

The logo for CORZIA, featuring the word "CORZIA" in blue capital letters with a green circular icon containing a white arrow pointing upwards and to the right, positioned between the 'O' and 'R'.The logo for ISCC, featuring a blue globe icon with a magnifying glass over it, followed by the letters "ISCC" in large blue font. Below "ISCC" is the text "International Sustainability & Carbon Certification" in a smaller, black font.A white banner with the text "ISCC STAKEHOLDER DIA" and "REGIONAL COMMITTEE" in large, bold, black capital letters. The banner is partially obscured by a dark blue overlay.

ISCC CORSIA 102 GOVERNANCE

Version 1.1



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Document Title: ISCC CORSIA 102 Governance

Version 1.1

This version becomes valid after approval by ICAO

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Summary of Changes

The following is a summary of all content changes to the previous version of the document. Minor amendments which do not affect the content, e.g. corrections of phrasings, marginal notes, amendments of graphics, etc. are not listed.

Summary of changes made in version 1.1	Chapter
Amendment: Differentiations between ISCC CORSIA and ISCC CORSIA PLUS requirements were added where necessary.	1, 11.1, 11.2, 12.2, 12.3
<i>Addition: “The objective of certification under ISCC CORSIA is to ensure that SAF complies with the CORSIA Sustainability Criteria for CORSIA Eligible Fuels. The objective of certification under ISCC CORSIA PLUS is to ensure that SAF complies with the CORSIA Sustainability Criteria for CORSIA Eligible Fuels and to address additional sustainability requirements for biomass production. The sustainability requirements under ISCC CORSIA PLUS are divided into the six ISCC CORSIA PLUS Principles.”</i>	1
<i>Addition: “The general principles regarding the scope and governance of ISCC apply to both ISCC CORSIA and ISCC CORSIA PLUS. Therefore, as a basic principle, all references made to ISCC CORSIA in this document apply to ISCC CORSIA PLUS as well. Whenever requirements differ between the two systems, this is explicitly stated.”</i>	2

1 Introduction

ISCC – International Sustainability and Carbon Certification is an independent multi-stakeholder organisation providing a globally applicable certification system for the sustainability of raw materials and products. ISCC is a multi-feedstock system. The ISCC certification system is applicable to entire supply chains and for different sectors and markets: bioenergy (biofuels and bioliquids), food, feed and chemical/technical markets.

Multi-stakeholder organisation

ISCC is the organisation responsible for the development, surveillance, revision and continuous improvement of the ISCC certification systems. ISCC operates different certification systems. These systems are ISCC CORSIA, ISCC CORSIA PLUS, ISCC EU and ISCC PLUS.

ISCC

ISCC CORSIA and ISCC CORSIA PLUS are certification systems for sustainable aviation fuels demonstrating compliance with the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA). CORSIA was developed by the International Civil Aviation Organization (ICAO) and requires the aviation industry to offset growth-related Greenhouse Gas (GHG) emissions from 2021 onwards. Emissions are offset by aeroplane operators through the purchase of carbon credits that are generated by climate protection projects. However, an aeroplane operator can reduce its CORSIA offsetting requirements in a given year by claiming emissions reductions from the use of sustainable aviation fuels (SAF). In order to become eligible as so-called CORSIA Eligible Fuels (CEF), such fuels shall come from fuel producers that are certified by an ICAO approved Sustainability Certification Scheme.

CORSIA

The objective of certification under ISCC CORSIA is to ensure that SAF complies with the CORSIA Sustainability Criteria for CORSIA Eligible Fuels.¹ The objective of certification under ISCC CORSIA PLUS is to ensure that SAF complies with the CORSIA Sustainability Criteria for CORSIA Eligible Fuels and to address additional sustainability requirements for biomass production. The sustainability requirements under ISCC CORSIA PLUS are divided into the six ISCC CORSIA PLUS Principles.

ISCC CORSIA and ISCC CORSIA PLUS

ISCC EU can be used to demonstrate compliance with the legal requirements of the EU's Renewable Energy Directive 2009/28/EC amended through Directive (EU) 2015/1513 (RED) and Fuel Quality Directive 2009/30/EC amended through Directive (EU) 2015/1513 (FQD)².

ISCC EU

ISCC PLUS is a certification system for all markets and sectors not regulated by CORSIA and RED. ISCC PLUS can be used to demonstrate sustainability in food or feed markets, for chemical or technical applications, and for bioenergy markets not regulated under CORSIA and RED/FQD (ISCC PLUS is for instance recognized by the Japanese Government for the verification certain sustainability parameters of imported biofuels). The verification of

ISCC PLUS

¹ In accordance with ICAO document 05 CORSIA Sustainability Criteria for CORSIA Eligible Fuels

² In the following referred to as RED and FQD.

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.

During the development of its systems, ISCC takes into account and complements best practice initiatives like ISEAL Alliance and international standards like ISAE 3000³ and the International Organisation for Standardization (ISO). This facilitates and enables a consistent and reliable application of ISCC especially with respect to quality control, risk management, planning and conducting of audits, sampling processes, surveillance and reporting. ISCC strives for continuous improvement and assesses the system's effectiveness in regular impact assessments which are documented in impact reports. Furthermore, ISCC operates the ISCC Integrity Program, which is a tool to continuously monitor and improve the performance of the ISCC System Users as well as the performance of the CBs cooperating with ISCC to ensure and maintain the high-quality standard of ISCC.

Best practices

2 Scope and Normative References

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

Global Application

The principles 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.

Scope of application

The general principles regarding the scope and governance of ISCC apply to both ISCC CORSIA and ISCC CORSIA PLUS. Therefore, as a basic principle, all references made to ISCC CORSIA in this document apply to ISCC CORSIA PLUS as well. Whenever requirements differ between the two systems, this is explicitly stated.

References

3 ISCC's Goal and Mission

ISCC's mission is to contribute to the mitigation of global warming through the reduction of GHG emissions as well as to advance, facilitate and incentivise the production, procurement, finance and use of sustainable products. ISCC wants to contribute to and promote an environmentally, socially and economically sustainable production and use of bio-based and recycled raw materials, and of the products derived from such raw materials. Lastly, the protection of ecosystems, especially those that are carbon rich and biodiverse, lies at the core of ISCC.

Promotion of sustainability

³ *International Standard on Assurance Engagements 3000: Assurance Engagements other than Audits or Reviews of Historical Financial Information.*

In order to achieve this, ISCC has established global sustainability certification systems which cover the entire supply chain. It can be used to prove compliance with legal and voluntary sustainability requirements. The ISCC systems are feasible, reliable and trustworthy. They were established and are continuously reviewed and improved by means of a multi-stakeholder dialogue. Openness, reliability, consistency, integrity, quality and transparency are core features of the ISCC systems 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.

Essentials guidelines for ISCC

4 CORSIA and Sustainable Aviation Fuels

ICAO and the aviation industry recognize the need to lower GHG emissions in order to protect the earth's climate and reduce global warming. With CORSIA, ICAO Member States agreed on the aspirational goal of carbon-neutral growth after 2020.

Carbon-neutral growth of the aviation sector

In the framework of CORSIA, airlines must measure the growth-related emissions of their fleet emitted during international flights between CORSIA-participating states and report the calculated values to their state. The reports are verified by independent third parties and the airlines are informed about the amount of emissions that they must offset. They can do so by purchasing emissions units generated by climate protection projects in carbon markets and by cancelling them within a registry in order to avoid double-counting. The years 2019 and 2020⁴ will be used to establish a baseline for the aviation industry's emissions. With the start of the CORSIA programme, all the sector's emissions that exceed this baseline shall be offset.

Emissions offsetting

SAF play an essential role in the CORSIA programme, as their use will help airlines to reduce their emissions and, hence, their offset requirements. However, not every SAF is eligible for claiming emissions reductions. Only the so-called CORSIA eligible fuels (CEF), which comply with the CORSIA sustainability requirements, are recognized. They must therefore achieve net GHG emission reductions of at least 10% compared to the baseline life cycle emission values for conventional aviation fuel. In addition, the feedstock used to produce CEF should not be made from biomass obtained from land with high carbon stock. CORSIA sets additional rules for traceability, transparency, auditor competencies, record keeping and documentation. ISCC covers the complete set of CORSIA requirements, allowing economic operators at every

Sustainable aviation fuels

⁴ Taking into account the impact of the COVID-19 pandemic on global air traffic, the ICAO Council decided that during the CORSIA pilot phase, 2019 emissions shall be used for 2020 emissions.

point in a SAF supply chain to show their compliance with the CORSIA scheme by becoming certified.⁵

5 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. Natural or legal persons may become members of the ISCC Association if they share the same goal and mission as 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

- 1 Feedstock Producers and Processors
- 2 Trade, Logistics and other System Users
- 3 NGOs, Social Sector, Science and Research, Public Sector

The ISCC Board is made up of two representatives of each stakeholder group ensuring equal representation of interests. The ISCC Board may initiate and establish Stakeholder Committees to support ISCC in the handling of specific topics and to facilitate the regional stakeholder dialogue.

ISCC Board

The day-to-day operations, management and development of the ISCC system are assigned to the ISCC System GmbH (ISCC limited liability corporation).

Day-to-day operations

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 the system through Public Consultation, or directly 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

⁵ See the five ICAO documents for COSIA eligible fuels as well as the ICAO Standards and Recommended Practices, Annex 16, Volume IV.

Stakeholder Committees

Stakeholder Committees are a valuable tool with which to engage with stakeholders from specific regions or with stakeholders interested in specific technical questions. 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 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 to regional or technical specifics and risks or to 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” and which is publicly available on the ISCC website.

ISCC statutes

Another important stakeholder group for ISCC are CBs who cooperate with ISCC as they are responsible for the consistent verification of compliance 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 specifically convened for the representatives of recognised 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 ISCC stakeholder dialogue and the responsibilities within ISCC.

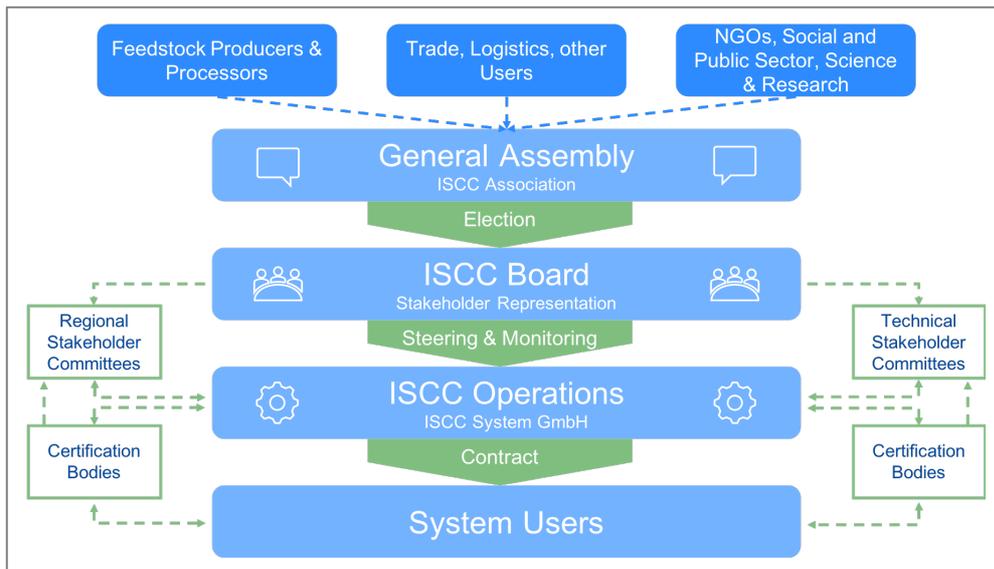


Figure 1: Interaction between Stakeholders, ISCC Association (ISCC e.V.) and ISCC System GmbH

6 System Documents, Updates and Public Consultation

The ISCC certification systems rely on governance documents which contain general requirements, processes and guidelines applicable to ISCC as a whole. They specify for instance the procedures for conflict resolution, dealing with non-conformities, the ISCC Impact Assessment, or the ISCC Integrity Program. The governance documents are complemented by technical documents. The technical documents contain and establish the specific requirements for the sustainable production of feedstocks, for traceability and chain of custody, or for greenhouse gas calculation and verification. The requirements specified within the technical documents are the basis for a certification under ISCC and are to be complied with by ISCC System Users. Compliance with the respective ISCC requirements is verified during audits by CBs cooperating with ISCC.

Governance and technical documents

The system documents and the management system are reviewed regularly and changed in case circumstances require it. In the event of adjustments or changes to the content of one of the ISCC systems, ISCC incorporates the adjustments into the respective system documents and communicates the adjustments to all stakeholders via system updates. In the event of newly developed system documents or fundamental changes to existing system documents, ISCC will publish the respective documents on the ISCC website for Public Consultation in order to gather feedback from its stakeholders. The Public Consultation shall be sixty calendar days. If adjustments or changes to the system are required to ensure compliance with the CORSIA requirements and/or to maintain the recognition of ISCC by ICAO, feedback gathering and public consultation of stakeholders does not apply.

System updates and adjustment of documents

In case of adjustments or changes to the relevant content of ISCC CORSIA in the version recognised by ICAO, such adjustments or changes will be notified to ICAO. Only after approval by ICAO such adjustments or changes can be implemented. The same applies for changes to the ISCC EU documents, which are not subject to Public Consultation either and will only be implemented after approval by the European Commission.

Adjustments of recognised documents

After the Public Consultation, ISCC will analyse and consider the feedback received during the Public Consultation phase before publishing the final version of the document including the date on which it becomes valid. In the case of fundamental changes to existing system requirements, ISCC will allow for an appropriate transitional period to allow for all stakeholders to adapt to the adjustments or changes.

Incorporation of feedback from public consultations

In order to facilitate the carrying out of reliable and consistent audits, ISCC prescribes audit procedures to CBs which have to be used during the audits. The audit procedures are working documents or “checklists” containing the ISCC requirements laid down in the technical documents. ISCC uses the filled-in audit procedures to perform internal reviews and risk analyses, to gather relevant data to fulfil its reporting obligations, conducting the ISCC Impact Assessment and to evaluate the performance of CBs and auditors.

Audit procedures (checklists)

7 ICAO, Records, Reporting and Processes

In principle, ISCC works together with competent authorities so as to ensure compliance with legal requirements in the frameworks of the different ISCC schemes. ISCC will also provide any information required by the relevant national authority related to GHG reporting.

National authorities

The ICAO council is the competent authority to approve certification systems, which can be used to demonstrate compliance with the CORSIA requirements. The recognition of ISCC CORSIA by the ICAO council enables System Users to use the ISCC CORSIA certification system in order to demonstrate that consignments of aviation fuel comply with the respective requirements specified by the ICAO Council.⁶

ICAO

ISCC collects and records relevant information and submits annually a report to ICAO that includes this information. The records are kept for a minimum of ten years. In addition, ISCC records detailed information about the calculation of actual emissions values within the ISCC CORSIA system and provides this information to ICAO on request.⁷

Reporting to ICAO

ISCC cooperates with independent third-party CBs that are responsible to conduct audits and issue ISCC certificates to System Users after compliance with the respective ISCC requirements has been demonstrated during the

Certification Bodies

⁶ The ICAO document “CORSIA Approved Sustainability Certification Schemes” will become available following approval by the ICAO Council.

⁷ In line with the ICAO document “CORSIA Methodology for Calculating Actual Life Cycle Emissions Values”.

audit. CBs may conduct audits according to ISCC CORSIA if an accreditation body accredits them. The respective body responsible for the accreditation of a CB is also responsible for the monitoring and surveillance of the CB. The monitoring and surveillance of the CBs is supported by ISCC through the ISCC Integrity Program. 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 CORSIA Document 103 “Requirements for Certification Bodies and Auditors”.

ISCC System Users are 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 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

ISCC receives all certificates issued by cooperating CBs and publishes them on the ISCC website. Customers of ISCC System Users or other interested third parties can verify via the ISCC website if a company or supplier holds a valid ISCC certificate and thus is eligible to make a sustainability claim according to ISCC.

Publishing of certificates

Figure 2 provides an overview of the relevant elements in the ISCC CORSIA System.

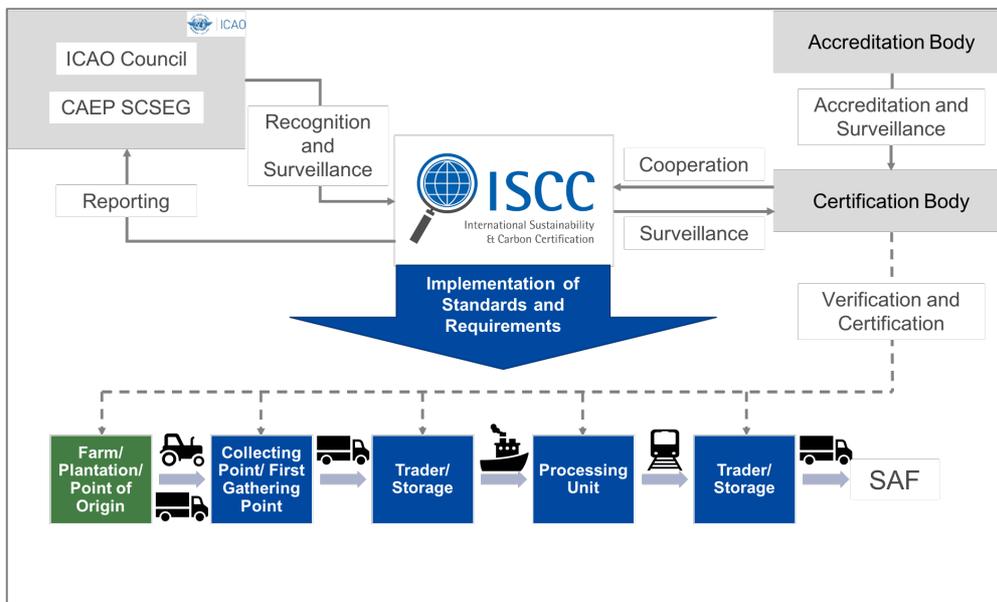


Figure 2: The processes and elements of ISCC CORSIA at a glance

8 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 freely accessible on the ISCC website. Publicly available information about ISCC explicitly includes, but is not limited to:

ISCC website

- > The ISCC system documents, including the governance structure, fees and the ISCC Terms of Use, and the guidelines for audits (audit procedures), in the latest applicable version;
- > Instructions for System Users how to participate in the system;
- > Contact details of ISCC and options to contact ISCC directly;
- > Options for stakeholders to give feedback about the standard and developments of the standard (Public Consultation);
- > 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;
- > A list of all recognised CBs cooperating with ISCC and the respective bodies responsible for accreditation or recognition of the CBs;
- > A list of certified ISCC System Users, the scope of certification and information about the status of the certification (e.g. validity period, information about withdrawn certificates or suspensions, etc.);
- > A list of ISCC System Users being suspended due to serious non-compliances with ISCC and the period of suspension (“blacklist”);
- > Regular newsletters informing all stakeholders about the latest ISCC activities and opportunities to get involved with ISCC;
- > The names of any other eligible certification schemes that ISCC recognises within its systems.

9 Quality and Risk Management

ISCC is committed to a continuous improvement of the ISCC CORSIA system. The quality and risk management in the framework of ISCC CORSIA contributes to such a continuous improvement process. It aims for consistency in all activities related to ISCC CORSIA, especially with regards to the practical implementation and the secure and credible verification of compliance with the ISCC CORSIA system. The principles for quality management apply to the ISCC management and all of ISCC’s operations. Core features of the quality and risk management within ISCC CORSIA are:

*Continuous
improvement
process*

- > The ISCC Integrity Program: 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 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 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 (integrity auditors) and can cover all the countries where the CB carries out ISCC activities.

Integrity Program
- > 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.

Benchmarks
- > 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 and of regional specifics and risk prevention measures.

Stakeholder dialogue
- > Regular participation in sustainability conferences: ISCC participates in international conferences. In addition, ISCC is organising the annual "ISCC Global Sustainability Conference". At the conferences ISCC and its latest development are being presented. During conferences ISCC also receives valuable feedback being relevant for a continuous improvement of the system.

Sustainability conferences
- > ISCC Training Program: ISCC has developed a specific training program for auditors, CBs, System Users and other interested stakeholders covering different topics of ISCC. On a regular basis ISCC offers trainings in different countries. The following training modules have been developed: ISCC Basic Training, GHG, Plantation and Land Use Change, Waste and Residues, ISCC PLUS. The requirements. The training is used to guarantee consistent audit processes, to update participants on latest requirements and also to receive feedback and provide opportunities for discussions.

ISCC Trainings
- > 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 CORSIA appropriately. The specific requirements for CBs are specified in the ISCC CORSIA Document 103 "Requirements for Certification Bodies and Auditors". ISCC organises regular meetings with representatives of the recognised CBs. The aim of those meetings is to exchange practical feedback and experiences from the application of ISCC, to discuss

Feedback from CBs

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 the audits and activities over the previous year. The results of both, the regular meetings with the CBs and the annual reports will be evaluated by ISCC. If required, ISCC provides additional guidance to all CBs to ensure a level playing field. The audit procedures themselves provide information and verification guidance to facilitate a consistent performance of ISCC CORSIA audits.

- > Discussions with authorities: ISCC is a reliable partner for the competent legislative bodies and offers an instrument which ensures compliance with the legal requirements for the sustainability of feedstocks and fuels in different countries around the world. 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 comply with the principles for quality management and should aim for a continuous improvement of the processes related to ISCC CORSIA. This means that all relevant processes of the System User, which are related to ISCC CORSIA, should be integrated appropriately into the System Users quality management system. This includes in particular the identification and documentation of relevant processes and responsibilities and training and qualification of relevant employees implementing ISCC CORSIA or handling sustainable material.
- > Customer and stakeholder service: System Users and stakeholders of ISCC can always contact and engage with ISCC directly via email or telephone (“ISCC hotline”) to submit questions, concerns and general feedback. Customer focus and prompt feedback are core features under ISCC. The specific e-mail address for all questions concerning the ISCC CORSIA programme is corsia@iscc-system.org.

*Legislative
bodies and
authorities*

*Continuous
improvement*

*Customer
service*

The quality management of ISCC is based on the general elements that would constitute any quality management system (see figure 3).

*Quality
management of
ISCC*

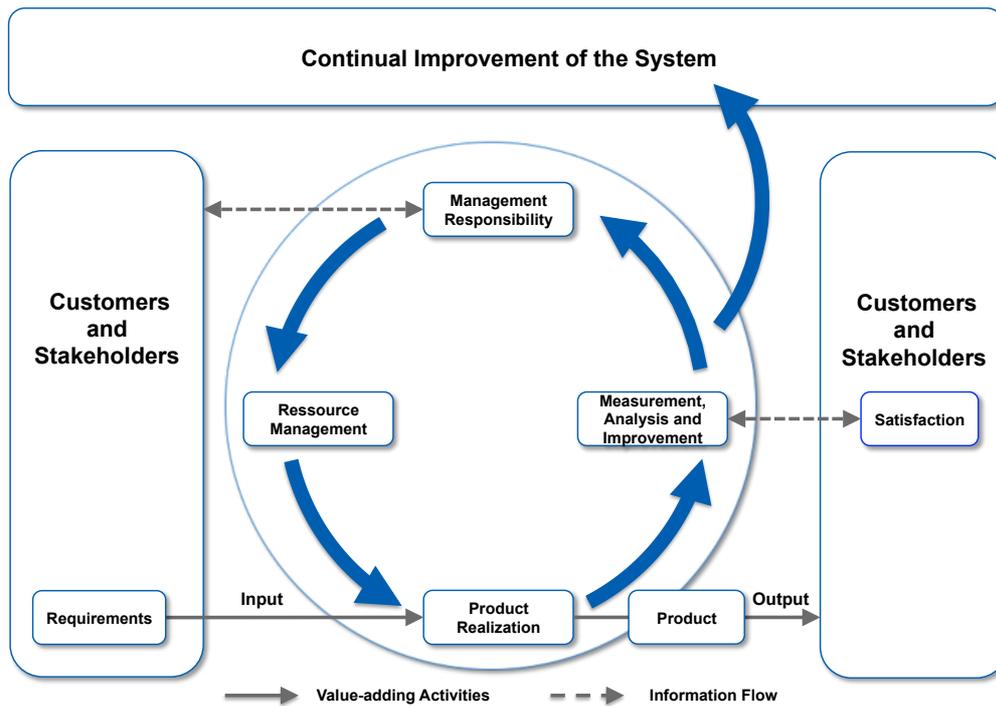


Figure 3: Model of a process-based quality management system (according to ISO 9001)

The first ISCC Impact Report was published in 2019. It reflects the relevance of the ISCC certification system and its contribution to a sustainable development. Measuring ISCC's impact took a profound data assessment and an in-depth stakeholder dialogue. The result is a comprehensive report filled with an overview of ISCC's work, the extent and importance of ISCC's operations and the scheme's actual impact. ISCC's aim is to publish the Impact Report regularly in the future. Future reports will also contain an assessment of the new ISCC CORSIA programme and the impact of CORSIA eligible fuels.

Impact Report

Risk management is an integral part of the quality management of the ISCC system and a component of all decision-making processes within ISCC. 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 CORSIA Document 204 "Audit Requirements and Risk Management".

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 a successful implementation and performance of the certification system. The guidelines of ISCC are described in table 1.

Quality guidelines

Table 1: ISCC Quality Guidelines

ISCC Quality Guidelines
<p>Ambitious Standard: The implementation of the ISCC CORSIA system is an essential contribution to climate protection. It also contributes to an environmentally, socially and economically sustainable production of aviation fuels. ISCC is practical and implementable, but clearly requires that all relevant elements of the supply chain act sustainably in accordance with the system.</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 a sustainable production of aviation fuels.</p>
<p>Open for everyone: The standard development is to be carried out in a way that all interested users are able to participate and to use its advantages without discrimination.</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: The claiming of emission reductions through the use of sustainable aviation fuels under the framework of CORSIA requires the fuels' compliance with the CORSIA requirements. ISCC guarantees a continuous monitoring of these processes and a reliable implementation of the respective requirements in its system regulations.</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 offers additional potential for an efficient market access by reducing audit efforts.</p>
<p>Risk management: Indicators, which can cause an incorrect declaration of material 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 Program is used randomly but also in cases of justified allegations to support 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 as well as for the bodies and persons involved in the certification process.</p>
<p>Continuous improvement: ISCC continuously monitors its processes and structures. Every five years, the system as a whole is revised and the standards are adapted according to the latest scientific findings, feedback and complaints from stakeholders and to incorporate practical experiences and best practices. The system is also revised in order to incorporate significant changes to the CORSIA requirements as specified by ICAO.</p>

10 Conflict Resolution

10.1 General Provisions and Definitions

The consideration and handling of conflicts in a certification system is an essential part of its reliability, continuous improvement and user friendliness. Clear, definite and transparent rules to deal with submissions of complaints and appeals are required for an unprejudiced and prompt handling and conflict resolution.

Transparent and impartial

A complaint refers to an expression of dissatisfaction filed with ISCC by any individual or organisation (complainant), which relates to the activities of ISCC. An appeal is a request for reconsideration of any decision made by the Board or by the management of ISCC.

Definition complaint and appeal

Conflict resolution should always be conducted close to the source and with participation of the parties involved in and affected by the conflict. Prior to a formal procedure, the affected parties should seek for conflict resolution through dialogue. If dialogue between the conflicting parties does not resolve the conflict, a formal procedure in accordance with the principles specified in this document can be instigated.

Dialogue-based conflict resolution

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

Types and levels of conflicts

- > Conflicts, resulting from the relationship between a CB and ISCC System Users (e.g. complaints against refusal of certification or withdrawal of a certificate), should generally be resolved between the System User and the CB.
- > Conflicts, resulting from decisions and procedures of ISCC, respectively the Board or the ISCC management are resolved as described below.
- > Conflicts resulting from activities performed by ISCC System Users affecting local or regional stakeholders, including alleged non-compliances with ISCC requirements of ISCC System Users or CBs are resolved as described below.

Complaints and appeals filed with ISCC must meet the following criteria:

Formal requirements

- > The reason for the complaint or appeal is substantiated and not negligible.
- > Addressee of the complaint or appeal is the ISCC management.
- > Complaints and appeals must be submitted in written form and must contain basic information about the complainant including name and organisation. In case the complainant intends to maintain anonymous throughout the further process, the complainant must declare this at the time of submission and provide a reasonable explanation for the request.

- > The complaint or appeal submitted must be accompanied by documents specifying the circumstances of the situation in a way that any impartial person or party can attain a clear idea and an unambiguous understanding of the situation at hand. The supporting documentation should include a summary of the issues and the relevant stakeholders/parties affected.

Complaints and appeals are considered unacceptable under the provisions laid down in this chapter, if they meet one of the following criteria:

*Unacceptable
complaints and
appeals*

- > The requirements regarding form and content are not met. This includes complaints and appeals which are not sufficiently supported by objective and sufficient evidence necessary in order to be able to attain a clear idea and unambiguous understanding of the situation at hand (e.g. based on hearsay).
- > The complaint or appeal aims for adjustments of the recognised ISCC standards.
- > The complaint or appeal aims to have sanctions amended, which have been imposed by ISCC due to violations or infringements of ISCC requirements.
- > The reason for the complaint or appeal does not explicitly relate to ISCC or to activities conducted within the framework of ISCC.

10.2 Conflict Resolution Process

The ISCC management decides on accepting the validity of the complaints or appeals submitted based on the formal requirements specified above (see chapter 9.1). The complainant will be informed immediately about the receipt of their complaint or appeal, the acceptance of the complaint or appeal and what further actions will be taken. Complaints and appeals will be analysed, investigated and decided on by the ISCC management on a case by case basis. In the course of investigating the conflict or reason for the complaint or appeal, 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. If deemed necessary, ISCC will inform the relevant CB in a timely manner. ISCC may schedule an independent assessment in the framework of the ISCC Integrity Program if required. If necessary, the ISCC Board will be involved in the process in order to bring it to a conclusion. ISCC aims to resolve conflicts in a timely manner. Any result and decision will be communicated to the complainant by the ISCC management without delay.

*Case by case
analysis*

If the complainant does not accept the decision made by the ISCC management, the complainant can file an appeal against this decision. Appeals against such decisions must be filed within 10 working days after the complainant has received the decision by the ISCC management. In this case, ISCC will re-evaluate the complaint. If necessary ISCC may establish an

Filing an appeal

Arbitration Board which will be responsible for further conducting the procedure.

The Arbitration Board is implemented by the ISCC Board and is made up of three persons. The members of the Arbitration Board must be free of all conflicts of interest with respect to the appeal and shall not be involved in the appealed decision if they are in conflict with the particular party making the complaint or pursuing the appeal. The three members should represent the same three stakeholder groups that constitute the ISCC Board. The Arbitration Board shall hear the parties involved before making a decision. The results of the hearing shall be documented. In critical cases, the Arbitration Board can consult an independent expert. In the event that the involved parties doubt the neutrality or qualification of the expert, the doubts shall be submitted to the Arbitration Board before the final decision in the process is delivered. Another person can replace the expert should this be decided by the Arbitration Board.

Arbitration Board

The decision of the Arbitration Board shall be made within 6 months after receipt of the appeal. 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. The report shall include recommendations concerning the further proceeding and resolution of the appeal. Based on the report of the Arbitration Board, the ISCC Board then decides on whether to accept, proceed further with or on the resolution of the appeal. The decision of the ISCC Board is communicated to the ISCC management. The ISCC management submits the results of the arbitration process to the parties involved. Decisions taken by the ISCC Board in the course of dealing with a complaint or appeal are binding and bring the ISCC arbitration process to a close.

Binding decisions

All complaints received and actions taken for consideration are documented by ISCC. In case the Committee on Aviation Environmental Protection (CAEP) Sustainability Certification Schemes Evaluation Group (SCSEG) requests information on the complaints received or the complaints procedure, ISCC will use the documentation to respond to this request and to provide all required information in a timely manner. Furthermore, in particularly severe cases ISCC will proactively inform CORSIA in a timely manner.

Requests for information from the ICAO Fuels Advisory Body

11 Non-conformity and Sanctions

11.1 General Provisions

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

Definition non-conformity

There can be supplements, corrections and replacements of documents, records, reports, protocols and other information and data showing compliance with the ISCC sustainability requirements and with the

Corrective measures are possible

requirements on traceability, mass balance and GHG emissions. This can take place during the audit or subsequently. However, before a certificate can be issued, existing non-conformities must always be corrected. All missing documents and proofs must be made available to the CB at the latest 40 days after the date on which the audit was conducted. Otherwise the issuing of a certificate is not possible and compliance must be verified in an additional audit.

Non-conformity with ISCC requirements can be classified by the severity of the non-conformity, the fault of the responsible actor (System User or CB) and the impact for the integrity of ISCC. Categories to determine the degree of severity of non-conformities are:

Different categories of non-conformity

- > Minor non-conformities are non-conformities which do not adversely affect the performance, reliability and integrity of ISCC and which can be corrected after their detection.
- > Major non-conformities are non-conformities which may adversely affect the performance, reliability and integrity of ISCC, which cannot be corrected after detection and which are not critical. Examples include non-conformities which are related to claims made by System User during the previous certification period and which therefore have an impact on the downstream supply chain.
- > Critical non-conformities pose a significant and vital risk to the integrity of ISCC and cannot be corrected. Examples are violations of ISCC CORSIA PLUS Principle 1 and all intentional violations of ISCC requirements (fraud).

If non-conformities are detected during an ISCC audit which relate to claims made by System Users during the previous certification period, ISCC and the CB are entitled to impose conditions for recertification of the System User. Conditions may include the requirement to submit copies of relevant documents for a specific period to ISCC and/or to the CB and that the CB conducts a surveillance audit after a specific period after recertification (e.g. after one mass balance period). This especially applies in case of non-conformities that have an impact on the downstream supply chain, e.g. non-conformity with the mass balance requirements, non-conformity of sustainability declarations (e.g. false information), non-conformity with the greenhouse gas requirements (e.g. incorrectly calculated GHG emission values).

Conditions

ISCC is responsible for classifying any non-conformity in accordance with its degree of severity (minor, major or critical) and for assessing the fault of the party apparently responsible as part of a case-by-case assessment if this is required. With regards to this assessment, ISCC may take adequate fact-finding measures, in particular, to request that documents or other evidence concerning the event be provided to ISCC by the CB and/or submitted to ISCC by the System User and that a statement be submitted to ISCC by both the CB and the System User. If the responsible party reports a non-conformity or

Assessment and classification

infringement to ISCC in a proactive and timely manner, this may be taken into account as an extenuating circumstance during the assessment of the particular event. Proactive and timely communication is not the case if the non-conformity was only revealed as a result of an audit carried out by the CB or by ISCC. ISCC is entitled to conduct an Integrity Assessment in order to attain a clear and unambiguous understanding of the situation, if this is deemed necessary and reasonable.

Contractual non-conformities are found to be the case when a recognised CB or a System User does not act according to contractual agreements between the CB or the System User and ISCC. Contractual non-conformities may include but are not limited to: misleading or false information or communication, confirmed fraud, not cooperating in the framework of the ISCC Integrity Program. In the event of contractual non-compliances, ISCC is entitled to suspend the services offered by ISCC. This includes customer service via telephone or email, participation in ISCC events and the public display of certificates on the website of ISCC.

Contractual non-conformity

11.2 System Users

A non-conformity is considered to be of minor severity if it is insubstantial and does not violate fundamental ISCC requirements. These are such non-conformities as specified in chapter 10.1 and which are non-systematic and whose impacts are limited in scale. Minor non-conformities on farm or plantation level, in the context of ISCC CORSIA PLUS, include non-conformities with ISCC requirements classified as “minor must” criteria of ISCC CORSIA PLUS Principles 2 – 6 laid down in ISCC CORSIA Document 202 “Sustainability Requirements”. Of those “minor must” criteria, a farm or plantation must comply to a degree of at least 60%. Examples of minor non-conformities include non-conformities with respect to documentation or insufficient integration of the ISCC requirements into the quality management. Minor non-conformities may be corrected by implementing appropriate corrective measures within a specific time frame. In the case of minor non-conformities, ISCC may issue a warning. A warning can be connected with conditions if the fulfillment of the conditions is reasonable. Conditions shall be so constructed as to prevent future non-conformities or to ensure future compliance with the ISCC requirements e.g. during the validity period of a certificate. Repeated minor non-conformities, especially of the same type, may indicate a systematic non-conformity and thus may be classified as “major”.

Minor non-conformity

A major non-conformity is substantial and violates fundamental ISCC requirements. These are especially those non-conformities, which have an impact on downstream supply chain elements, which continue over a long period of time, are repeated or systematic and have a serious (negative) impact. Examples include but are not limited to:

Major non-conformity

- > Issuance of Sustainability Declarations or Proofs of Sustainability for material despite no valid certificate being available at the time of dispatch (physical delivery).
- > Certification according to more than one sustainability certification system and selling one batch of sustainable material multiple times, one time under each system (“double accounting”).
- > Accounting or declaring feedstocks or other materials or products to be sustainable, although the sustainability of which cannot be fully traced, verified or validated.
- > Major non-conformities on farm or plantation level include non-conformities with ISCC requirements classified as “major must” criteria laid down in ISCC CORSIA Document 202 “Sustainability Requirements” as well as non-conformities with the Sustainability Criteria under ISCC CORSIA.
- > Declining or failing to participate and cooperate in the ISCC Integrity Program or in surveillance audits ordered by the CB and/or by ISCC.
- > False declaration of material or products, especially in the case of waste and residues.
- > Provision of false (individual) greenhouse gas emission values to recipients of sustainable material.
- > Claiming sustainability characteristics multiple times, e.g. in different states.

In the event of major non-conformities by System Users the respective CB must declare the certificate invalid and withdraw the certificate immediately. In the case of ordinarily negligent non-conformities ISCC may suspend the System User from recertification for a period of up to six months. In the event of grossly negligent non-conformity ISCC may suspend the System User for a period of up to 12 months.

Withdrawal of certificate

Non-conformities are critical if they are intentional, in particular non-conformities with the intent to defraud. In the case of critical non-conformities, especially when this involves confirmed fraudulent behaviour of a certified System User the issuing CB must declare the certificate invalid and withdraw the certificate immediately. In this case, ISCC may suspend the System User from the ISCC system and from recertification for a period of up to 60 months.

Critical non-conformity

In the event that a certificate is withdrawn due to non-conformities, ISCC will immediately make public the fact that the certificate was withdrawn on the ISCC website. In this case, ISCC is entitled to define specific conditions for the re-certification which are suitable for preventing future non-conformities or for ensuring future compliance with the ISCC requirements e.g. during the validity period of a certificate. This may include, for example, the application of a higher risk level and/or additional surveillance audits of a certified System User after a specific time frame to verify and ensure compliance with ISCC

Suspension and blacklist

requirements. If ISCC imposes a suspension of a System User due to non-conformities, ISCC will make the suspension of the System User including the period of suspension public on the ISCC website (“blacklist”). ISCC is entitled to notify authorities, other certification systems and CBs about the withdrawal of certificates and the suspension of System Users. If a certificate is withdrawn but the System User is not suspended, an immediate recertification is possible. Recertification in this case is only possible if the System Users can demonstrate compliance with the applicable requirements during an audit.

Table 2 provides a simplified overview of non-compliances and possible sanctions for System Users.

Table 2: Overview on Non-conformities and Sanctions for System Users

Severity Fault/ Culpability	Minor	Major	Critical
Ordinary negligence	Warning Conditions	Withdrawal of certificate Suspension up to 6 months	Not applicable
Gross negligence	Warning Conditions	Withdrawal of certificate Suspension up to 12 months	Not applicable
Intentional/Fraud	Not applicable	Not applicable	Withdrawal of certificate Suspension up to 60 months

11.3 Certification Bodies

In the event of non-compliant behaviour of a CB cooperating with ISCC, its auditors or representatives, ISCC may impose sanctions against the CB or the individuals responsible for the non-conformity. Based on a case by case examination, ISCC evaluates the type and level of non-conformity and defines the type and level of sanctions. The principles specified in chapter 10.2 may be applied.

*Case by case
assessment*

There are four steps for sanctioning a CB. The ISCC management is entitled to take sanctioning decisions. Yellow Cards and Red Cards can be lifted again after a defined time period.

*Sanctions of
CBs*

Step 1: Warning

A Warning can be issued where minor non-compliances with the ISCC requirements are detected. Only the CB will be informed about the Warning. Usually Warnings require that the CB submits a statement of explanation to ISCC within two weeks following the notification of the official Warning.

*Minor non-
conformity*

Step 2: Yellow Card

A Yellow Card can be issued where non-conformities with the ISCC requirements are detected (e.g. in the framework of the ISCC Integrity Program) or where the CB does not react or does not report in response to the written request to do so made by ISCC. A yellow card can especially be issued, where minor non-conformities occur repeatedly or systematically, especially in cases where ISCC has already issued a warning to the CB regarding the same type of non-compliance.

Repeated minor non-conformities

Sanction:

Information provided to the accreditation body or respective national authority that has accredited or recognised the CB and is responsible for monitoring the CB.

Step 3: Red Card

A Red Card can be issued where major deviations from the ISCC requirements are detected (e.g. in the framework of the ISCC Integrity Program), where required improvement measures due to a Yellow Card are found to have not been sufficiently implemented, where the CB does not react or report on repeated written requests by ISCC, or where the accreditation body or competent national public authority has suspended the accreditation or recognition of the CB.

Major deviations

Sanction:

- > Information provided to the accreditation body or respective national authority that has accredited or recognised the CB and is responsible for monitoring the CB.
- > Publication on the ISCC Website.
- > CB is not allowed to issue or reissue new certificates.
- > CB must inform all clients that it is no longer allowed to issue or reissue ISCC certificates.

Step 4: Contract Cancellation

Contract cancellation can take place in particular in cases of verified fraud, when a Red Card could not be lifted again after the agreed time period, bankruptcy, loss of the required recognition or accreditation of the CB by a national authority or accreditation body.

Termination of cooperation

Sanction:

- > Information provided to the accreditation body or respective national authority that has accredited or recognised the CB and is responsible for monitoring the CB.
- > Contract Cancellation is made public on the ISCC Website and all ISCC System Users are informed.
- > CB is not allowed to issue or reissue new certificates.

- > Cancellation of the Cooperation agreement by ISCC.

12 ISCC Integrity Program

12.1 Overview

The ISCC Integrity Program aims to ensure a consistent, objective and reliable audit and certification process by all CBs cooperating with ISCC on a global basis. It was launched as a tool to enable closer monitoring of the CBs' verification activities and companies' compliance and is based on an ongoing assessment process. The ISCC Integrity Program supports the quality and risk management at 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*

The ISCC Integrity Program consists of assessments of ISCC System Users and of CB offices. ISCC Integrity Assessments are planned randomly or on a risk basis after risk evaluations, complaints or reports of non-conformity or fraud. They are conducted in amplified number after significant changes to the system requirements. ISCC does not charge any costs of Integrity Assessments to the participants. The assessments are conducted by ISCC Integrity Auditors 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 Auditors must be independent and free of any conflicts of interest. They work on behalf of ISCC and are not allowed to work for CBs cooperating with ISCC at the same time.

*CB and
System User
Assessment*

The participation of ISCC System Users in a scheduled ISCC Integrity Assessment is mandatory. Refusal to participate may be considered a serious non-conformity with the ISCC requirements and will be sanctioned (see chapter 10). Participation of System Users may be requested by ISCC up to 18 months after the expiry of the last ISCC certificate. System Users 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.

*Mandatory
participation*

Table 3: Criteria for the selection of Participants in the ISCC Integrity Program

General Criteria	
<ul style="list-style-type: none"> • Random Selection (Generally all System Users and CBs are taken into account for the ISCC Integrity Program) • Indication of non-compliance or fraud 	
Risk-based Criteria	
System User	CB / Auditor
<ul style="list-style-type: none"> • Location / Region • Scope • Individual GHG calculation • Type of material • Certification history 	<ul style="list-style-type: none"> • Number of ISCC certificates issued • Number of audits conducted by auditor • General performance of CB / Auditor

12.2 Integrity Assessment at ISCC System User

The objective of the System User Integrity Assessment is to assess the audit and certification process of the CB by auditing a sample of its certified clients. During this assessment (re-audit), the ISCC Integrity Auditor carries out an evaluation of the conformity of the certified System User on the basis of the applicable ISCC procedure documents. The results of this assessment are then compared with the CB's audit report from the last regular certification audit.

Re-audit

At least 4 weeks prior to the scheduled date, the CB and their client (ISCC System User) shall receive a formal invitation letter from ISCC via email. The first letter sent out per email will contain the scheduled date(s) of the ISCC Integrity Assessment, the concerned ISCC registration number and the respective operational units to be visited and the certification scopes to be assessed.

Formal invitation

After the receipt of the first invitation letter, the selected participant is obliged to respond to the invitation letter within 72 hours / 3 working days to confirm participation at the date proposed by ISCC. Rescheduling may be possible in case of well-founded reasons upon written request by the System User if requested without delay (within 72 hours / 3 working days from the date the invitation is sent by ISCC). 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 from receipt of the first invitation letter sent by ISCC. The ISCC management will then assess the proposed date(s). If a System User does not reply within the respective timeframe this is considered as non-cooperation and thus as major non-conformity with ISCC requirements which will lead to sanctions specified in chapter 10 or in the ISCC Terms of Use.

Obligation to participate

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

CB observer

For the purpose of determining the exact schedule of the Integrity Assessment, the ISCC management or the ISCC Integrity Auditor 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 format as well as the calculations for the greenhouse gas emissions, if an individual calculation has been conducted. System Users are obliged to provide the respective documents to ISCC prior to the Integrity Assessment 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 refer to the last certification audit of that specific System User. If multiple ISCC certification systems apply, the fulfillment of the requirements of each system may be checked at this specific site. Also part of the assessment may be, 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. The System User Integrity Assessment is a full assessment of the facilities and procedures and will evaluate compliance with all applicable ISCC requirements. The ISCC Integrity Assessment resembles a regular certification audit by the CB and the ISCC Integrity Auditor must be granted access and insight to all sites and documents what the ISCC Integrity Auditor considers relevant for the assessment.

Scope of the assessment

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

Structure of the assessment

- > **Opening Meeting** (presentation of ISCC Integrity Auditor and ISCC Integrity Program, definition of scope of assessment, description of main activities of participant that are related to ISCC certification).
- > **Inspection of facilities** (on-site inspection of production unit, warehouses, buildings, machinery etc. This may include interviews of staff on site).
- > **Review of procedures and records** (check of applicable procedures, records and documentation).
- > **Preparation of Integrity Report** (the ISCC Integrity Auditor will require some time to prepare the integrity report on site).
- > **Closing meeting** (integrity report will be presented and explained to System User and CB representative by the ISCC Integrity Auditor. System User and CB representative will be asked to sign the report).

The final schedule of the audit will be agreed upon between the System User and the ISCC Integrity Auditor and may differ from the above example.

The ISCC Integrity Report is prepared on the date of the Integrity Assessment at the System User's premises. 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 Auditor. The report shall be signed by all parties attending the ISCC Integrity Assessment and will be forwarded to the ISCC management. After an internal review at the ISCC head office, the Integrity Report shall be sent as a digital copy to the CB and the customer. The original hard copy will be kept at the ISCC head office. Depending on the non-conformities detected during the ISCC Integrity Assessment, ISCC is entitled to request corrective measures from the CB and/or their customer so as to re-establish compliance with the ISCC requirements. If applicable, the report may contain the results of a detailed remote sensing analysis in order to verify the applicable CORSIA sustainability criteria under ISCC CORSIA or to verify ISCC CORSIA PLUS Principle 1, included as attachment.

Integrity Report

The ISCC Integrity Auditor may find non-conformities that were also found by the CB during its last audit, non-conformities that were not found by the CB during its last audit and non-conformities that were not found but should have been detected during its last audit. Minor non-conformities and their closure shall be explicitly assessed by the CB during the subsequent regular recertification audit and will be checked by the ISCC management when reviewing the recertification documents. Major non-conformities detected during the ISCC Integrity Assessment may require immediate action. "Immediate action" refers to corrective measures to remove the non-conformities to 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 Report. If the non-conformities cannot be removed within this period of time, the CB is obliged to withdraw the System User's current certificate. Depending on the severity of the non-conformities and in case the overall performance of the CB is found to be not acceptable, the ISCC management is entitled to decide on sanctions against the CB.

Detection of non-conformities

12.3 Integrity Assessment at Certification Body Office

The 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. 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 the following elements:

CB office assessment

- > The accreditation of the CB, respectively the recognition by a national authority.
- > Verification of the training and qualification of auditors (CVs, training records and evidence of competence of all ISCC auditors, etc.).

Elements to be assessed

- > 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 of risk assessments conducted prior to on-site audits of ISCC System Users (e.g. remote sensing analysis of farms and compliance with the applicable CORSIA sustainability criteria or with ISCC CORSIA PLUS Principle 1).
- > Decision process for the issuing of certificates.
- > Registry of certificate holders.

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

Assessment structure

- > **Opening Meeting** (presentation of ISCC Integrity Auditor and ISCC Integrity Program, definition of scope of assessment, description of activities of CB related to ISCC certification).
- > **Data collection** (Definition of the company's structure, activities and personnel related to ISCC. Statistics like the 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, issue 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).
- > **Preparation of Integrity Report** (ISCC Integrity Auditor will require some time to prepare the integrity report on site).
- > **Closing meeting** (Integrity report will be presented by the ISCC Integrity Auditor and findings explained to CB. CB representative will be asked to sign the report).

12.4 Evaluation and Classification of Assessment Results

Each assessment is documented in an integrity report. A representative of each assessed entity (System User, CB) shall sign the report. Integrity reports may be sent to the CB's accreditation body or competent authority, so it can be used as an input for their next assessment. Based on one or more integrity reports and, if applicable, the failure of the CB to demonstrate improvement made compared to previous assessments, ISCC will classify the performance of the CB. In the case of an unacceptable or deficient performance, the CB

Integrity report

will be informed about this classification and shall have the opportunity to respond in a written statement within fourteen days after notification.

The ISCC performance classification for the CB will be based on the following:

CB performance classification

- > The individual integrity report
- > The CB's written statement to the integrity report

Three classifications of the CBs performance are possible:

Three categories

- 1 **Good performance:** No systematic or serious deviations or non-conformities of the CB have been found. The CB demonstrates a good performance. No specific reassessments or immediate measures are scheduled.
- 2 **Performance needs to be improved:** Requires the CB 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.
- > A Warning or a Yellow Card as specified in chapter 10.3 may be issued.

- 3 **Unacceptable performance:** Puts the overall competency of the CB regarding ISCC in doubt. In such a case, major or critical non-conformities with the 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
 - > Verified fraud

Procedure in the case of unacceptable performance

- > Further audit(s) can be planned immediately 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 on its immediate actions to ISCC on how to improve the performance. ISCC can further assess improvement measures and impose appropriate measures to ensure future compliance with the ISCC requirements.
- > An unacceptable performance may lead to the consequences specified in chapter 10.3. In the case unacceptable performance is detected repeatedly, this may lead to the termination of the certification agreement between the CB and ISCC.

13 Internal Monitoring

ISCC continuously monitors and documents the compliance of system users and CBs internally in order to improve the credibility of the claims made in the framework of CORSIA. The internal monitoring of ISCC consists of four pillars:

Annual summary

- 1 Internal document review:** ISCC constantly reviews and cross checks all certification documents submitted to ISCC by the CBs, i.e. the registrations, audit procedures and the copy of the certificate. 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).
- 2 ISCC Integrity Program:** The results of the ISCC Integrity Program 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.
- 3 Reports from CBs:** Once a year the CBs submit an annual evaluation report to ISCC (see ISCC Document 103 chapter 4.3). In addition regular meetings (twice a year) with CBs for information exchange and feedback on how the system can be further improved take place.
- 4 Complaints and reports from external parties:** In the case that ISCC receives substantiated information about irregularities or non-conformity of system users or CBs from external stakeholders, ISCC immediately investigates 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).

Four pillars of internal monitoring

14 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".⁸

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. The system performance includes the system coverage meaning e.g. the number of issued certificates, the number of System Users and the countries in which they operate. Furthermore, it includes the number of withdrawn certificates, 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 will assess and document the impact of the ISCC CORSIA scheme specifically.

⁸ ISEAL Code of Good Practice – Assessing the Impacts of Social and Environmental Standards Systems, Version 2.0 – December 2014.