gross negligence) of the actor. ISCC takes the necessary measures to establish the facts needed for its assessments. CBs and/or System Users are obliged to cooperate with and support ISCC in such measures. In particular, ISCC is entitled to demand explanations, statements and the submission of documents and other evidence from CBs and System Users regarding the non-conformity and its circumstances. To establish the facts, ISCC is also entitled to conduct Integrity Assessments. If the responsible actor notifies the CB or ISCC proactively and in time of a committed non-conformity, this can be taken into account as a mitigating circumstance in the assessment. If the non-conformity has been revealed during or as result of an audit or an Integrity Assessment the

Classification and assessment

respective communication cannot be regarded as proactive and timely notification.

Breaches of contract are found to be the case when a CB or a System User does not act according to contractual agreements between the CB and ISCC or the System User and ISCC. Contractual non-conformities may include but are not limited to non-fulfilment of payment obligations, misleading or false information or communication (e.g. information required to establish relevant fees). In the event of contractual breaches, ISCC is entitled to suspend the services offered by ISCC. This includes customer service via telephone or email and the participation in ISCC events. ISCC may also not accept new registrations for additional sites of a System User with contractual breaches.

Breaches of contract

10.2 System Users

10.2.1 Non-Conformities and Sanctions of System Users

The onus and responsibility to establish conformity with ISCC requirements lies on the System User. Similarly, the onus and responsibility regarding the veracity and completeness of the audit lies with the CB. In case of non-conformities of System Users against ISCC requirements, ISCC may request the CB to provide additional comprehensive information about all circumstances related to the non-conformities including the cooperation of the System User in discovering the non-conformities and the measures taken by the System User to prevent or limit damage of the non-conformities to the integrity of the ISCC Certification System and to ensure future conformity with the requirements. In case of major or critical non-conformities, ISCC may ask the CB to provide an assessment on the severity of the infringement according to the classification into major or critical non-conformities. The CB shall provide ISCC with all related documents without delay.

If minor, major or critical non-conformities are found with a System User, for example during an audit, the CB and ISCC shall impose specific measures and sanctions as described in the following. ISCC may give binding instructions to the CB regarding the sanctions in case of non-conformities.

Minor non-conformities of System Users include but are not limited to:

- > The lack of documentation and information requirements without severe impacts (e.g. regarding company internal administrative processes, internal trainings or internal audits)
- > Insufficient implementation of ISCC requirements into the management system without impacts (e.g. regarding company internal organisational charts)
- > GHG emissions being calculated by a scope that was not responsible for the calculation

Minor non-conformities

Minor non-conformities must be addressed accordingly by implementing appropriate direct corrective measures or preventive measures. All measures

Sanctions in case of minor non-conformities

must be addressed within at the latest 40 calendar days after the date on which the non-conformity was identified, and their appropriateness must be assessed by the CB. The correct implementation of corrections and/or preventive measures must be verified by the CB during the next audit (surveillance or recertification audit) at the latest. In addition, ISCC may request the implementation of additional reasonable measures if necessary (e.g. additional training for employees at critical control points) to ensure future conformity with ISCC requirements.

Major non-conformities of System Users include but are not limited to:

Major non-conformities

- > Issuance of Sustainability Declarations or Proofs of Sustainability according to ISCC EU System Document 203 for material despite no valid certificate being available at the time of dispatch of the sustainable material (physical delivery). In the case of a paper trader, issuance of Sustainability Declarations or Proofs of Sustainability despite no valid certificate being available at the time of issuance
- > Repeated problems with mass balance or GHG data reported, for example incorrect documentation is identified in more than 10% of the claims included in the representative sample
- > Major non-conformities on farm or plantation or forest sourcing area level, such as non-conformities with ISCC requirements classified as “immediate” requirements laid down in 202-2 “Agricultural Biomass – ISCC Principles 2-6” and 202-4 “Forest Biomass – ISCC Principles 2-6”
- > (Unintentional) provision of false greenhouse gas information (e.g. providing (individual) greenhouse gas emission values without prior verification by the CB, to recipients of sustainable material)
- > Making false claims with a direct reference to ISCC or using the ISCC logo without the consent of ISCC (violation of the guidelines stated in ISCC System Document 208 “Logos and Claims”)
- > Non-compliance with the EU Reporting requirements
- > Omission to declare the participation in other voluntary schemes
- > Failure to provide relevant information to auditors, for example, mass balance data and audit reports
- > Missing or delayed participation by third parties (for example, external warehouses and supplying PoOs as applicable) in audits as applicable
- > Entries in the Union database do not correspond to the bookkeeping and net mass balance data or other encoded information
- > No information or incorrect or incomplete information entered in the Union database
- > Omission to inform ISCC about prosecutions or court proceedings and their outcomes related to activities in the context of the ISCC certification

- > (Unintentional) false provision of information in the context of the ISCC Integrity Programme
- > No response to communications from ISCC (see Chapter 10.2.2).

In case of major non-conformities by System Users the issuing CB must suspend the validity of the certificate (suspension) with immediate effect after the date on which the non-conformity was identified for a period of 40 calendar days. If the duration of the remaining validity period of the certificate is less than 40 calendar days, the suspension would be in place until the expiry of the certificate's validity. Within this period all non-conformities must be corrected by implementing appropriate corrective measures as determined by the CB. It is the responsibility of the System User to prove conformity with ISCC requirements. The CB shall end the suspension in accordance with ISCC System Documents within or after this period if it confirms the successful implementation of the corrective measures and if conformity with the ISCC requirements can be demonstrated. For exceptional reasons the suspension can be extended once, for up to 30 calendar days only after the consent of ISCC in order to implement remaining corrective measures. If not all major non-conformities are corrected and/or conformity with ISCC requirements cannot be proven within the period of suspension the CB has to declare the certificate invalid and withdraw the certificate with immediate effect. See chapter 10.2.2 for further information. The CB has to inform ISCC immediately about any suspension, its intended extension, its end or a withdrawal of a certificate. In case of withdrawal ISCC may exclude the System User from recertification (exclusion) for up to 12 months in case of ordinary negligence of the System User with regard to the non-conformity and for up to 36 months in case of gross negligence.

Sanctions in case of for major non-conformities

Critical non-conformities of System Users include but are not limited to:

- > Violations of the requirements of ISCC Principle 1 for agricultural biomass or ISCC Principle 1 for forest biomass
- > Intentional violations of ISCC requirements, for example fraud
- > Incorrect issuance of a Sustainability Declaration or a self-declaration with severe impact (e.g. duplication of a Sustainability Declaration or a self-declaration)
- > Deliberate contaminations of materials to generate waste or residues
- > Deliberate modification of a production process to produce additional waste or residue materials
- > False declaration or relabeling of material or products
- > Acting outside the permissible scope of certification (e.g. a System User certified as a Processing Unit but selling sustainable material under ISCC without any processing, in effect acting as a Trader)

Critical non-conformities

- > Accounting biomass or other materials or products as sustainable according to the ISCC System requirements, although the sustainability of the material or product cannot be traced, verified or validated (e.g. due to missing, incomplete or incorrect self-declarations, Sustainability Declarations, and/or missing or invalid certificates of suppliers and/or mass balance calculations or negative mass balances)
- > Intentional falsification of GHG values
- > Missing or delayed cooperation in the ISCC Integrity Programme
- > Missing or delayed cooperation in surveillance audits ordered by the CB and/or by ISCC, leading to surveillance audits not being conducted within the time required by ISCC System Documents
- > Falsification of official documents (e.g. contracts, delivery documents, or bills)
- > Claiming the amount or the sustainability characteristics (e.g. the GHG savings) of a batch of sustainable material multiple times, for example, in different EU Member States or under different regimes that cover the same sustainability characteristics (e.g. GHG savings or renewability)
- > Selling one batch of sustainable material multiple times (multiple accounting)
- > Missing cooperation regarding access permission to relevant premises and information and documentation requests by the Member States in the context of their supervision activities in the framework of the Renewable Energy Directive
- > Legal conviction for violations of law (unless a connection with certified activities can be excluded)
- > Breaches to Anti-Corruption Policy

In the case of critical non-conformities, the issuing CB must declare the certificate invalid immediately after the non-conformity was identified and withdraw it with immediate effect. The CB must inform ISCC immediately about the withdrawal of the certificate. ISCC may exclude the System User from recertification with ISCC for a period of up to 60 months.

*Sanctions in
case of critical
non-conformities*

Table 1 provides a simplified overview of non-conformities and possible sanctions for System Users.

*Details on non-
conformities*

Severity Degree of negligence	Minor	Major	Critical
Ordinary negligence	Warning Conditions	Suspension or withdrawal of certificate Exclusion from recertification possible for up to 12 months	Not applicable
Gross negligence	Warning Conditions	Suspension or withdrawal of certificate Exclusion from recertification possible for up to 36 months	Withdrawal of certificate Exclusion from recertification for up to 60 months
Intentional/ Fraud	Not applicable	Not applicable	Withdrawal of certificate Exclusion from recertification for up to 60 months

Table 1: Overview of Non-conformities and Sanctions for System Users

10.2.2 Suspension and withdrawal of a certificate

Depending on the severity of a detected non-conformity to ISCC requirements the status of a certificate can be changed, i.e. a certificate can be suspended or withdrawn. It is the responsibility of the CB to update any changes to the status of a certificate accordingly in the respective certificate section in the ISCC HUB. CBs are furthermore responsible to inform the System User about changes of the status of a certificate and to provide evidence to ISCC about the respective communication. ISCC is entitled to request a statement from the CB and/or the System User regarding the change of certificate status of a System User. Additionally, ISCC is entitled to request a change of the status of a certificate in cases of major or critical non-conformities that are detected in the context of the ISCC Integrity Programme.

If System Users do not respond to communications from ISCC although requested to do so and/or do not take a requested action, this is treated as a major non-conformity and leads to the suspension of the certificate. Not responding to communications in the context of Integrity Assessments may be treated as critical non-conformity (see chapter 11). For the communication to be able to trigger the suspension of a certificate, the following conditions must be met:

- the communication is submitted by ISCC in writing to the System User
- the System User is asked to reply and/or take necessary action within a period of at least 14 calendar days (for urgent matters, the time given to the System User to react shall not be shorter than three working days since the communication was issued)

Suspension for failure to respond by System Users

- the communication states that the System User will be sanctioned with the suspension of the certificate in the event of no response received or action taken within the provided timeline.

If the first timeline is missed, a reminder in the form of a second communication is submitted in writing to the System User by ISCC with warning of the sanction taking effect in case of further missed response or action by the System User within a final term stated in the second communication. Such term shall be set at least 14 calendar days from issuing of the second communication (or, for urgent matters, at least 3 working days since the second communication was issued). If the System User does not react by the second deadline, ISCC shall announce the sanction in writing to the System User with a third communication. Suspension of the certificate of the System User takes effect 48 hours after the third and final communication. The CB will be included in the communications sent by ISCC to System Users in the context of no response triggering the suspension of the certificate. If the System User does not respond or act accordingly within 40 days from the third and final communication, the CB shall withdraw the certificate.

In case of suspension or withdrawal of a certificate, the CB will immediately update the status of the certificate on the ISCC HUB accordingly. ISCC will also immediately update information on the suspension period on the ISCC website accordingly. Exclusions from recertification and their duration are also published on the ISCC website. Suspension and/or exclusion periods remain visible on the ISCC website after the respective period has ended. ISCC will not publish specific reasons for the suspension and withdrawal of a certificate or the exclusion of System Users.

*Publishing on
ISCC website*

ISCC is entitled to notify authorities, other certification systems or other voluntary schemes and CBs about the suspension and withdrawal of certificates as well as the exclusion of System Users.

*Communication
to third parties*

If any non-conformities are detected with a System User, ISCC and the CB are entitled to impose conditions for the recertification of the System User which are suitable for preventing future non-conformities and for ensuring future conformity with ISCC requirements. This also applies if certificates were suspended or withdrawn or if the economic operator was excluded from recertification. Examples for conditions are the application of a higher risk level for audits, the obligation of additional surveillance audits after a specified period of time, the submission of specified documents (e.g. Sustainability Declarations) to the CB and/or ISCC for a specified period of time (e.g. one mass balance period), or the obligation of trainings for relevant members of staff. It is mandatory for the CB to apply a higher risk level for at least the next two audits following the suspension or withdrawal of a certificate, i.e. the risk level must be higher than the risk level applied for the previous audit (see ISCC EU System Document 204 "Risk Management"). Unless the System User is excluded from recertification immediate recertification is possible after the withdrawal of a certificate. For this, the System User has to pass a

*Recertification
and conditions
for recertification*

certification audit successfully. CBs cannot issue any certificate during the time the System User is excluded from recertification.

During the time of a suspension of the certificate or the exclusion from certification the (former) System User is not allowed to handle material declared as sustainable under ISCC or to use the ISCC logo or make any claims referring to an ISCC certification or ISCC certified material (see ISCC System Document 208 “Logos and Claims”). This implies that the (former) System User is not permitted to act for other ISCC certified System Users, e.g. as dependent collecting point or dependent storage facility for a certified System User. ISCC certified Systems Users cannot accept deliveries as sustainable from an economic operator that is certified under another certification scheme accepted under ISCC if this economic operator is excluded from ISCC certification. Certified ISCC System Users are obligated to ensure that all service providers, such as dependent Collecting Points and storage facilities, comply with the ISCC requirements. If ISCC detects that material was handled and declared as sustainable under ISCC, the ISCC logo was used or any claims referring to an ISCC certification or ISCC certified material were made by a System User, who was not allowed to do so, ISCC may exclude the System User from recertification with ISCC for a period of up to 60 months.

No handling of sustainable material

10.2.3 Fraud Investigations or Indication of Non-Conformities

ISCC System Users are obliged to immediately inform their CB and ISCC in text form (email or mail) if they or their operations related to ISCC in any way are subject to fraud investigations by competent authorities.

Immediate information

If ISCC learns that a System User is subject to a fraud investigation, or if ISCC receives substantiated information that gives rise to the indication of a major or critical non-conformity, or fraud (i.e. any claim, allegation and/or suspicion), ISCC shall request a statement from the System User regarding the investigations and/or these suspicions. The System User has to submit a substantiated statement refuting any suspicion of non-conformity and/or fraud and explaining the reasons for the investigations within three working days.

Statement requested

Otherwise, and/or if ISCC comes to the conclusion that there is a well-founded and urgent suspicion of a major or critical non-conformity, or of fraud involving the violation of ISCC requirements, the CB must suspend the validity of the certificate with immediate effect for a period of 40 calendar days. In the case of such a suspension, the System User is required to provide sufficient evidence to ISCC and the CB refuting any suspicion of non-conformity and/or fraud. It is the responsibility of the System User to prove conformity with ISCC requirements. The CB shall end the suspension in consent with ISCC within or after this period if conformity with the ISCC requirements can be demonstrated or if the suspicion is otherwise cleared or the investigations are terminated. The CB shall extend in consent with ISCC this period if conformity with the ISCC requirements cannot be demonstrated or the suspicion is

Suspension of certificate possible

otherwise still pending, or the investigations are continued. If the System User fails to provide sufficient evidence to refute all suspicions of non-conformity and fraud and/or if ISCC or the CB come to the conclusion that the suspicion of non-conformity or fraud cannot be refuted based on the provided evidence, the CB has to declare the certificate invalid and withdraw it with immediate effect. ISCC may exclude the System User from recertification with ISCC for a period of up to 60 months.

ISCC may additionally conduct an Integrity Assessment of the System User in the framework of the ISCC Integrity Programme or request the issuing CB to conduct an audit of the System User. In case of findings the sanctions as described in chapter 10 or in chapter 11 (for ISCC Integrity Assessments) apply.

Audit of System User

If ISCC receives substantiated information that gives rise to the suspicion of fraud, ISCC shall be entitled to inform the competent authorities such as the European Commission or national authorities, and to provide all information or evidence that is requested by these authorities without prior consent of the System User. If competent authorities investigate System Users, particularly on suspicion of fraud, the System User shall notify ISCC immediately and proactively about the investigations as far as the System User is not prohibited from fulfilling this obligation by applicable law. ISCC shall be entitled to cooperate fully with the authorities and to provide any evidence available to ISCC to the investigators.

Fraud information to authorities

10.3 Certification Bodies

In the event of non-conform behaviour of a CB, its auditors or representatives, ISCC may impose sanctions against the CB or the individuals responsible for the non-conformity. ISCC assesses the type and level of non-conformity and determines the level of sanction on a case-by-case basis. In case a CB is active under ISCC in multiple countries, ISCC might impose only country-specific sanctions (e.g. in case of a critical non-conformity, the respective CB might be not permitted to issue certificates to new clients only in a specific country or countries). The principles specified in chapter 10.1 shall be applied.

Case-by-case assessment

There are four levels of sanctioning: Warning, Yellow Card, Red Card, and Contract Cancellation. Furthermore, ISCC reserves the right to impose a contractual penalty if there is a violation against the ISCC requirements.

Sanctions of CBs

In addition, ISCC is also entitled to impose measures which are suitable for preventing future non-conformities or for ensuring that the CB will conform with ISCC requirements in the future. Examples for measures include additional training of auditors and/or members of staff, specific measures for auditors for a specified period of time (e.g. audits can only be conducted when accompanied by other auditors or the suspension from conducting ISCC audits). ISCC is entitled to set a time frame for the implementation of the measures by the CB. The CB has to provide evidence to ISCC that the measures have been implemented within the set time.

Measures for CBs

Level 1: Warning

ISCC may issue a Warning if minor non-conformities with ISCC requirements are detected. Minor non-conformities of CBs may prevent a smooth certification process, but do not have an impact on the quality of the CB's audit result or the level of assurance of the CB audit. Examples of minor non-conformities include but are not limited to:

Minor non-conformity

- > Certification documents submitted to ISCC are delayed or incomplete
- > Delayed notification to ISCC about suspended or withdrawn certificates
- > Delayed notification to ISCC about failed audits
- > Missing notification to ISCC about the change of CB of a System User (i.e. when a System User contracts a new CB for the recertification audit)
- > (Unintentional) provision of incorrect or false information in audit reports, without severe impact
- > CB did not detect minor non-conformities of a System User (see chapter 10.2) although the non-conformity should have been detected during the audit.

Only the CB will be informed about the Warning. After a Warning the CB must submit a statement of explanation to ISCC within 14 calendar days upon notification of the Warning. This statement has to include a description of suitable measures taken by the CB for preventing future non-conformities or for ensuring future conformity with ISCC requirements.

Sanctions and measures

Level 2: Yellow Card

ISCC may issue a Yellow Card in case of repeated or systematic minor non-conformities, especially if ISCC has already issued a Warning to the CB before regarding the same type of non-conformity. A Yellow Card can also be issued in case of major non-conformities or if the CB does not react to or does not report in response to written requests for, e.g. evidence or statements by ISCC. Major non-conformities of CBs have an impact on the overall quality of the CB's audit result or the level of assurance of the CB audit. They pose a risk to the integrity of the ISCC certification standard. Examples of major non-conformities include but are not limited to:

Repeated minor non-conformities or major non-conformities

- > Certificates are not issued according to the ISCC requirements (e.g. one certificate issued for more than one System User)
- > Conditions for the certification of a System User imposed by ISCC were not taken into account during the audit
- > Incorrect assessment of risk level as applicable during an audit (e.g. for an audit of a PoO handling waste and residues)

- > (Unintentional) provision of incorrect or false information in audit reports, with severe impact
- > Submission of audits using outdated and invalid versions of ISCC Audit Procedures or ISCC Audit Procedure System (APS)
- > Conduction of remote audits in scenarios wherein on-site audits are required by ISCC System Documents, without the prior consent of ISCC
- > Incorrect reporting of material quantities, or periods associated with the quantities, in the audit report impacting the issuance of quantity dependent fees
- > Incorrect determination of the sample size for audits (if applicable)
- > Certification documents of successful or failed audits are not submitted to ISCC
- > Certificates of successful audits are not issued within sixty calendar days of the audit of the System User being conducted
- > Certificates of successful audits being issued more than seven calendar days prior to the starting date of the validity period
- > Mandatory audits, such as surveillance audits, are not conducted within the time required by ISCC System Documents
- > Conduction of audits (certification and, if applicable, surveillance audits) for the same System User, by the same auditor for more than three consecutive years
- > Entering inaccurate or false information in the ISCC HUB (e.g. when changing the status of a certificate in the ISCC HUB)
- > Auditor did not fulfill the necessary training qualification according to ISCC EU System Document 103 "Requirements for Certification Bodies and Auditors" when the audit was conducted
- > CB did not detect major non-conformities of a System User (see chapter 10.2) although the non-conformity should have been detected during the audit.

ISCC shall inform the accreditation body or respective national authority that has accredited or recognised the CB and is responsible for monitoring the CB of the Yellow Card and the circumstances that led to the Yellow Card. The CB shall submit a statement of explanation to ISCC within 14 calendar days upon notification of the Yellow Card. This statement has to include a description of suitable measures taken by the CB for preventing future non-conformities or for ensuring future conformity with ISCC requirements. ISCC is entitled to impose further measures that have to be implemented by the CB within a set time frame.

*Sanction and
measures*

Level 3: Red Card

ISCC may issue a Red Card in case of critical non-conformities with ISCC requirements or if measures required due to a Yellow Card have not been completely implemented within a set time, or if the CB does not react to or report on repeated written requests for, e.g. evidence or statements by ISCC, or if the accreditation body or competent national public authority has suspended the accreditation or recognition of the CB.

Critical non-conformities

Examples of critical non-conformities include but are not limited to:

- > Missing or delayed cooperation in the ISCC Integrity Programme
- > CB and/or auditors conduct audits without being independent or free of conflict of interest towards the relevant System User
- > Intentional violation of the ISCC requirements, for example fraud
- > Missing cooperation regarding access permission to relevant premises and information and documentation requests by the Member States in the context of their supervision activities
- > CB did not detect critical non-conformities of a System User (see chapter 10.2) although the non-conformity should have been detected during the audit.

The initial Red Card can have a duration of 6 months in case of ordinary negligence of the CB with regard to the non-conformity and of 12 months in case of gross negligence. If the circumstances that lead to the issuance of a Red Card are detected again within the period of the initially issued Red Card this leads to enhanced sanctions and measures.

Sanction and measures:

Sanctions and measures

Initially issued Red Card:

- > ISCC shall inform the accreditation body or respective national authority that has accredited or recognised the CB and is responsible for monitoring the CB of the Red Card and the circumstances that led to the Red Card
- > ISCC shall publish the issuance of the Red Card, including the duration of the Red Card on the ISCC Website
- > The CB is not permitted to issue certificates to new clients for the duration of the Red Card (i.e. System Users that were not clients of the CB prior to the date the Red Card was issued)

First extension: In case of repeated detection of circumstances that lead to a Red Card within the period of the initially issued Red Card:

- > The duration of the Red Card is extended by 12 months
- > ISCC shall inform the accreditation body or respective national authority that has accredited or recognised the CB and is responsible for monitoring

the CB of the extension of the Red Card and the circumstances that led to the extension

- > ISCC shall publish the extension of the Red Card on the ISCC website
- > The CB is not permitted to issue certificates to new clients for additional 12 months (i.e. System Users that were not clients of the CB prior to the date the Red Card was issued), and the CB is not permitted to issue certificates to existing clients for a period of 6 months (i.e. System Users that were clients of the CB prior to the date of the Red Card)

Second extension: In case of repeated detection of circumstances that lead to a Red Card within the extension period of the Red Card:

- > The duration of the Red Card is extended by another 12 months
- > ISCC shall inform the accreditation body or respective national authority that has accredited or recognised the CB and is responsible for monitoring the CB of the further extension of the Red Card and the circumstances that led to the further extension
- > ISCC shall publish the further extension of the Red Card on the ISCC website

The CB is not permitted to issue certificates for a period of 12 months to new clients (i.e. System Users that were not clients of the CB prior to the date the Red Card was issued), and the CB is not permitted to issue certificates for a period of 12 months to existing clients (i.e. System Users that were clients of the CB prior to the date of the Red Card)

Level 4: Contract Cancellation

In cases of fraud (as verified in consultation with national authorities), or if a Red Card could not be lifted after the second extension, or in cases of bankruptcy or loss of the required recognition or accreditation of the CB by a national authority or accreditation body ISCC may terminate the cooperation agreement with the CB.

*Termination of
cooperation*

Sanction:

- > ISCC shall inform the accreditation body or respective national authority that has accredited or recognised the CB and is responsible for monitoring the CB of the contract cancellation and the circumstances that led to the contract cancellation
- > Cancellation of the contract is made public on the ISCC Website and all ISCC System Users are to be informed
- > The CB is not allowed to issue ISCC certificates
- > Cancellation of the cooperation agreement by ISCC.

11 ISCC Integrity Programme

11.1 Overview

The ISCC Integrity Programme was launched as a tool to enable closer monitoring of the CBs' verification activities and the conformity of System Users with ISCC requirements and is based on an ongoing assessment process. It also aims to ensure a consistent, objective and reliable audit and certification process by all CBs cooperating with ISCC globally. The ISCC Integrity Programme supports the quality and risk management of ISCC and provides valuable feedback to ISCC regarding the implementation of the standard and its verification. Therefore, it is an essential part of the continuous improvement process of the ISCC System.

*Quality and risk
management
tool*

In the context of the ISCC Integrity Programme, the System User is obliged to cooperate with ISCC representatives or auditors commissioned by ISCC. This includes that they shall be granted access to and make inspections of the properties, business premises, operating and storage rooms as well as means of transport during business and working hours. ISCC representatives or auditors commissioned by ISCC shall be entitled to inspect and review all business documentation in written and electronic form and they must be provided with all information required. The System User is also obliged to allow representatives of ISCC or independent auditors assigned by ISCC to participate in audits performed by the CB (see chapter 11.3 for more information on Witness Audits) and to grant these representatives access to the premises as well as to all relevant data and documentation.

*Rights of Access
and Inspection*

At all locations where the CB performs activities associated with the Cooperation Agreement and on which it exercise material control, the CB must enable employees of a competent authority and its representatives or ISCC employees and/or auditors commissioned by ISCC to enter sites, offices and any other premises during business hours, to undertake inspections, to inspect and audit all written and electronic business records available, to request the necessary information, and to take samples in the context of the ISCC Integrity Programme.

ISCC is entitled to request relevant information and/or documentation from System Users and CBs in the context of the Integrity Programme. If not specified differently, all information and/or documentation must be submitted to ISCC within 14 calendar days.

*Information and
Documentation
Request*

11.2 Cross-Checking of Documents

Upon request in the context of the ISCC Integrity Programme, the System User shall be obliged to immediately enable a cross-checking of the accuracy of sustainability claims. This includes but is not limited to the evidence for individual deliveries of sustainable material, such as Sustainability Declarations or delivery documents, received from suppliers or sellers,

*Cross-checking
of documents*

subcontractors (such as logistic providers or dependent collecting points) and provided to recipients or buyers. ISCC is entitled to request the corresponding evidence directly from the suppliers or sellers, subcontractors and from the recipients or buyers of the System User. If requested by ISCC, the System User shall be obliged to immediately request copies of the corresponding evidence from the supplier or seller and/or the recipient or buyer of sustainable material. During this process ISCC shall be copied in the entire communication to ensure transparency. Any ISCC System User shall be obliged to cooperate in this cross-checking process. Responses should be provided to ISCC by all parties within a period of 14 calendar days. A cross-checking of documents can also be initiated during an ISCC Integrity Assessment at a System User by the ISCC Integrity Assessor or ISCC representative.

11.3 ISCC Integrity Assessments

As part of the Integrity Programme, ISCC is allowed to conduct independent Integrity Assessments at any System User, CB head office and for individual CB auditors. The Integrity Assessments consist of on-site and/or remote assessments and may focus on the conformity of ISCC System Users with ISCC requirements, on the performance of individual auditors conducting ISCC audits and on the overall performance of CBs offering ISCC certification services. ISCC does not charge any costs of Integrity Assessments to the participants. The assessments are conducted by ISCC Integrity Assessors or other ISCC representatives commissioned by ISCC and can take place in any country where CBs cooperating with ISCC carry out activities and audits in the framework of ISCC. The ISCC Integrity Assessors work on behalf of ISCC and must be independent and free of any conflicts of interest. Potential conflicts of interest shall be immediately reported internally and are documented and regularly reviewed.

*CB and
System User
Assessment*

Candidates for ISCC Integrity Assessments (System Users, CBs and auditors) are selected partly randomly and partly on risk-based criteria.

*Selection of
candidates*

Risk-based criteria for System Users include:

- > Indication of non-conformity or fraud
- > Location/Region
- > Scope of certification
- > Application of individual GHG calculation
- > Type(s) of material handled as sustainable
- > Certification history

Risk-based criteria for CBs/Auditors include:

- > Number of ISCC certificates issued by CB

- > Number of audits conducted by auditor
- > General performance of CB/auditor

11.3.1 Integrity Assessment at ISCC System User

The objective of the System User Integrity Assessment is to assess conformity of the respective System User with ISCC requirements. Additionally, the System User Integrity Assessment also serves to assess the audit and certification process of the CB by auditing a sample of its certified clients. During this assessment, the ISCC Integrity Assessor or ISCC representative carries out an evaluation of the certified System User on its conformity with the applicable ISCC audit procedures and other relevant documents. The results of this assessment are then compared with the CB's audit report from the last regular certification audit. System User Integrity Assessments take place additionally to the annual certification audits conducted by the CB.

Objectives

The participation of ISCC System Users in an ISCC Integrity Assessment is mandatory. Refusal to participate or non-cooperation are considered critical non-conformities with ISCC requirements and will be sanctioned (see chapter 10). Mandatory participation of System Users in ISCC Integrity Assessments may be requested by ISCC up to 18 months after the end of the last ISCC certificate.

Mandatory participation

At least 4 weeks prior to the scheduled date, the ISCC System User and their CB shall receive a formal invitation letter from ISCC via email. The first letter sent out by email will contain the scheduled date(s) of the ISCC Integrity Assessment, the relevant ISCC registration number, the respective operational units to be visited, the documents to be submitted to ISCC and the certification scopes to be assessed. ISCC is entitled to prolong the Integrity Assessment in case it becomes evident during the assessment that the assessment cannot be completed otherwise. The System User Integrity Assessment will be conducted in English. If the ISCC Integrity Assessor or ISCC representative is also fluent in the local language, the System User Integrity Assessment might be conducted in local language upon request by the System User.

Formal invitation

The selected participant is obliged to respond to the invitation letter within 7 calendar days of receipt of the first invitation letter to confirm participation on the date proposed by ISCC. In case of absence of the ISCC contact person(s) at the time of receipt of the first invitation letter, the System User has to ensure that the invitation is received by other responsible personnel without delay (see ISCC EU System Document 201 "System Basics"). Rescheduling may be possible if the System User submits a written request and provides sufficient reasoning for the request within the aforementioned timeframe. If the System User cannot confirm the date proposed by ISCC, the System User is obliged to immediately provide ISCC with two alternative dates. These alternative dates shall be within a period of two months of receipt of the first

Setting of the date

invitation letter sent by ISCC. The ISCC management will then assess the reasoning and the proposed date(s). If a System User does not reply within the timeframe of 7 calendar days after receipt of the invitation letter this is considered non-cooperation in the ISCC Integrity Programme.

A representative from the CB may attend the assessment as an observer. Participation of the respective CB during this Integrity Assessment is strongly recommended but not mandatory. However, the CB must not influence the assessment in any way.

CB observer

For the purpose of determining the exact schedule of the Integrity Assessment, the ISCC management, the ISCC representative or the ISCC Integrity Assessor will contact the System User after the date has been confirmed. A schedule for the assessment and a list of documents that are required prior to, during and after the audit will be provided to the participant. This may include, if applicable, geo-coordinates of the farms or plantations supplying the respective operational unit (e.g. First Gathering Point) provided in shape- or kmz data format⁸, calculations for the greenhouse gas emissions (if an individual calculation has been conducted), mass balances and other relevant documents or evidence. System Users are obliged to provide these documents to ISCC in a timely manner (i.e. at least after 14 calendar days after receipt of invitation) prior to the audit so as to enable a full evaluation of all applicable requirements.

*Assessment plan
and schedule*

System User Integrity Assessments usually cover the scopes of one ISCC registration and the previous certification audit of that specific System User. The ISCC Integrity Assessor and ISCC representatives are entitled to assess more recent operations or operations that reach further back, or to focus the assessment on specific materials, processes, or time frames, if this is considered as relevant by the auditor or if it becomes relevant in the case of an indication of a major or critical non-conformity. If multiple ISCC Certification Systems apply, the fulfilment of the requirements of each system may be checked. If applicable, any external storage facility or collection sites (also run by subcontractors), any supplying farm, or any Point of Origin for waste and residues may also be part of the assessment. The System User Integrity Assessment can be a full assessment of all facilities and procedures covered under the certificate of the System User and evaluate compliance with all applicable ISCC requirements. The ISCC Integrity Assessor or ISCC representative must be granted access and insight to all sites and properties (including business premises, operating rooms and storage and means of transport) during business and working hours and must be allowed to make all necessary inspections. The ISCC Integrity Assessor or ISCC representative must also be granted access to and examination of all available business documentation (in written and electronic form) that the auditor considers relevant for the assessment. This also includes data and documents concerning non-sustainable material under ISCC or data and documents issued under concurring certification systems. The System User must provide

*Scope of the
assessment*

⁸ When providing geocoordinates the WGS84 coordinate system has to be applied.

any further information that is considered relevant by the Integrity Assessor or ISCC representative. This includes but is not limited to delivery documents, shipping documents, documents on final transaction, etc.

The audit may be structured in the following way (example):

*Structure of the
audit*

- > **Opening Meeting** (presentation of ISCC Integrity Assessor or ISCC representative and ISCC Integrity Programme, definition of scope of assessment, description of the main activities of the System User that are related to ISCC certification).
- > **Inspection of facilities** (inspection of production unit, warehouses, buildings, machinery etc. This may include interviews of staff).
- > **Review of procedures and records** (check of applicable procedures, records and documentation).
- > **Closing meeting** (Summary of the audit will be presented and explained to the System User and CB representative by the ISCC Integrity Assessor or ISCC representative).

The final structure of the audit will be agreed upon between the System User and the ISCC Integrity Assessor or ISCC representative and may differ from the above example. The ISCC Integrity Assessor or ISCC representative is entitled to prolong the Integrity Assessment (on-site or remotely) if more time is required to complete the assessment.

The ISCC Integrity Assessment Report is prepared by the ISCC Integrity Assessor or ISCC representative shortly after the date of the audit. The report contains the basic data of the assessment (assessed company, contact persons and persons present during the assessment, ISCC registration number, location of the audit/s etc.), and the findings of the ISCC Integrity Assessor or ISCC representative. After an internal review at the ISCC head office, a digital copy of the Integrity Assessment Report shall be sent to the CB and the System User and shall also be forwarded to the ISCC management. Upon receipt of the Integrity Assessment Report, the System User must provide ISCC with a signed version of the report. Depending on the non-conformities detected during the ISCC System User Integrity Assessment, ISCC is entitled to request preventive and corrective measures from the CB and/or the System User so as to re-establish conformity with the ISCC requirements. If applicable, the report may contain the results of a detailed remote sensing analysis in order to verify ISCC Principle 1 (if applicable for agricultural or forest biomass), which will be included as an attachment.

*Integrity
Assessment
Report*

The ISCC Integrity Assessor or ISCC representative may find non-conformities that were also found by the CB during the previous audit, non-conformities that were not found by the CB during the previous audit and non-conformities that were not found but should have been detected during the previous audit. Minor non-conformities and their resolution shall be explicitly assessed by the CB during the subsequent regular recertification audit and

*Detection of non-
conformities*

will be checked by ISCC management when reviewing the recertification documents. Major non-conformities detected during the ISCC System User Integrity Assessment may require immediate action. “Immediate action” refers to corrective measures to resolve the non-conformities which must be taken by the System User and proven to the CB and ISCC within a given deadline after the official receipt of the ISCC Integrity Assessment Report. It is the responsibility of the System User to prove conformity with ISCC requirements. Furthermore, if major non-conformities are detected the CB must suspend the relevant certificate immediately for a period of 40 calendar days. The CB has to evaluate in consent with ISCC whether the implemented measures of the System User correct the detected non-conformities and prove conformity with ISCC requirements. If the non-conformities cannot be corrected and/or conformity with ISCC requirements cannot be proven within this period of time, the CB is obliged to withdraw the System User’s current certificate. If critical non-conformities are detected during the ISCC System User Integrity Assessment the CB is obliged to withdraw the System User’s current certificate immediately. Depending on the severity of the non-conformities, ISCC may exclude the System User from recertification with ISCC for a period of up to 60 months.

In case the ISCC Integrity Assessor or ISCC representative finds non-conformities at the System User that were not found but should have been detected during the previous certification audit or the ISCC Integrity Assessor or ISCC representative finds CB and/or auditor non-conformities during the previous certification process, ISCC is also entitled to decide on sanctions against the CB and/or auditor (see chapter 10.3).

Detection of CB non-conformities

ISCC shall also be able to conduct unannounced System User Integrity Assessments. This implies that ISCC is entitled to also conduct System User Integrity Assessments without prior notice or conduct System User Integrity Assessments with notice less than four weeks prior to the proposed date. ISCC will apply these two options only in exceptional circumstances. These exceptional circumstances include i.e. in case of indications of a major or critical non-conformity with ISCC requirements or fraudulent behavior. The selected participant is obliged to respond to the unannounced System User Integrity Assessment within 3 working days of receipt of the information by ISCC. In case ISCC receives substantiated information on a critical non-conformity of a System User, ISCC is entitled to conduct an unannounced System User Integrity Assessment without prior notice. If the System User does not respond within the given timeframe this is considered non-cooperation in the ISCC Integrity Programme. Apart from the formal invitation, the same rules as for a scheduled ISCC System User Integrity Assessment apply. This includes that if e.g. major or critical non-conformities are found, sanctions as indicated above will be stipulated.

Unannounced Integrity Assessments

11.3.2 Integrity Assessment at Certification Body Office

An ISCC Integrity Assessment at the office of a cooperating CB only takes place in exceptional cases as the surveillance and monitoring of CBs is usually performed by the national public authority responsible for recognition or by the accreditation body responsible for accreditation of the CB.

*CB office
assessment*

The participation of the Certification Body in a scheduled ISCC Integrity Assessment at the Certification Body office is mandatory. Refusal to participate is considered a critical non-conformity with ISCC requirements and will be sanctioned (see chapter 10). Certification Bodies are obliged to immediately cooperate in the scheduling of the audit especially with respect to confirming the date of the audit and providing relevant documents in advance if requested. Rescheduling may be possible if the Certification Body submits a written request and provides sufficient reasoning for the request within the aforementioned timeframe. If the Certification Body cannot confirm the date proposed by ISCC, the Certification Body is obliged to immediately provide ISCC with two alternative dates. These alternative dates shall be within a period of two months of receipt of the first invitation letter sent by ISCC. The ISCC management will then assess the reasoning and the proposed date(s). If a Certification Body does not reply within the timeframe of 7 calendar days after receipt of the invitation letter this is considered non-cooperation in the ISCC Integrity Programme.

*Mandatory
participation*

The CB Office Integrity Assessment will be conducted in English. If the ISCC Integrity Assessor or ISCC representative is also fluent in the local language, the CB Office Integrity Assessment might be conducted in local language upon request by the CB.

The objective of the ISCC Integrity Assessment at the office of a cooperating CB is to assess the performance of the internal ISCC related processes of that CB. This includes inter alia the following elements:

Objectives

- > The accreditation of the CB or, the recognition of the CB by a national authority.
- > Verification of the competence, training and qualification of auditors (CVs, training records and evidence of competence of all ISCC auditors, etc.).
- > Documentation of internal ISCC policies (e.g. manuals, management system, definition of responsibilities, internal audits).
- > Registration procedures for customers and register of audits carried out and scheduled.
- > Documentation of audit reports, review process of audit reports and monitoring of timely implementation of corrective actions.
- > Documentation and conduction of risk assessments conducted prior to audits of ISCC System Users (e.g. remote sensing analysis of farms and compliance with ISCC Principle 1).

- > Procedures for identification and management of detected non-conformities at System Users.
- > Decision process for the issuing of certificates.
- > Registry of certificate holders.
- > Procedures for handling complaints and appeals related to ISCC activities

The assessment is normally structured in the following way, but may be subject to individual scheduling with the ISCC Integrity Assessor or ISCC representative:

*Assessment
structure*

- > **Opening Meeting** (presentation of ISCC Integrity Assessor or ISCC representative and ISCC Integrity Programme, definition of scope of assessment, description of activities of the CB related to ISCC certification).
- > **Data collection** (Definition of the company's structure, activities and personnel related to ISCC, Statistics such as number of certified clients/certificates, other required general information).
- > **Description of the certification process** (client registration, audit planning and preparation, pre-audit assessments, reporting, monitoring of corrective actions, issuance of certificate, information transfer to ISCC, internal database and documentation).
- > **Review of certification files** (certain files, processes and clients will be selected and reviewed).
- > **Review of auditor qualification files** (some qualification files will be reviewed to check compliance with ISCC requirements for auditors (if applicable) and internal qualification processes).
- > **Closing meeting** (Summary of the audit will be presented by the ISCC Integrity Assessor or ISCC representative and findings explained to CB).

The final structure of the audit will be agreed upon between the CB and the ISCC Integrity Assessor or ISCC representative and may differ from the above example. The ISCC Integrity Assessor or ISCC representative is entitled to prolong the Integrity Assessment if more time is required to complete the assessment.

A CB Office Integrity Assessment Report is prepared by the ISCC Integrity Assessor or ISCC representative shortly after the date of the audit. The report contains the basic data of the assessment and the findings of the ISCC Integrity Assessor or ISCC representative. After an internal review at the ISCC head office, a digital copy of the CB Office Integrity Assessment Report shall be sent to the CB and shall also be forwarded to the ISCC management. Upon receipt of the Integrity Assessment Report, the CB must provide ISCC with a signed version of the report. Depending on the non-conformities detected during the ISCC CB Office Integrity Assessment, ISCC is entitled to request

*Integrity
Assessment
Report*

preventive and corrective measures from the CB so as to re-establish conformity with the ISCC requirements.

The ISCC Integrity Assessor or ISCC representative may find non-conformities with ISCC requirements. Major or critical non-conformities may require immediate action. "Immediate action" refers to corrective and preventive measures to resolve the non-conformities which must be taken by the CB within a given deadline after the official receipt of the ISCC Integrity Assessment Report. Depending on the severity of the detected non-conformities, ISCC is entitled to impose sanctions to the CB in line with the regulations in chapter 10 and request the implementation of measures to re-establish conformity with the ISCC requirements.

Detection of non-conformities

ISCC shall also be able to conduct Witness Audits of CB audits. A Witness Audit is the surveillance of an audit performed by the Certification Body that is accompanied and observed by a representative of ISCC or by an auditor assigned by ISCC. During the Witness Audit, the ISCC representative or auditor assigned by ISCC shall not influence the audit in any way. The results of the Witness Audit shall be documented in an ISCC Integrity Assessment Report, which is prepared by the Integrity Assessor or ISCC representative shortly after the assessment. After an internal review at the ISCC head office, a digital copy of the Integrity Assessment Report shall be sent to the CB and forwarded to the ISCC management. Depending on the non-conformities detected during the Witness Audit, ISCC is entitled to impose sanctions to the CB and/or the System User in line with the regulations in chapter 10 and request corrective measures from the CB and/or System User to re-establish conformity with the ISCC requirements.

Witness Audits

11.4 CB and Auditor Evaluation and Classification

Each assessment is documented in an Integrity Report. After an internal review at the ISCC head office, a digital copy of the Integrity Report shall be sent to the CB and shall also be forwarded to the ISCC management. Integrity Reports may be sent to the CB's accreditation body or competent authority, so that it can be used as an input for their next assessment.

Integrity report

Based on one or more Integrity Reports and, if applicable, the failure of the CB and the auditor to demonstrate improvement made compared to previous assessments, ISCC will classify the performance of the CB/auditor. In the case of an unacceptable or insufficient performance, the CB will be informed about this classification and shall have the opportunity to respond in the form of a written statement within fourteen calendar days of notification.

Classification of CB/auditor performance

The ISCC performance classification of the CB/auditor will be based on the following:

- > The individual Integrity Report
- > The CB's/auditors written statement in response to the Integrity Report

Three classifications of the CBs performance are possible:

Three categories

Good performance: No systematic or serious deviations or non-conformities by the CB have been found. The CB/auditor demonstrates a good performance. No specific reassessments or immediate measures are scheduled.

Performance needs to be improved: Requires the CB/auditor to improve performance and implement improvement measures. This includes but is not limited to:

- > Negligence of the ISCC standard's regulations in a way that has no substantial negative impact on the implementation of ISCC
- > One or more minor technical failures in the audit process

Procedure if the performance needs to be improved

- > The CB must implement corrections/corrective actions
- > New assessments (surveillance audits or re-assessments) or the submitting of evidence can be required to verify the effectiveness of the corrective measures.
- > Individual auditors may have to receive specific training and/or may only be able to conduct further audits under specific conditions (e.g. only if accompanied by further auditors).
- > A Warning or a Yellow Card may be issued as specified in chapter 10.3.

Unacceptable performance: Puts the overall competency of the CB/auditor with regard to ISCC in doubt. In such a case, major or critical non-conformities with ISCC requirements and procedures are observed. These include but are not limited to:

- > Deliberate and/or repeated ignorance or negligence of the ISCC standard's regulations
- > One or more serious technical failures in the audit process
- > Large number of technical failures in the audit process
- > Fraud (as verified in consultation with national authorities)

Procedure in the case of unacceptable performance

- > Further audit(s) can be planned immediately by ISCC to investigate whether it was an isolated incident or a general way of working, but one single assessment can also result in this classification.
- > The CB must implement corrections/corrective actions immediately.
- > Individual auditors may be suspended from conducting further ISCC audits.

- > The CB reports to ISCC on its immediate actions for improving its performance. ISCC can further assess improvement measures and impose appropriate measures to ensure future compliance with the ISCC requirements.
- > A Red Card may be issued as specified in chapter 10.3. If unacceptable performance is detected repeatedly, this may lead to the termination of the certification agreement between the CB and ISCC.
- > In case of fraud (as verified in consultation with national authorities), ISCC may terminate the cooperation agreement with the CB as specified in chapter 10.3.

12 Internal Monitoring

ISCC continuously monitors and documents the conformity of System Users and CBs internally. The internal monitoring of ISCC consists of four pillars:

Annual summary

Internal document review: ISCC constantly reviews and cross checks all certification documents submitted to ISCC by the CBs, e.g. registrations, audit procedures, individual GHG calculations, copies of certificates and Summary Audit Reports. Irregularities or non-conformities found during this review will be documented and directly addressed and communicated by ISCC to the respective party (CB and/or System User).

*Four pillars of
internal
monitoring*

ISCC Integrity Programme: The results of the ISCC Integrity Programme are evaluated continuously on a case-by-case basis (see chapter 11). Conclusions are drawn with respect to improvement of the overall system and interaction with CBs and System Users.

Reports from CBs: Once a year the CBs submit an annual evaluation report to ISCC (see ISCC EU System Document 103 "Requirements for Certification Bodies and Auditors"). In addition, regular meetings (twice a year) with CBs take place for information exchange and feedback on how the system can be further improved.

Complaints and reports from external parties: If ISCC receives substantiated information about irregularities or non-conformity of System Users or CBs from external stakeholders, ISCC shall immediately investigate such reports. This can lead, for example, to Integrity Audits conducted by ISCC (see chapter 11) or surveillance audits conducted by the CB (see chapter 10.1).

13 ISCC Impact Assessment

The ISCC Impact Assessment has the goal to monitor the outcomes and impacts of ISCC certification and to evaluate if ISCC's strategies are effective to reach ISCC's mission and goals and lead to the desired outcomes and impacts. The ISCC Impact Assessment covers all of ISCC's Certification Systems and is conducted on a regular basis. When conducting the Impact Assessment, ISCC takes into account the principles laid down by ISEAL for "Assessing the Impacts of Social and Environmental Standards Systems".⁹

Monitoring the impact

The ISCC Impact Assessment monitors and evaluates the information gathered through the registration and certification process of System Users as well as through the ISCC Integrity Program. Generally, all sectors that are covered by ISCC certification are subject to the Impact Assessment. However, as ISCC's principles are primarily designed to improve the sustainability of agricultural production, it is expected that the most significant impacts from certification will occur on the farm level. Therefore, a focus of the ISCC Impact Assessment will be on assessing the impact on farm level. Other certified System Users can be included, in particular regarding the outcomes and impacts of certification on the GHG performance, the management systems, and the traceability of products.

Evaluating the impact

One part of the Impact Assessment is the assessment of the internal system performance. System performance includes the system coverage meaning e.g. the number of certificates issued, the number of System Users and the countries in which they operate. Furthermore, it includes the number of suspended and withdrawn certificates and excluded System Users, the performance of CBs and the number and results of ISCC Integrity Assessments. This information will be used for the continuous improvement of the ISCC System.

Assessment of system performance

The goal and mission of ISCC is to induce positive long-term social, environmental and economic impacts. They can be subsumed under four main goals and should be part of the Impact Assessment:

Support of ISCC's goal and mission

- > Land with high biodiversity and high carbon stock is protected
- > Good agricultural practices protecting soil, water and air are applied
- > Human rights, labour and land rights are respected
- > Emissions of greenhouse gases are reduced

ISCC publishes an Impact Report on a regular basis to reflect ISCC's contribution to the sustainable development of the bioeconomy and circular economy, the extent of ISCC's operations and the scheme's actual impact. The reports are based on in-depth data assessment and stakeholder dialogue. The reports may also include case studies to provide tangible examples of the

ISCC Impact Report

⁹ ISEAL Code of Good Practice – Assessing the Impacts of Social and Environmental Standards Systems, Version 2.0 – December 2014.

global application of ISCC certification. The Impact Reports are publicly available on the ISCC website.

Annex I: ISCC Quality Guidelines

All institutions of the ISCC System are committed to clear quality policies as guidelines for daily operations. These guidelines are the basis for a successful implementation and performance of the certification system.

ISCC Quality Guidelines
<p>Ambitions Standard: The implementation of the ISCC system contributes to an environmentally, socially and economically sustainable production of biomass. It is also an essential contribution to climate protection. ISCC is practical and implementable, but clearly requires that all relevant elements of the supply chain act sustainably in accordance with the system requirements.</p>
<p>Multi-stakeholder process: ISCC is a multi-stakeholder organisation. Decision-making processes are based on consensus. They allow the involvement of all interested parties in guaranteeing traceable supply chains for sustainable feedstocks.</p>
<p>Open for everyone: The standard development is to be carried out in a way that all interested users are able to participate in the system without discrimination and to use its advantages.</p>
<p>Efficient system processes: ISCC conducts an extensive stakeholder dialogue that involves interested parties; at the same time, the efficient structures and responsibilities allow fast and consistent decision-making processes.</p>
<p>Implementation of the regulatory framework: In Europe the declaration of sustainable fuels requires the compliance with specific legal regulations. ISCC guarantees a continuous monitoring of these processes and a reliable implementation of the respective regulations in its system requirements.</p>
<p>Cooperation with other certification systems: ISCC acts as an innovative partner of different institutions. An open discussion with other certification systems and the possibility of mutual recognition, "joint" or "combined" audits offer additional potential for an efficient market access by reducing audit efforts.</p>
<p>Risk management: Indicators, which can cause an incorrect declaration of raw materials and products as sustainable, are continuously monitored by means of an integrated risk management. Immediate corrective actions reduce the impact of these risks to a minimum. The ISCC Integrity Programme also supports the management of risks.</p>
<p>Competence of the parties: The competence of the parties is relevant for the quality, impact and results of the system and is developed and improved continuously. The training, application and further development of know-how are important elements for all parties involved with ISCC and the certification process.</p>
<p>Continuous improvement: ISCC continuously monitors its processes and structures. The ISCC requirements are adapted regularly according to the latest scientific findings, feedback from stakeholders, internal monitoring, and to incorporate practical experiences and best practices.</p>