How to successfully achieve ISCC certification in the maritime sector

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Why do you need ISCC Certification?

- Demonstrate supply chain alignment with the Renewable Energy Directive from biofuel production, to trading, to end use of the fuel for bunkering.
- Demonstrate emissions savings delivered by the biofuel via a Proof of Sustainability.
- If you do not have ISCC certification, or hold certification under a similar cross compliant scheme, then you will be unable to provide the downstream customer with ISCC certified fuel in the form of a Proof of Sustainability.
- As a trader this would mean that the biofuel trade cannot take place if the downstream party is requiring an ISCC Proof of Sustainability to be passed onto them relating to the biofuel volume.

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ISCC EU vs ISCC PLUS

ISCC EU:

- Recognized under the EU's revised Renewable Energy Directive, as well as other major energy markets.
- Set to play a major role under the Fuel EU Maritime regulation, with the Fuel EU Maritime being a complementary regulation to the EU Emissions Trading Scheme with the overall target of reducing net emissions by at least 55% by 2030.
- Mandatory to report GHG emissions from the whole supply chain of the sustainable marine fuel.

ISCC PLUS:

- ISCC PLUS system users have greater flexibility where required.
- Can be adapted to specific market requirements through voluntary add-ons, such as GHG emissions reporting for example which is not mandatory under the ISCC PLUS.
- Biofuel production pathways that are not covered under RED compliance could be recognised under ISCC PLUS instead.

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ISCC Certification Process

Service Application Form	We provide a service application form to capture the key information regarding your companies scope of certification to ensure that it is fully defined
Optional Gap Analysis	We offer the option to assess the current management system and operational procedures that are in place at the company, and then identify the missing information gaps between what you have provided and what the ISCC formally requires
Quotation	We will provide your company with a quote for the initial ISCC certification audit including the ISCC registration and membership fees
Register with ISCC	On return of the quote we shall send a link to the ISCC website for initial registration to confirm your company is due to undergo the audit
Request for initial documentary evidence	We will provide a list of information to be checked prior to the audit commencing
Audit	The audit shall be conducted by one of our team of experienced and trained ISCC auditors
Audit Report + Review	The audit findings are reported to the ISCC and then reviewed by team members
ISCC Certification Award	The ISCC Certificate is issued to your company

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Key Documentation Requirements

Prior to undergoing the initial ISCC certification audit you must be able to demonstrate that you have the following documents in place:

- **Management System**
- **Mass Balance System (or equivalent)**
- **Risk Assessment**

Depending on your preparedness to undergo ISCC certification, there are 3 options.

1) You have the necessary personnel and systems in place already and it is simply a matter of scheduling in an onsite audit.
2) You employ a consultant who can guide your company through the certification process up until the point that we are ready to conduct the initial audit.
3) We conduct a gap analysis on the existing management system and operating procedure over the course of 2 sessions.

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Gap Analysis

The gap analysis constitutes a review of your current operating processes against ISCC standard requirements. This is conducted prior to the audit to identify any gaps in procedures or management system requirements, and the gap analysis sessions can be conducted over the course of two sessions.

GAP	ACTION
Signed ISCC Terms of Use	To be signed and readily available on the day of the onsite audit.
Double Claims Statement	Double counting statement, regarding the double allocation of sustainability credits, to be signed and acknowledged by the management team.

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Management System

- **Management system procedures-** Internal procedures for conducting operations in alignment with the ISCC requirements. This mainly revolves around how the existing operating systems function, and how these systems will facilitate ISCC compliant transactions.

- **Responsibility Matrix-** Identify the critical control points with respect to ISCC compliance, and list at least 2 employees who are responsible for each aspect of compliance.

- **Training Plan-** What are the training standards (ISCC guidance documents, management system etc.) and to what level are employees trained up. Outline levels of competency of employees.

- **Supplier screening procedure-** An outline of how new ISCC suppliers are onboarded, and how the 'know your vendor' requirements vary if ISCC trades are conducted.

- **Mass Balance System-** An outline of the existing trade system and how it can integrate the ISCC traceability requirements into the operations. Alternatively, a new mass balance system can be set up that sits aside from the existing trade system, but is just used for ISCC trades.

- **Internal Auditing-** How are internal audits conducted to assess management system functionality.

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Management System- ISO 9001:2015

ISO 9001:2015 certification can provide assurance that your company is certified for the provision of bunker trading and brokerage services. The existing quality management system that is a requirement under ISO 9001:2015 can also be used as evidence for ISCC certification, but additional appendices should also be added where required. These include the following:

- Operational procedure changes for ISCC trades
- Vendor approval requirements specific to the ISCC
- ISCC training for employees
- Contractual changes for ISCC suppliers (either for spot deals or ongoing contracts)

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Mass Balance System

- The system user must establish a system to track incoming and outgoing volumes of ISCC compliant material, that have been sold with a Sustainability Declaration.
- This can be integrated into the existing trade system, or the mass balance system can sit aside from bunker operating system on a separate ISCC trade log (Excel)
- Should be able to ensure that the outgoing ISCC material is either equal to or less than the incoming ISCC material.
- The following information should be kept for each volume traded under the ISCC (on the incoming and outgoing tab):

Supplier	Biofuel Name	POS Reference Number	POS Issuance Date	Purchase Date	Invoice Reference Number	Bunker Delivery Note Reference	Raw Material	Country of Origin	Delivered Quantity on bunker delivery note (mt)	Delivered quantity on Sustainability Declaration (mt)	Carbon Intensity Value (gCO2e/MJ)

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Risk Assessment

The ISCC Risk Assessment should do the following:

- Identify potential risk areas
- Identify the cause of these risks
- Provide an indication of the probability of the risk materialising (1-5), and the impact of the risk if it were to materialise (1-5).
- Outline the mitigative steps that should be taken if the risk does materialise.

Risk Area	Event	Potential Causes	Probability	Materiality	Result	Mitigative Steps Taken
Responsibilities	The ISCC management system is not executed as documented due to employees not being aware of their responsibilities, unclear and / or overlapping responsibilities, and / or employees being absent.	Lack of knowledge on own / other people's responsibilities, lack of routine in execution.	3	3	**9**	Implement a robust training plan. Monitor the competency of individuals to execute the management system requirements at the applicable control points. Ensure that internal auditing is in place to assess the potential for human error.
Supply Agreements	Supply agreements do not stipulate the supplier's obligations in terms of upstream sustainability certification requirements; the supplier does not provide the required documentation; the Company does not validate that all relevant documents are received and are validated (against contractual agreements).	New supplier; lack of knowledge on and / or routine in negotiating supply contracts and validating all relevant documentation.	3	3	**9**	Ensure that the ISCC requirements for supplier onboarding are clearly specified within the 'know your vendor' form. Track the expiry date of supplier ISCC certifiation to ensure that they are eligible to supply you with certified material without breaking the chain of custody.

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ISCC Document Checklist

1. List of all suppliers delivering sustainable material
2. Sustainability declarations (delivery notes according to ISCC 203) for every batch of incoming sustainable material
3. Weighbridge tickets, bill of lading or equivalent documents (bunker delivery note) for every batch of incoming sustainable material
4. Periodical reposting of incoming sustainable material per supplier (yearly, monthly, etc.)
5. Contracts for all suppliers of sustainable material
6. Inventory reporting for sustainable and non-sustainable material (beginning and end of period) per customer
7. List of all recipients of sustainable material, including name and address
8. Sustainability Declarations of Proof of Sustainability (in case the unit operates as final supplier) for every batch of sustainable material dispatched
9. Weighbridge tickets, bill of lading or equivalent documents (bunker delivery note) for every batch of sustainable material dispatched
10. Periodical reporting of dispatched sustainable material per customer (yearly, monthly, etc.)
11. Contracts for all recipients of sustainable material
12. Mass balance calculation
13. Organisation chart, job descriptions and responsibilities with respect to ISCC requirements
14. Quality management system documentation in general and with respect to ISCC requirements
15. Training planning and reporting with respect to ISCC requirements
16. Documentation of internal audit and results
17. Contracts with subcontractors (if relevant)

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Auditing Process: Document Review

Document Submission and Review: Before the on-site audit, you will submit your procedures and records

Document Review Checklist: We will confirm with you within 14 days of receipt if the site audit can be arranged based on no significant or material gaps with the above evidence.

Scheduling and Planning: In advance of an audit, you will be contacted to arrange the date of the site visit and be notified which of our staff will be conducting the audit. You will also receive a detailed audit plan consisting of the agenda and schedule of the audit.

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Auditing Process: On-Site Audit

Opening Meeting: On the day of the audit, the first thing the auditor will do is conduct an opening meeting to go through the audit agenda, adjust it if necessary and answer any questions that you and your team may have.

On-Site Audit Execution: The audit will be conducted according to the audit plan. The audit is based on document verification, field observations and interviews with your staff (and local communities where applicable). The auditor will ask for copies of documentation and will take photographic evidence to support findings. At the end of the audit, the auditor will compile the initial findings for presentation during the closing meeting.

Closing Meeting: Any potential Nonconformities (NC) observed during the audit will be presented to you during the closing meeting together with instructions on how and when to propose Corrective Actions. The auditor will answer questions so long as they do not result in any conflict of interest.

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Auditing Process: Reporting & Certification Decision

Audit Report: After the on-site audit, the auditor will compile a report and set of recommendations on certification.

Internal Review: The final decision on whether to grant, withdraw or suspend certification rests not with the auditor, but with the Certification Manager once they have reviewed the auditor's report and associated evidence.

Certification Issuance: If certification is granted, a certificate will be issued on payment of all remaining fees.

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Contact Information

If the topics discussed today have raised questions regarding the next steps that your company must take to achieve ISCC certification, then please reach out to me at the following:

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