



# Sustainability Certification

Hürth, 2014-12-11

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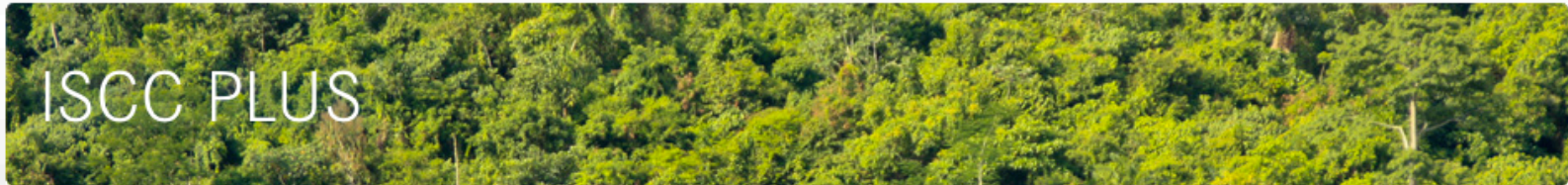
# Sustainability Certification for Hemp Fibres

ISCC-PLUS



# Content

- Overview of ISCC-PLUS and requirements
- Certification bodies (CB) asked for quotations
- Criteria used for the selection of the certification bodies
- Company profiles
- Quotations – costs
- Discussion
- Total costs



- **ISCC-PLUS: Certification System for**
  - food and feed products,
  - technical/chemical applications (e.g. bioplastics),
  - applications in the bioenergy sector (e.g. solid biomass)
- **Existing since 2012**
- **Globally**



# Core requirements for ISCC PLUS

ISCC PLUS	
<b>Products</b>	All kinds of biomass for food, feed, bioplastics etc. products
<b>Core requirements</b>	<ul style="list-style-type: none"><li>• Sustainability criteria on farm level</li><li>• GHG emissions on farm level</li><li>• Chain of Custody requirements<ul style="list-style-type: none"><li>– Traceability</li><li>– Quantity bookkeeping</li></ul></li><li>• Quality management</li></ul>
<b>Voluntary Add-ons</b>	<ul style="list-style-type: none"><li>• Environmental management and biodiversity (202-01)</li><li>• Classified chemicals (202-02)</li><li>• GHG emission requirements downstream farm level (205-01)</li><li>• Consumables of a production process (205-02)</li><li>• Non-GMO – under development</li></ul>



## ISCC-Plus covers important sustainability requirements

- **Ecological criteria**
  - Protection and maintenance of areas with high biodiversity
  - Safeguarding of areas with high carbon stock, like peatland and forest
  - Maintenance of soil quality and productivity
  - Efficient use of water and maintenance of the water quality
  - No air pollution
  - Reduction of fertilizer and pesticide input
- **Economic criteria**
  - Continuous improvement
- **Social criteria**
  - Compliance with laws and treaties
  - Land rights
  - Indigenous peoples' rights / community relations
  - Worker's rights
- **GHG emissions**
- **Traceability**

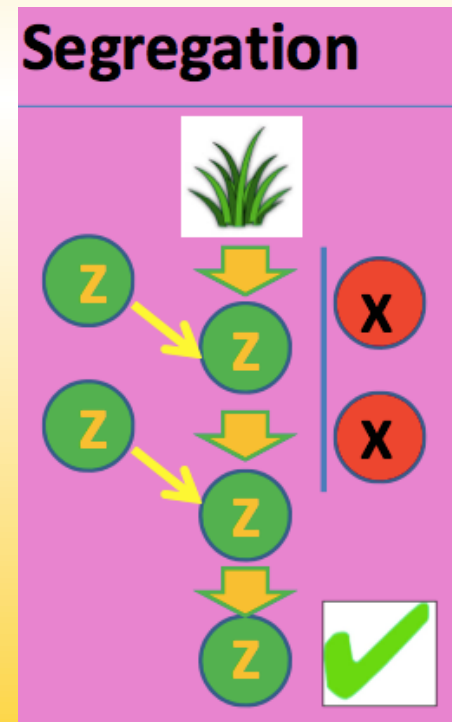
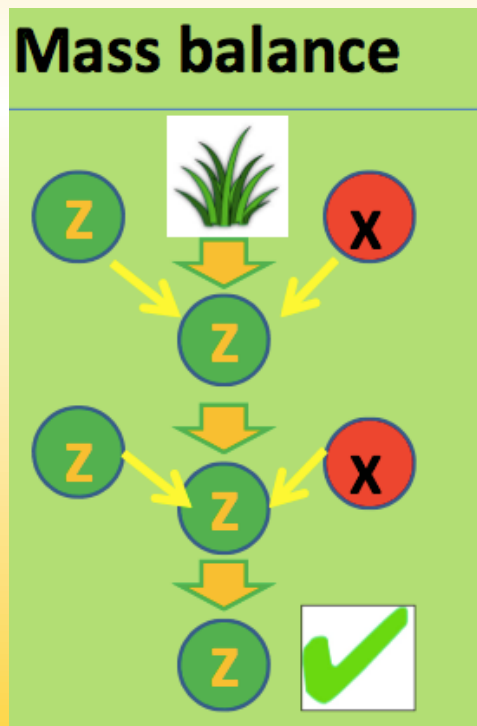






# ISCC PLUS: What requirements have to be fulfilled?

- Sustainability-requirements
- GHG-Emissions (just on farm level obligatory)
- Traceability
  - Mass balance system      OR      Physical segregation





# ISCC-Plus Sustainability Requirements for the Production of Biomass (Farm level)

## • PRINCIPLES:

- 1) Biomass shall **not** be produced **on land with high biodiversity value or high carbon stock**. High conservation areas shall be protected.
- 2) Biomass shall be **produced in an environmentally responsible way**. This includes the **protection of soil, water and air** and the application of Good Agricultural Practices
- 3) **Safe working conditions** through training and education, use of protective clothing and proper and timely assistance in the event of accidents
- 4) Biomass production shall **not violate human rights, labour rights or land rights**. It shall promote responsible labour conditions and workers' health, safety and welfare and shall be based on responsible community relations
- 5) Biomass production shall take **place in compliance with all applicable regional and national laws** and shall follow relevant international treaties
- 6) **Good management practices** shall be implemented

Document check  
at farm

Within EU-Member Countries:  
Cross-Compliance





## ISCC PLUS: GHG-Calculation

- **There are no default values for hemp cultivation.**
- **Individual calculated values for each farmer are very time consuming.**  
(data, document collection)
- **Suggestion**
  - Calculation of GHG-values just from the square root of all delivering farmers per production site
  - Providing that:
    - Farmers work under the same conditions (climate, fertilizer input, machinery use,...).
    - These farmers are audited on site.
    - The selected farmers are geographically distributed equally.
    - The GHG-results must be representative. If this isn't the case, the auditors have to increase the numbers of GHG-calculations.
    - At recertification (the next year) new farmers have to be calculated (again square root of all delivering farmers).
  - The aggregation of the “individual” GHG values is possible.



## What does ISCC PLUS mean for the company?

- **Preparation:**

- Getting a self-declaration from each farmer
- Looking at the requirements for the farmers and their land to have compliance
- Including ISCC PLUS requirements into the Management (e.g. Quality-Management-System ISO 9001 (Standard Operation Procedures))
- Adapting the Delivering-Documents with ISCC-PLUS functions
- GHG-Emission data collection (straw yields, fertilizer and pesticide input as well as diesel consumption)
- Mass Balance
- Internal Audit

- **On-Site-Audit:**

- At the farms: approximately 3 hours to half a day
- At the First Gathering Point / Conversion Unit: approximately 1 day



## Focus at the farm audit – ISCC PLUS

- **Document controlling**
  - Cross Compliance (EU-Members with reviewing from the state)
  - Documentations on land use change (areal photos, maps, land registry)
  - Input-data for Greenhouse gas emission calculations
- **Company tour (just in case of nonconformities or suspicion)**
  - Field inspection (compliance with the area regulations; Ecology and Nature Conservation)



## Focus at the FGP and CU audit – ISCC PLUS

- **Document controlling**
  - Purchasing and sales documents
  - Evidence for compliance with laws and regulations
  - Mass balance
  - Greenhouse gas emission calculations
- **Process controlling**
  - Organizational chart (responsibilities)
  - Management system
  - Traceability
- **Company tour**
  - Accounting (document management)
  - e.g. Speaking with employees in charge of sustainable material handling



## Conformance within ISCC PLUS

- **2 levels**
  - Major
  - Minor
- **100% of the Majors and at least 60% of the Minors** have to be fulfilled.
- In the case of non-compliance sanctions are set and get reviewed from the auditor.
- After 40 days of not correcting the con-conformance the audit or sample check is missed.



## Timeline so far

- **27 accepted CBs** from ISCC-system for ISCC-PLUS (worldwide)
- **June 2014:**
  - Inquiry from Michael Carus as the Managing Director of EIHA via e-mail
  - 14 companies replied to Michael's inquiry-e-mail
- **July 2014:**
  - Getting in contact with the CBs
  - Working out one questionnaire for the hemp-processors based on different CB's requirements
- **August/ September 2014:**
  - Sending the filled out questionnaires to the CBs and asking about RSB
  - Getting in contact with a 15th CB regarding RSB
- **October/ November 2014:**
  - Discussion with ISCC-system about Conversion-Unit, Greenhouse-Gas-Calculations at farm level
  - Telephone-calls and occasional meetings with CBs and their auditors
  - Selection of final CBs based on criteria





# Certification Bodies asked for quotations after the inquiry



Certification bodies	Country (office)	
agroVET GmbH	Austria	
ASG Cert GmbH	Germany	
Bureau Veritas Certification Germany GmbH	Germany	
DEKRA Certification GmbH	Germany	
DNV GL Business Assurance Sweden AB	Italy, Sweden	
DQS-UL CFS GmbH	Germany	
GUT Certifizierungsgesellschaft mbH	Germany	
INTERTEK Certification GmbH	Germany	
KIWA NV	The Netherlands	
PCU Deutschland GmbH	Germany	
<a href="http://Sc@pe.International">Sc@pe.International</a> Ltd	Germany	
SCHUTTER CERTIFICATION B.V.	The Netherlands	
SCS Global Services	USA	
SGS Germany GmbH	Germany	
TÜV Süd Czech s.r.o.	Germany/ Czech Republic	



## Criteria used for the selection

- Cooperation (reply to e-mails and questions)
- Company
  - (size, establishment, presence in the WWW, information about ISCC-PLUS on their homepage)
- Recommendation from Dr. Schmitz (ISCC-Systems)
- Willingness to give discounts
- Experience in ISCC-PLUS
  - Current valid ISCC-PLUS-certifications
- Auditors available in different countries
- Possibility to certify against RSB



## Company Profile – DEKRA Certification GmbH



- **Contact person:**
  - Mr. Eric Evers, Account manager (office: Arnhem, The Netherlands)
  - Dr. Jürgen Valdix, Auditor (headquarter: Stuttgart, Germany)
- **Headquarter:**
  - Stuttgart, Germany
- **Number of employees:**
  - 800 worldwide
- **Aspects:**
  - Excellent commitment to giving support on the quotations and information for the certification process; very cooperative (e-mail, telephone, meeting)
  - Interested in the process
  - RSB
  - Green-Deal option for the Netherlands
  - Auditors who have experience in agriculture
  - Automotive-background



## Company Profile – INTERTEK Certification GmbH



- **Contact person:**
  - Dr. Martin Grass, Project Manager, Auditor  
(office: Leinfelden-Echterdingen – close to Stuttgart)
- **Headquarter:**
  - Mönchengladbach, Germany
- **Number of employees:**
  - 1,000 auditors in over 100 countries
- **Aspects:**
  - Cooperative (e-mail, telephone, meeting)
  - Gives attractive man-day-rates without conditions
  - One experienced auditor for the first year and also native speaking auditors



## Company Profile – PCU Deutschland GmbH (Control Union)

- **Contact person:**

- Mr. Jonas Brandau, ISCC-PLUS (PCU, office: Berlin)
- Mr. Frank van der Velden, RSB (Control Union, Nyon, Switzerland)

- **Headquarter:**

- Berlin, Germany

- **Number of employees:**

- Belonging to the Control Union

- **Aspects:**

- Cooperative (e-mail and telephone)
- In the process of getting RSB
- current ISCC-PLUS certificates for Braskem – Sugar cane; NatureWorks – Lactic Acids
- Attractive Quotations
- Native speaking auditors in every country (Control Union)
- Recommendation from Dr. Schmitz (ISCC-System)





## Company Profile – SCS global services



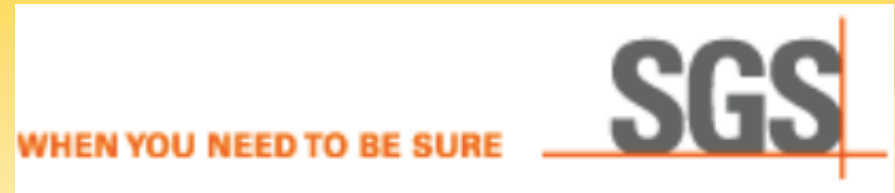
- **Contact person:**
  - Mr. Neil T. Mendenhall, Manager, Supply Chain Services (office: California)
- **Headquarter:**
  - Emeryville, California, USA
- **Number of employees:**
  - Auditors worldwide in associated companies
- **Aspects:**
  - At the moment the only certification body who's already accredited against RSB, experienced in RSB and is also a ISCC-PLUS-certification body.
  - One Auditor for ISSC-PLUS and RSB as well as all three countries (Italian, speaking French, German, English).
  - Kingfisher label







## Company Profile – SGS Germany GmbH



- **Contact person:**
  - Mrs. Nicole Erdmann (office: Emstek, Germany)
  - Mrs. Sarah Moritz (GHG-expert, office: Emstek, Germany)
- **Headquarter:**
  - Emstek, Germany
- **Number of employees:**
  - more than 80,000 worldwide
- **Aspects:**
  - cooperative (e-mail, Telephone-Conference with Auditors and GHG-Expert)
  - Very experienced in ISCC-PLUS-certification; at the moment 41 ISCC-PLUS-certificates (2014-11-24)

# Overview of the Certification Bodies

Criteria	DEKRA (Germany, The Netherlands)	Intertek (Germany)	PCU (Germany)	SCS (USA)	SGS (Germany)
<b>Experience with ISCC PLUS –</b> (number of certificates issued)	–	2	10	1	41
Number of certificates of ISCC per 2014-11-24	161	68	513	40	884
All three countries can be certified from the company	✓	✓	✓	✓	✓
Auditors from where	Germany Switzerland (can speak French on B1-level; no native-speaker); The Netherlands Poland Spain	Germany (speaking fluent English and French) – lead auditor for the first year; France Belgium Romania	Germany France The Netherlands Rumania (Control Union)	Germany (speaking fluent English, French and basic Romanian) Italy (speaking English and French)	Germany Belgium Romania
Additional RSB-audit	✓		(✓)	✓	
Green-Deal (option for The Netherlands)	✓				
Audit costs			Very low		
Cooperation (engagement)	+++	++	++	+	++
Recommendation by nova	✓		✓		



## ISCC PLUS fees

- **Registration fee (once)**
  - FGP: <10,000 metric tons per year and CU: < 3 Mio € p.a.: 100 €
  - FGP: <50,000 metric tons per year and CU: < 15 Mio € p.a.: 150 €
- **Certification fee (every year)**
  - FGP: <10,000 metric tons per year and CU: < 3 Mio € p.a.: 100 €
  - FGP: <50,000 metric tons per year and CU: < 15 Mio € p.a.: 150 €
- **Quantity dependent fee**
  - Per metric ton of the sustainable declared product
  - For ISCC-members: 0.08 €
  - For non-members: 0.10 €

All costs are ex. VAT





# ISCC PLUS fees



	HempFlax (NL)	HempFlax (RO)	Planete Chanvre	Cavac
Registration fee	100 €	100 €	100 €	150 €
Certification fee	100 €	100 €	100 €	150 €
Sustainable material output (assumption)	2,000 tons	2,000 tons	1,500 tons	3,750 tons
Quantity dependent fee (non-member) 0.1€/t sustainable material	200 €	200 €	150 €	375 €
<i>Quantity dependent fee (ISCC-member)</i> <i>Membership per year 500 € (company &lt;10 Mio. €) 0.08€/t sustainable material</i>	160 €	160 €	120 €	300 €
<b>1st year (non-member)</b>	<b>400 €</b>	<b>400 €</b>	<b>350 €</b>	<b>675 €</b>
Following years (non-member) (if the quantity of sustainable products are the same)	300 €	300 €	250 €	575 €

All costs ex. VAT



## ISCC PLUS Certification Costs

- **Depending on:**
  - Delivering farmers (sample check = square root of suppliers)
  - Amount of sustainable processed biomass
  - Greenhouse gas emission calculation



# Quotations

- Costs are **minimum costs**
- Costs are based on
  - Estimated time
  - Good preparation of the audit
  - Good cooperation of all participants in the audit process
- Not included in the certifier quotations
  - VAT (except quotations from SCS (USA))
  - Travel time and hotel costs of the auditor
  - ISCC-fees
- Variable factors for the costs
  - Time for the on-site-audit
  - Information providing



# ISCC-PLUS certification costs in EURO

company/ production site delivering farms		CAVAC	Planete Chanvre	HempFlax (NL)	HempFlax (RO)
farm-sample-checks		140	100	30	1
		12	10	6	1
		Initial certification	Initial certification	Initial certification	Initial certification
<b>DEKRA</b>	regular offer	<b>6,250.00</b>	<b>5,312.50</b>	<b>Costs DEKRA (4,062€)</b>	<b>2,500.00</b>
<b>DEKRA</b>	15 % reduction if combined NL and France (both companies)	<b>5,313.00</b>	<b>4,516.00</b>	<b>Costs DEKRA (4,062€)</b>	<b>2,125.00</b>
<b>DEKRA</b>	regular offer + travel costs (500€) + fee	7,425.00	6,162.50	900.00	3,400.00
<b>DEKRA</b>	regular offer + travel costs (1,000€)	7,925.00	6,662.50	1,400.00	3,900.00
<b>PCU</b>	discounted man-day-rate without combination-requirement	<b>2,900.00</b>	<b>2,900.00</b>	<b>2,150.00</b>	<b>2,250.00</b>
<b>PCU</b>	offer + travel costs (500€) + fee	4,075.00	3,750.00	3,050.00	3,150.00
<b>PCU</b>	offer + travel costs (1,000€) + fee	4,575.00	4,250.00	3,550.00	3,150.00
<b>SCS</b>	regular offer	<b>5,700.00</b>	<b>5,200.00</b>	<b>3,700.00</b>	<b>3,200.00</b>
<b>SCS</b>	10% discount on professional fees will be applied if both RSB and ISCC Plus services are agreed to and combined with NL, F and RO	<b>5,150.00</b>	<b>4,700.00</b>	<b>3,350.00</b>	<b>2,900.00</b>
<b>SCS</b>	regular offer + travel costs (500€) + fee	6,875.00	6,050.00	4,600.00	4,100.00
<b>SCS</b>	regular offer + travel costs (1,000€) + fee	7,375.00	6,550.00	5,100.00	4,300.00
<b>SGS</b>	regular offer	<b>10,000.00</b>	<b>8,717.00</b>	<b>5,960.00</b>	<b>3,760.00</b>
<b>SGS</b>	20% reduction on SGS-costs, if all four companies certify at the same time	<b>8,040.00</b>	<b>7,013.60</b>	<b>4,808.00</b>	<b>3,048.00</b>
<b>SGS</b>	regular offer + travel costs (500€) + fee	11,175.00	9,567.00	6,860.00	4,660.00
<b>SGS</b>	regular offer + travel costs (1,000€) + fee	11,675.00	10,067.00	7,360.00	5,160.00
<b>Intertek</b>	discounted man-day-rate without combination-requirement	<b>5,600.00</b>	<b>4,787.50</b>	<b>3,587.50</b>	<b>2,000.00</b>
<b>Intertek</b>	offer + travel costs (500€) + fee	6,775.00	5,637.50	4,487.50	2,900.00
<b>Intertek</b>	offer + travel costs (1,000€) + fee	7,275.00	6,137.50	4,987.50	3,400.00



# Cost assumptions for the 1<sup>st</sup> year



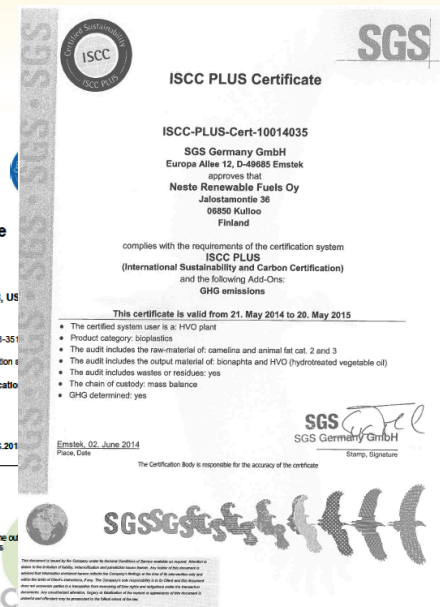
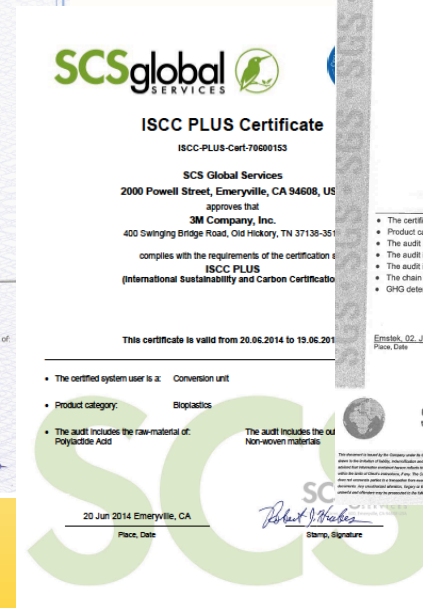
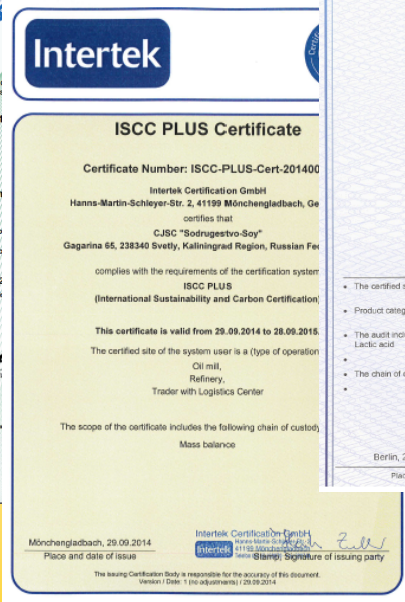
	Per company (production site)	
ISCC fees	350 – 700 €	Depends on the ISCC-tariff structure, especially on the total turnover in metric tons per company-location per year
Costs for the Certification Body (on-site and desk-audit)	2,500 – 7,250 €	Depends on <ul style="list-style-type: none"> <li>- The numbers of delivering famers</li> <li>- If the farms are “Cross Compliance”</li> <li>- On the cooperation and preparation of the audit</li> <li>- Travel distances (travel costs are assumed with 500 – 1,000 €)</li> </ul>
nova support (ISCC-Training from ISCC-systems; calculations of the GHG-values,... )	1,940 – 2,880 €	Depends on <ul style="list-style-type: none"> <li>- The cooperation and on the support required (3 – 6 workdays)</li> <li>- Travel distances (travel costs are assumed with 500 – 1,000 €)</li> </ul>
<b>Total sum</b>	<b>4,790 – 10,830 €</b>	
Subsidy from EIHA for the 1 <sup>st</sup> year per company	50 %	<b>Proposal: EIHA will pay 50 % of the total sum for the guinea pig!</b>

All costs ex. VAT



# Benefits of a sustainability certification

- **First certified fibre in the world**
  - World-wide press release from nova
- **Be prepared for the costumers' demand on certified fibres**





**Thank you for your attention!**

