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## Verification of Feedstock Claims and Prevention of Double Accounting

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## Insufficient policy implementation can increase the risk of false feedstock claims and double accounting

### **Feedstock:**

- Non-sustainable feedstock declared as sustainable (e.g. feedstock from former no go areas)
- Wrong feedstock claim leads to wrong CI number
- Special incentives for waste/residue based biofuels (e.g. double counting, quota systems, low CI)

### **Double accounting:**

- Deliveries to a biofuel market with a sustainability claim which in reality has already been used for another market or another certification system

Site-specific ISCC certificates are issued by independent certification bodies upon successful audit of the site



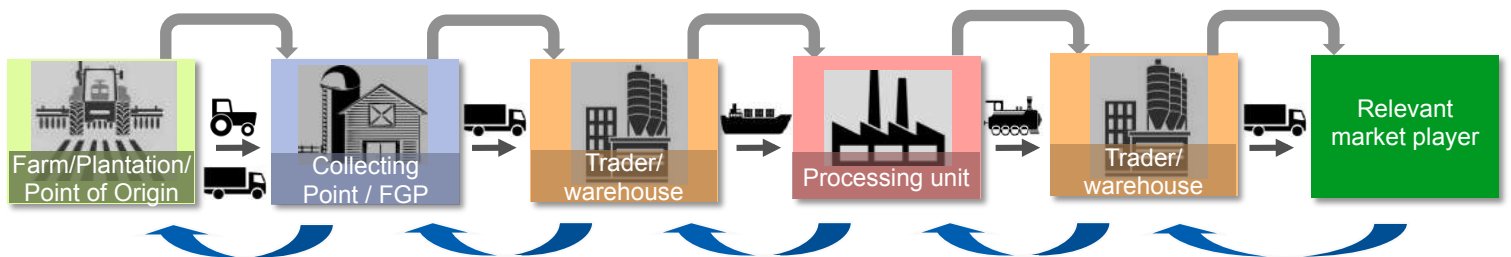
**Advantage of site-specific certification:**  
**Instead of auditing an entire value chain each player can source sustainable material from any certificate holder**

Simplified supply chain  
 \*Voluntary individual certification possible

## Security of feedstock claims is key for high quality certification and low carbon fuel policies

### Sustainability claims forwarded through the supply chain:

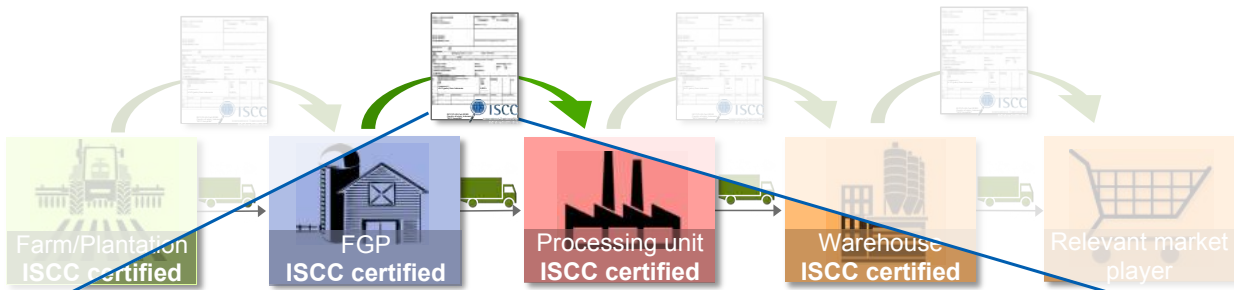
- Sustainability of the feedstock (sustainable vs. non-sustainable)
- Waste or residue status of the feedstock
- Information on CI
- Country of feedstock origin
- Type of feedstock



Sustainable products and claims can be traced back to their origin in a step by step approach under ISCC

# Information to be stated on the ISCC Sustainability Declaration. Verification by the auditor during the audit

## General information requirements on an ISCC Sustainability Declaration (SD)



Traceability Information	Product Information
<ul style="list-style-type: none"> <li>• Unique document or batch number</li> </ul>	<ul style="list-style-type: none"> <li>• Type and quantity of sustainable material</li> </ul>
<ul style="list-style-type: none"> <li>• Name, address, certification scheme and certificate number of issuing party</li> </ul>	<ul style="list-style-type: none"> <li>• Product-specific claims (e.g. ISCC compliant, RED compliant, Add-on's)</li> </ul>
<ul style="list-style-type: none"> <li>• Contract number</li> </ul>	<ul style="list-style-type: none"> <li>• GHG / CI information</li> </ul>
<ul style="list-style-type: none"> <li>• Name and address of recipient</li> </ul>	<ul style="list-style-type: none"> <li>• Country of feedstock origin</li> </ul>
<ul style="list-style-type: none"> <li>• Date of dispatch of the sustainable material</li> </ul>	<ul style="list-style-type: none"> <li>• Statement about the waste/residue status of the feedstock</li> </ul>
	<ul style="list-style-type: none"> <li>• Chain of Custody (under ISCC PLUS)</li> </ul>

# ISCC provides procedures and tools for secure verification. Rapid adaption to innovations, market developments and risks possible

## ISCC audit procedures (Word or PDF format)

The image shows three overlapping PDF documents titled "ISCC B14 Audit Procedure for Chain of Custody". Each document contains a table with columns for ID, Title, Revision, and Audit Frequency. Below the table is a "Notes/Questions" section. The documents are presented as a stack, with the top one being the most prominent.

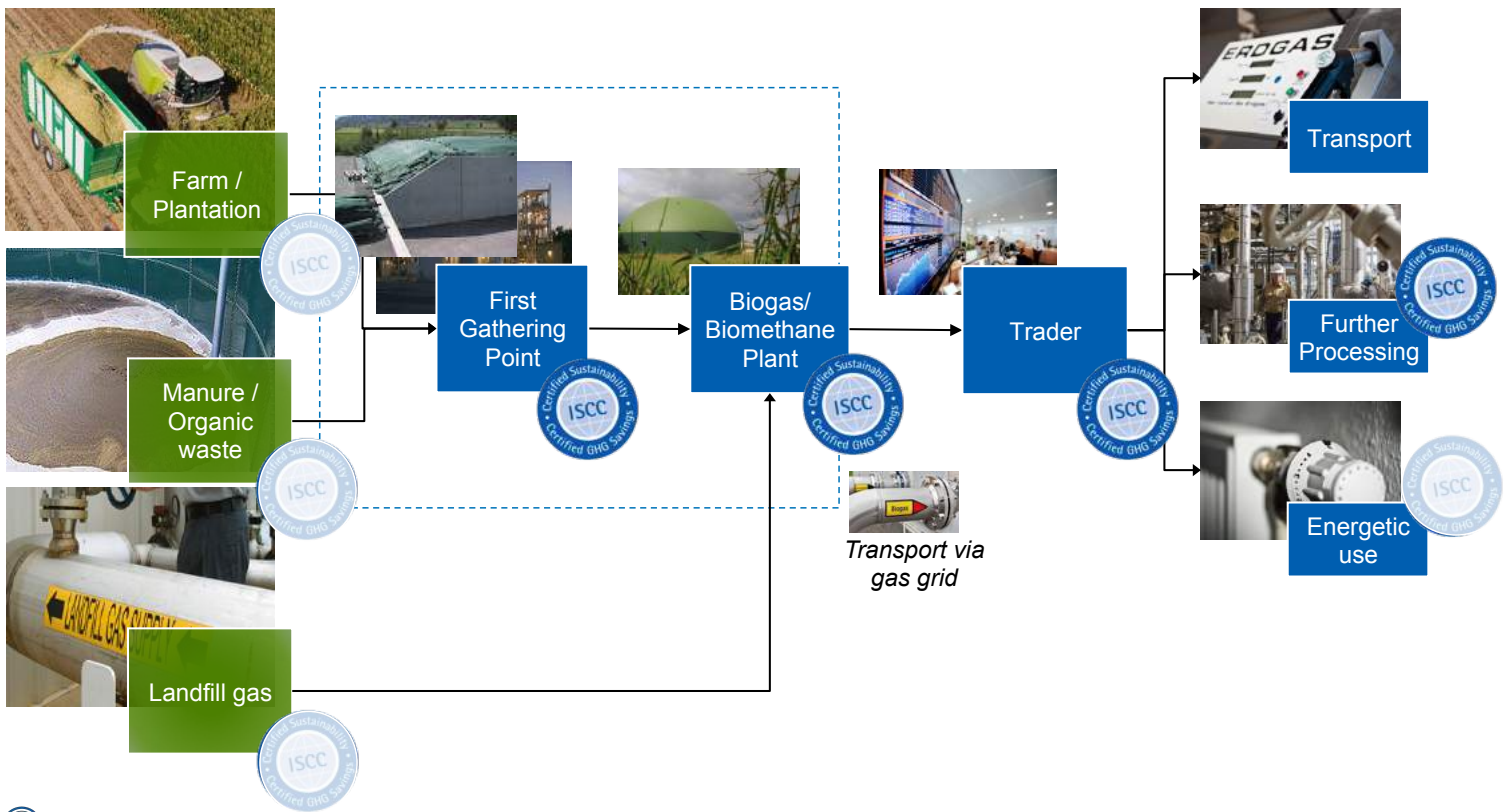


## Electronic audit procedure system APS and excel-based procedures

The image is a screenshot of the "ISCC System User" interface. It features a header with the ISCC logo and "System User". Below the header, there are several input fields for user information, including "Address of the Company", "City", "Country", and "Phone". A "Select type of operation" dropdown menu is visible. The main part of the screen displays a table with columns for "No.", "Title", "Rev.", "Date", and "Status". The table contains several rows of data, with some cells highlighted in red and green. At the bottom, there are navigation buttons like "Back" and "Forward".

- Automated documents hide criteria which are not applicable
- Non-conformities are automatically counted and added to the list of non-conformities

For biomethane production, crops, manure and other organic wastes as well as landfill gas are relevant feedstocks



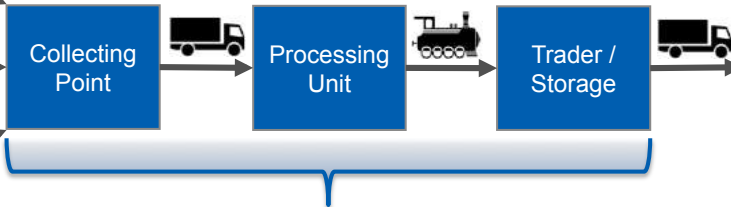
# ISCC uses audit approaches based on risk assessments. Example: Waste-based supply chain

## Specific risk indicators for waste-based supply chains

### Point of Origin



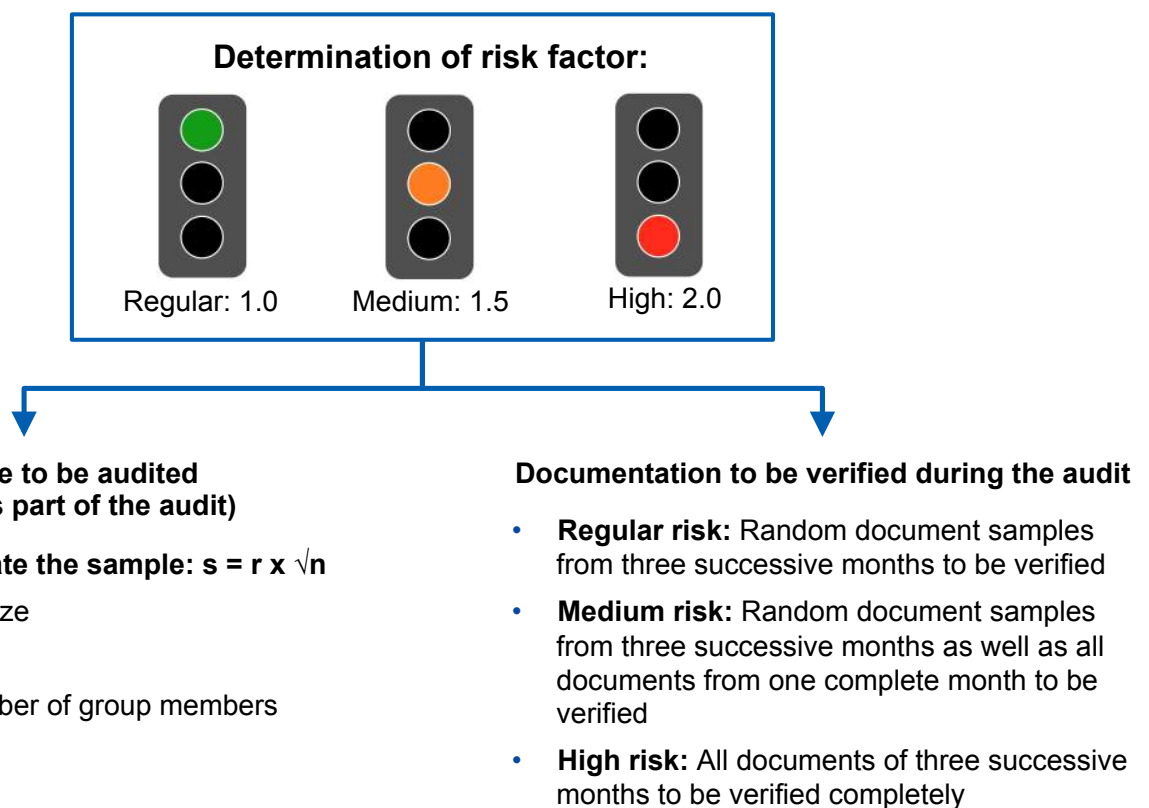
- Type (e.g. restaurant, food processing plant, landfill site, etc.)
- Size (amount of waste/residue material generated per month)
- Status of the material (recognition of the material as a waste/residue by competent authorities)
- Declaration or labeling of the material (e.g. waste codes)
- Risk of intentional production of waste/residue
- Risk of intentional modification of products to count as waste/residue



- Claims, declaration or labeling of the material (e.g. waste codes)
- Traceability and (product-specific) Mass Balance



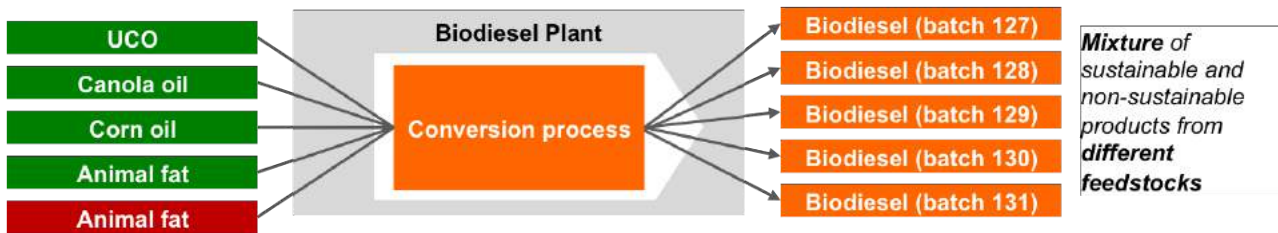
Risk-based audit approach: during the risk assessment a risk factor is determined that drives the audit intensity



A mass balance allows the physical mixing of batches while original sustainability information remain on bookkeeping basis

### Handling of different batches in a Mass Balance approach

#### Physical



#### Bookkeeping

Input		
Batch	Material	Amount (t)
123	UCO	1000
124	Canola Oil	1000
125	Corn Oil	1000
126	Animal fat	1000
127	Animal fat	1000
<b>Total</b>		<b>5000</b>

Company Internal Processes*		
Batch	Material	CF*
123	UCO	0.89
124	Canola oil	0.96
125	Corn oil	0.95
126	Animal fat	0.91
127	Animal fat	0.91

Output		
Batch	Material**	Amount (t)
128	Biodiesel (UCO)	890
129	Biodiesel (canola)	960
130	Biodiesel (corn oil)	950
131	Biodiesel (animal fat)	910
132	Biodiesel (animal fat)	910
<b>Total</b>		<b>4620</b>

\* Conversion factors simplified for explanation

\*\* Denomination according to the list of materials eligible for ISCC certification

Non sustainable material  
 Sustainable material

## Only independent third party certification systems can securely prevent double accounting in global low carbon fuel markets

- No double selling of sustainability/ CI number/ feedstock characteristics under
  - Multiple certification systems
  - To multiple markets
- Under ISCC this is verified in detail by auditing all sales under all schemes and to all markets

## Conclusions

- ISCC offers a **global system**, operational in more than 100 countries for **all types of supply chains, feedstock** and liquid and gaseous **fuels**
- ISCC delivers a **level-playing field** and **security** for global low carbon fuels trade and use. Companies should pro-actively use ISCC to secure future low carbon feedstock and fuel supply on a global scale
- ISCC ensures **prevention of double accounting**, wrong feedstock/ CI claims
- ISCC has more than **10 years of experience** in renewable fuels verification in global supply chains
- ISCC has been the **first state-recognized** certification system for sustainability, traceability and CI globally. More and more regulators and companies recognize ISCC
- ISCC is **rapidly reacting** to new market requirements and offers a variety of **tools** that simplify audits
- As a global scheme, ISCC can ensure **integrity** around the world

Many thanks for your attention!

## Contact

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