

ASG Cert GmbH - Info letter ISCC/RED-Certification - chances and prospects

Started from 2011 - due to the realization of the european RED (Renewable Energy Directive)- only Biofuels that have received a "Proof of Sustainability" (PoS) can be used in Europe. The "last interface", defined as a technical plant, which executes the last physical material changes in the production chain, issues this PoS. In order to be able to issue the PoS, the "last interface" has to be certified by an approved certification system (i.e. ISCC). The issuer has to verify that with the use of Biofuels a reduction of CO₂-emission of at least 35 % (a minimum of 50 % beginning in 2017) will be achieved. This is normally done by showing complete documentation of the origin of the final product and executing the calculation of possible CO₂ savings along the production stages (Farmer - Processor - Manufacturer - Trader). The sustainable product is part of a mass balance. Meanwhile more than 5000 companies worldwide are certified by the ISCC system.

Since ASG as a certifier for the ISCC system gets requests in this context, we have summarized the most frequently asked questions and answers.

1.) What are the costs of certification ?

The registration fee for the ISCC system depends on the yearly revenues (in case of First Gathering Points/Warehouses) or yearly amount of produced material (Last Interface, Biodiesel Plant, Oil-Mill) of the applicant. At the moment it starts up with 50 EUR (for a revenue of less than 0.6 mio EUR p.a. or less than 2000 Mt/a) to a maximum of 500 EUR (for a revenue of more than 150 mio EUR p.a. or 500 000 Mt/a). Additionally there is a fee for issuing the certificate, which is the registry fee again an an additional fee for



the CB (200 Euro). The registration fee is a one-time fee and the fee for issuing the certificate has to be paid per issued certificate, i.g. once a year. There will also be a fee which depends on the amount of produced sustainable material. You can find a table with costs for the system here:

http://www.iscc-system.org/iscc_certification_guidance/terms_of_use/index_eng.html

Important: The membership at ISCC is not required to be certified!

Additional costs depending on the chosen certification body will apply.

ASG Cert GmbH is approved by the BLE (German authority for food and agriculture) for the system ISCC. After a period of more than three years and more than 150 successful certifications all over the world, we consider ourselves as “experienced”. This enables us, to offer our clients a “flat-rate” for upcoming certifications. The flatrate contains all paperwork, audits and certification and is fixed per unit to be certified.

Although the ISCC regulations show some restriction regarding this item, the flat rate includes all possible assistance to reach the common goal: The successful certification of our client. Travelling costs will be charged in addition to the flat rate (not for the remote pre-audit). The advantages for our clients are clear: Before you register for certification, the costs for the process are 100 % fixed and transparent.

For a company with a revenue of less than 15 mio EUR/year the cost calculation shows up like this:

* ISCC registration fee: 150 EUR (one time fee)

* ISCC certification fee: 150 EUR (per issued certificate, i.g. once a year)

* Certificate issuing fee: 200 EUR per certificate (certifiers debt to ISCC)

* Costs of Certification Body in case of ASG mbH: Depending on size and location of your operational unit – we will hand out a detailed offer before certification.

2.) What are the advantages for a company to be certified by ASG with ISCC System?

- The market price for selling certified sustainable biodiesel into the European Union (EU) is higher than the price for unsustainable material (outside EU).
- After successful certification, the applicant is allowed to use the ISCC sign in the official documents on the web-site and other publications.
- ISCC System is acknowledged worldwide as a reliable and established system.
- ASG as “small” company in the market is able to understand the special requirements of each client. Turnover time is extremely short compared to our competitors.

3.) Who issues the PoS (Proof of Sustainability)?

Only a "last interface" can issue the PoS. Last Interfaces are defined as technical plants, that made the last physical changes in the production chain.

4.) What requirements have to be fulfilled by a Biodiesel Plant or Oil-Mill to get certified?

a.) A mass balance system is required to make the identification and traceability of the final product possible. A physical segregation of sustainable and non-sustainable products is not necessary, as long as the mass balance system shows the particular mass flows are clearly traceable. For this purpose in general tables (or calculation programs) are used. These tables make mass flows

traceable by having cross references to the particular delivery documentation and bills.

b.) A management system should also clearly describe the responsibilities of particular employees in form of organigrams and work descriptions. SOPs should describe administrative steps in regard to ISCC requirements on “critical control points” (all points which are evident in the process i.e. weighbridges, accounting system, mass balance, Greenhouse Gas Calculation, etc.)

c.) A Greenhouse Gas Calculation (GHG calculation) should also be done, considering all production stages (farming to production plant). The steps to set up a proper GHG calculation are shown in ISCC procedures which can be downloaded from www.iscc-system.org examples showing how to carry out the GHG calculations will be presented by the certifier in advance. Additionally, complete GHG calculation programmes can be downloaded at no cost from the websites of the IFEU Institute, Heidelberg (www.ifeu.de – look for the ENZO2 tool which is acknowledged by BLE) or Biograce (www.biograce.net) which cooperates directly with ISCC.

d.) Sustainable products requires sustainable farming. This fact will be assured by “self-declarations” of farmers (the form can also be downloaded from www.iscc-system.org). In the case of the certification of a First Gatering Point (FGP) which is always the unit where the harvest is collected for the further process, at least 3 % of the farmers (5 % in non EU-States) issued self declarations, will be subject to an audit.

e.) For ISCC EU the amount of farms to be checked is always calculated with the squareroot of all farms which delivered self declarations.

f.) General requirements according to the ISCC questionnaire.

5.) What is a typical time-table for the necessary audit?

After registering at ISCC (on www.iscc-system.org) an agreement between the applicant and the certifier (i.e. ASG Cert GmbH) is signed. Normally, the applicant will need a few weeks to prepare all necessary documents. Once the preparation work is done, everything is ready for the audit.

Generally the audit starts with a common viewing of the production site, storage facilities and filling devices (if present). Next, the corresponding ISCC form will be worked through. Prior to the audit the focus points are determined by a risk analysis (which could mostly be done by telephon). Also the applicant and the certifier will work through a document check list to clarify which documents have to be presented and in which form. The audit ends with a meeting to discuss the results. If there are any non-conformities, a deadline (maximum 40 days according to ISCCs regulations) is set for corrections. Afterwards the certificate will be issued.

6.) Whats the difference between ISCC EU and ISCC DE.

ISCC EU is a voluntary scheme that is recognised by the EU (as well as ISCC DE). There are some differences. In ISCC EU there is no special regulation for “small” and “very small” companies (which produce less than 500 Mt/250 Mt yearly). With ISCC DE, these companies have to be recertified after 3 (5) years. With ISCC EU, all certificates are valid for one year. The complete process for ISCC EU is in the English language, which might be easier for companies with many international business units/sites. The obligation for a control audit 6 months after issuing an ISCC DE certificate for the first time, does not exist for ISCC EU. The advantages of the ISCC EU scheme:

Acceptance of all EU recognized certification schemes

- No gap analysis or agreement of mutual recognition required
- ISCC checklist for easy processing of delivery notes from recognized schemes

Easy access to all EU biofuel markets

- Registration for access to the German database (Nabisy)
- Tool for generating sustainability declarations and data files required by EU Member States (EU-27 module)

Resource saving audit procedures on farm level

- Minimizing audit effort by applying group certification and document check when sufficient
- Audit of First Gathering Point (FGP) possible independently from farm audits

7.) How can companies use certificates for public relation purposes?

After a successful certification the ISCC logo can be used on documents. The successful certification can also be indicated on the internet and other publications in an adequate form. The company shows up on the certification list on the website of ISCC (www.iscc-system.org).

8.) What steps are necessary for the certification and how long does the procedure take?

The first step is the registration of the applicant at ISCC. For this purpose an Excel sheet is available on the ISCC homepage. This sheet should be downloaded, filled out and sent back to ISCC. By filling out this sheet, the applicant also chooses the CB (Certification Body) The certifier is being informed by ISCC. Directly after the application all involved parties (applicant, certifier and the BLE) get a registration number. If ASG was chosen as



certifier, the signing of a certification contract follows. In this agreement the pre-conditions for a successful collaboration are stated. The time between the signing of the certification agreement and the audit is normally 3-5 weeks. During this time the applicant in cooperation with the certifier work out the pre-conditions for an effective and successful audit. The time between the successful audit and the issuing of the certificate (which allows the applicant to issue Proof of Sustainability documents) is normally about 5-10 days.

A period of 6 weeks between the registration at ISCC and the issuing of the certificate is a realistic assumption.

9.) Where are already certified units published?

A selection of clients served by ASG Cert GmbH recently :

Wilmar Trading International, Singapore
Molinos Rio de la Plata, Argentina
Sime Darby Sdn Bhd, Malaysia
Genting Plantations, Malaysia
Eco Oil – Dickinson Group, Hong Kong
Clean Fuels, Austria
Eco 1 Bioproduksjon, Norway
Electrawinds, Belgium
Felda Sdn Bhd, Malaysia
Green Biofuel, Ireland
Clean Earth, United Arab Emirates
etc

For all certifications done by ASG Cert GmbH, see the ISCC Website and search for ASG.

Here:

http://www.iscc-system.org/certificates/index_eng.html

If you have more questions our Lead-auditor Mr. Michael Koester will gladly assist you:

koester@asg-cert.com