EUDR ADD-ON

GUIDANCE DOCUMENT

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Content

1 Introduction

On 29 June 2023, the Regulation on Deforestation-free products (EUDR) entered into force (Regulation EU 2023/1115). The Regulation mandates that any operators or traders engaged in importing or exporting relevant commodities within the EU market must demonstrate that the products are not linked to deforestation or forest degradation with the cut-off date 31st of December 2020. In addition, products need to be produced in accordance with the relevant legislation of the country of production as well as follow strict traceability requirements set by the Regulation.

Regulation on Deforestation-free products

EUDR applies to soy, oil palm, rubber, wood, coffee, cacao, and cattle and their relevant products as listed in Annex 1 of the Regulation. Under ISCC certification, it is possible to cover oil palm, soy, and rubber.

2 Scope and Normative References

This document lays down the general principles for the EUDR Add-on certification. It describes the certification process including tool applications and information requirements. Furthermore, the document includes the requirements for traceability and chain of custody. The provisions laid down in this document apply on a global basis.

As a basic principle, all ISCC EU and PLUS documents published on the ISCC website in their latest applicable version are valid and shall be considered for the scope of application.

The EUDR Add-on can be applied under the ISCC EU or PLUS certification scheme and users must comply with the ISCC EU or PLUS requirements. It is applicable for all scopes and all members of a supply chain need to be ISCC-certified.

EUDR Add-on applicable under ISCC EU or PLUS

The aim of the EUDR Add-on is to support system users in complying with EUDR requirements. The usage of certification system does not guarantee compliance with the EUDR legislation. Companies may make use of certification schemes to support their risk assessment and due diligence process. Operators are liable for ensuring compliance.

Liability of operators

The usage of the EUDR Add-on comes with an additional fee. The fee will be charged per certificate using the EUDR Add-on and will be billed by Certification Bodies on behalf of ISCC. Information on the fee structure can be found on the ISCC website.

Additional fee for EUDR Add-on

3   ISCC EUDRx Tool

The ISCC EUDRx tool shall be used by the first actor in the supply chain that is individually certified. Farms or plantations have three options to participate under this Add-on:

> > Individual certification, in which the Farm/Plantation makes use of the ISCC EUDRx tool

> > As part of a group of farms organized under a central office, in which the Central Office makes use of the ISCC EUDRx tool

> > As part of a group of farms delivering to a first gathering point, in which a First Gathering Point makes use of the ISCC EUDRx tool

The ISCC EUDRx tool is providing geolocation-specific deforestation analysis as well as an abstract risk evaluation based on available statistics and reports, which are provided on national level, e.g., for the topics of corruption, human rights and governance. The ISCC EUDRx tool uses the cut-off date 31st of December 2020. For compliance with the ISCC standard, the cut-off date 1st of January 2008 still applies. The results of the analysis are summarized in the ISCC EUDRx report.

ISCC EUDRx tool provides deforestation analysis and risk assessment

4   Certification process

4.1   Registration in the ISCC HUB

Users shall add the EUDR Add-on to their registration in the ISCC HUB or, if users are not yet registered, register in the ISCC HUB and select the EUDR Add-on. The EUDR Add-on Terms of Use shall be accepted and signed by the system user. The System User may only use the EUDR Add-on only as long as the certificate is valid. Use of the EUDR Add-on during a suspension of the certificate is prohibited.

Register EUDR Add-on in ISCC HUB

First Gathering Points (FGPs) shall use the ISCC EUDRx tool as a next step. The registration process consists of two steps.

4.2   For FGPs: ISCC EUDRx Tool

Users falling under the scope of FGPs shall use the ISCC EUDRx tool. The following information has to be entered in the ISCC EUDRx tool: general case details (Case ID, case name), product information (product type, HS code, production period, quantity, country) as well as geolocation information.

The geolocation information (point coordinates or polygons) can be uploaded to the ISCC EUDRx tool in the following formats: csv, kml, GeoJSON, GPKG, ESRI Shapefiles or KMZ.

Farm/plantation on submitting relevant production areas

Even though under ISCC the whole area of a farm/plantation needs to be compliant with the ISCC sustainability requirements, for the ISCC EUDRx tool it is possible to submit only the outlined polygons that are specific to the

production area of the commodity that is relevant under EUDR. The whole area of the farm/plantation still needs to be checked for compliance with ISCC requirements.

The ISCC EUDRx tool shall only be used for ISCC-certified farms/plantations. ISCC reserves the right to ensure that users are complying with this requirement. Any non-compliance may result in sanctions according to the ISCC EU System Document 102 "Governance".

ISCC will provide the system user with unique personal access keys within the system user's access to the EUDR Add-on for its internal users, each of which must be generated by ISCC before internal users can register. Distribution and usage of the personal accesses within the system user's organisation are exclusively subject to the system user's discretion and control. Once used, keys are connected with a unique user account and cannot be used to register another account. The keys are not transferrable.

Personal access for system users to ISCC EUDRx tool

Upon entering the required information, the ISCC EUDRx tool will perform the deforestation analysis and risk assessment and generate an ISCC EUDRx report. The ISCC EUDRx report can be downloaded as pdf file. The geofiles can be downloaded in GeoJSON format as a zip file from the ISCC EUDRx registry. The ISCC EUDRx report and the geofiles have to be forwarded to the auditor.

Generation of an ISCC EUDRx report

In case new farms/plantations are added to the supplier base, a new ISCC EUDRx report must be generated including the geolocation information of the new farms/plantations.
A farm/plantation must be compliant with all requirements stated in ISCC Principle 1 and all immediate requirements of ISCC Principles 2-6 as well as the EUDR Add-on requirements when signing the self- declaration for the first time it starts supplying sustainable material. The general requirements for group certification have to be met as described in the ISCC EU 203 "Traceability and Chain of Custody" document. FGPs shall inform the CB in case new farms/plantations are not in line with the auditor legality verification statement.

Change of supplier base

Per year, a maximum of six ISCC EUDRx reports can be generated. Per registration, a maximum of two individual users get access to the ISCC EUDRx tool.

4.3   ISCC EUDRx Report

The ISCC EUDRx report summarizes the results of the risk assessment on presence of forest and on spread of deforestation as well as the distance to forest and deforestation for the uploaded geofiles. Furthermore, it lists the risk scores of human rights violations, corruption, and law enforcement regarding indigenous people based on national statistical datasets.

During the audit, auditors shall make use of the ISCC EUDRx report. It is possible that a critical case alert appears on the ISCC EUDRx report. A critical case indicates that the ISCC EUDRx tool has detected a potential overlap of

Critical cases in ISCC EUDRx report

the geolocations with deforestation. In this case, auditors shall investigate the area in more detail and ensure compliance with ISCC requirements.

Following the ISCC requirements on group certification (ISCC EU 203 Document section 3.5.5), auditors shall additionally ensure that critical cases are selected as part of the sample under group certification for an on-site audit. Evidence of compliance can be demonstrated by, e.g., requesting a detailed assessment by GRAS, comparing aerial photographs, satellite images, land register documents (e.g., field record system, documents of land registry, land certificates, GPS-based crop yield), maps, site surveys, or management plans.

Obligation for auditing critical cases

4.4   ISCC EUDRx Registry

In the ISCC EUDRx registry, operators can download the geofiles corresponding to a respective ISCC EUDRx report. Operators will receive an access code to the ISCC EUDRx registry from ISCC. The geofiles can be downloaded in GeoJSON format as a zip file. To retrieve the corresponding geofiles and documents, users need to enter the case ID from the ISCC EUDRx report which can be found under the general information section of the report.

Access for operators to geofiles

4.5   Forwarding of Documentation

The forwarding of the relevant documentation is a crucial feature of the EUDR Add-on that ensures traceability back to the plot of land where the commodity was produced. It also ensures that the operator who has the obligations under the Regulation has the required information to fill the Due Diligence Statement (DDS). The core documents that need to be forwarded through the supply chain, with each batch of sustainable material under the Add-on are:

Forwarding of relevant documentation to next actor in supply chain

> The ISCC Sustainability Declaration

> The ISCC EUDRx Report

The requirements for forwarding the Sustainability Declaration as set out in the ISCC EU 203: Traceability and Chain of Custody apply. The user in addition has an obligation to identify EUDR Add-on material by identifying it clearly on the Sustainability Declaration.

The ISCC EUDRx report is issued by a First Gathering Point or an individually certified Farm/Plantation and needs to be forwarded together with the Sustainability Declaration. All intermediaries must also continue forwarding the ISCC EUDRx report. It is especially important for intermediaries to fulfil their duty on forwarding the ISCC EUDRx report, for the operator to be able to retrieve the geofiles of the supplying farms and be able to have all the necessary supporting information for their Due Diligence statement.

Forwarding of ISCC EUDRx report

The Auditor Legality Verification Statement is issued by the auditor verifying ISCC requirements at the First Gathering Point and/or Farm/Plantation level. The auditor shall make the document accessible to the audited system user. The First Gathering Point is obliged to forward this documentation to the next actor in the supply chain when starting to supply sustainable biomass. All intermediaries must also continue forwarding the Auditor Legality Verification Statement.

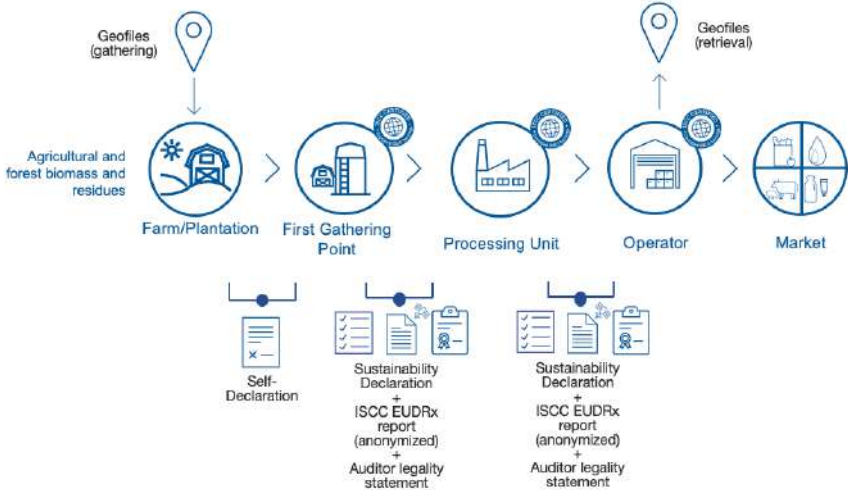## Guaranteeing traceability along the supply chain

Figure 1: Depiction of the forwarding of information

5 Requirements for Traceability and Chain of Custody

Under the ISCC EUDR Add-on, physical segregation is required as a Chain of Custody option for the feedstocks and products covered under the Add-on. The exhaustive list of feedstocks and products that fall under the scope of the legislation can be found under the Annex 1 of the EUDR. Both soft IP and hard IP can be applied as part of physical segregation. Please find more details on ISCC requirements for physical segregation, including further details on soft and hard IP under the ISCC EU System Document 203. Physical segregation requirements in the context of the EUDR Add-on refer to the separation of EUDR Add-on certified material from non-EUDR Add-on certified material.

There can be circumstances under which not all ISCC certified materials are EUDR-relevant (listed on Annex 1 of the Regulation). In such cases, it is possible to use both Chain of Custody options of mass balance and physical segregation. It must be clearly indicated for which materials/products each Chain of Custody option is applied.

In case there is no material flow of EUDR Add-on certified material yet, it has to be ensured that the technical infrastructure and processes for segregation as well as documentation are available.

6   Auditor Qualification

Auditors need to fulfil the requirements laid out in the ISCC EU System Document 103 Requirements for Certification Bodies and Auditors. To conduct an audit with the ISCC EUDR Add-on, successful participation in the EUDR Auditor Training is mandatory. The qualification needs to be obtained prior to conducting an audit. The qualification is valid for a period of 3 years, after which the training needs to be repeated.

Mandatory participation in the EUDR Auditor training

The aim of the EUDR Auditor Training is to comprehend the usage of the tools associated with the EUDR Add-on as well as the certification process.

7   Audit Documentation

7.1   Auditor Legality Verification Statement

In order to fulfil the legality obligations stemming from the EUDR, ISCC has developed a document called the auditor legality verification statement. This statement states clearly what type of documentation has been provided on-site by the supplying farms/plantations and FGP and the documentation checked by the auditor. The ISCC EUDR Add-on audit procedures provide examples of what type of documentation shall be made available, depending on the applicable nature. With the auditor's legality verification statement, it is made clear what type of documentation was made available and checked by an auditor without compromising the privacy of the users or any sensitive contents of the documentation. It provides a trustworthy, reliable, and secure method to forward proof of the legality check at the source of the feedstock.

Auditor legality verification statement

7.2   Self-declarations

In order for farms/plantations to supply sustainable material under the Add-on, it is necessary to sign a self-declaration specific to the ISCC EUDR Add-on. With the signing of the self-declaration, a farm/plantation commits to complying the requirements stemming from the ISCC EUDR Add-on. The general ISCC provisions for applying self-declarations apply as stated in the ISCC EU System Document 203 on Traceability and Chain of Custody. The ISCC EUDR Add-on Self-Declaration template can be found on the ISCC website.

Farms/plantation must sign self-declaration

7.3   Sustainability Declarations

Individually certified actors are required to use sustainability declarations to forward the sustainability information of the material through the supply chain. The general provisions for issuing sustainability declarations under ISCC apply based on the ISCC EU 203 System Document Traceability and Chain of Custody. If one is forwarding ISCC certified material with the EUDR Add-on, the EUDR Add-on tick box shall be ticked on the Sustainability Declaration.

Sustainability declarations should contain EUDR Add-on

7.4 Quantity bookkeeping

As per the ISCC EU System Document 203, it is a requirement under the ISCC system to keep records in the form of a quantity bookkeeping system. The quantity bookkeeping shall follow the requirements based on the chosen chain of custody system. It is important to note, in this context, that ISCC certified material with the EUDR Add-on is considered as material with a unique sustainability characteristic. This means it must be separated and clearly identifiable in the quantity bookkeeping. For example, if one is handling ISCC EUDR certified corn in addition to ISCC certified corn without the EUDR Add-on, those materials would be considered as having different sustainability characteristics and would need to be separated in the quantity bookkeeping system.

Requirements regarding quantity bookkeeping

7.5 Issuing an ISCC certificate with the EUDR Add-on

When issuing an ISCC certificate with the EUDR Add-on, the auditor shall include the Add-on number 202-9 in the Annex of the user's certificate. Please insert the Add-on number 202-9 only in the material rows for the applicable EUDR material. Do not enter the Add-on number in the rows of material which are not EUDR relevant.

Include Add-on number 202-9 for EUDR material

8   Infringement of ISCC Requirements

Farms or plantations violating the deforestation-free requirement are excluded from ISCC certification. If a farm or plantation has received individual certification and violations of Principle 1 are detected, the certificate shall not be issued or must be withdrawn immediately. If the farm or plantation has been audited as part of a group or as part of a First Gathering Point (FGP), it must be excluded as a supplier of sustainable material. Violations of Principle 1 can never be subject to corrective measures. System users who do not fulfill the EUDR Add-on requirements cannot receive the EUDR Add-on certification.

Violation of Principle 1

In cases where a non-compliant farm or plantation has already supplied biomass to the FGP under which it is certified and this biomass has then been sold as sustainable, this is considered a severe non-conformity. The ISCC EU System Document 102 "Governance" applies to non-conformities and sanctions.