

Brussels, 4 July 2023

To: Andreas Feige, Managing Director, ISCC

CC: Ditte-Juul Joergensen, General Director of DG ENER, European Commission

Re: Update on ISCC Strengthened Requirements for Waste and Residue Supply Chain and additional actions on sustainability verification of third-country biodiesel exporters.

Dear Mr. Feige,

We would like to follow up on our previous communications regarding ISCC actions addressing increasing imports of advanced biodiesel from third countries, especially China, and their sustainability verification. As you know these potentially fraudulent imports keep flowing to the European market in enormous volumes thus endangering the very existence of the European biodiesel industry.

We appreciate the ISCC initiatives announced so far, in particular the Strengthened Requirements for Waste and Residue Supply Chain announced earlier this year, even if we strongly believe that their implementation should not wait until 1 August, as stated in the past. We also take good note of the recent 70 unannounced integrity audits conducted at processing units in China and Singapore, which were followed by the suspension of 3 certificates, as notified to ISCC system users.

We note that ISCC is still issuing new certificates for Chinese companies while trade flows of potentially dubious advanced biodiesel continue flowing towards the EU. Market conditions for EU waste-based and advanced biodiesel producers and indeed the biodiesel industry at large continue being extremely negative with plants closed and non-existent profitability, as widely reported by different analysts and outlets.

In this context we would like to kindly request additional details on the measures recently taken in accordance with longstanding ISCC system rules, as briefly outlined below:

- Given that important preexisting requirements are being restated in recent system updates¹, thereby informing companies that ISCC certificates can only be issued when economic operators are able to demonstrate the following items:
 - Mandatory certification of POME Points of Origin,
 - An up to date list of all Points of Origin and valid Self Declaration must be available to the auditor and ISCC,
 - Plausibility of received amounts checked by collectors,
 - Mandatory traceability back to point of origin,
 - When auditors or ISCC are not granted access to verify a Point of Origin the certificate must immediately be withdrawn.

→ Does the reiteration of these rules in the System Update from 28th April mean that existing ISCC requirements in force were not implemented properly by auditors and companies?

- Can ISCC confirm that all of the currently valid ISCC certificates have demonstrated compliance with the existing requirements including those mentioned above?
- Is ISCC in a position to specify whether during integrity assessments at collecting points the square root of eligible points of origin are visited again?
- **If auditors have not been aware of these preexisting rules or where ISCC accepts that new rules need to be introduced, why has ISCC maintained the validity of 965 and issued 288 new**

¹ In particular, System Update from 28th April on Strengthened Requirements for Waste and Residue Supply Chains

certificates in China while knowing that its basic rules are not understood by companies or controlled by ISCC auditors properly?

- How will ISCC manage the performance of the certification bodies and auditors, i.e. when weaknesses in certification bodies and auditors are found, particularly if they are repetitive, what formal action is being taken to either support them in improving or sanction them for failures?
- What is the number of auditor assessments (described in section 11.4 of ISCC EU 102 Governance V4.0 document) conducted in 2022/23? What is the outcome of those auditor evaluations (good, needs improvement, unacceptable)?
- Could ISCC share a summary of your certificate integrity programme? Does the completed integrity programme reflect the scale and focus of risk (what proportion of audits have been conducted per location/region, scope, type of material, quantity handled per System User, activity of certification body)?
- Has ISCC conducted integrity assessments on certification bodies who issued the certificates revoked by ISCC to identify why non-compliances were permitted in the initial certification audits?
- Has ISCC forwarded the integrity reports to the European Commission or German Ministry investigating mislabelled imports?
- To increase transparency, could ISCC publish anonymised non-conformances, root causes and corrective actions found during integrity audits?
- How many of the announced 70 surveillance audits have effectively taken place? What are the barriers to completing the integrity programme and how they can be addressed?
- What is the ISCC capacity to perform audits in China? How and when will this be improved?
- To make the requirements efficient they need to be implemented across all 14 voluntary schemes through a central database, and the centralized data need to be independently assessed. Is this central database under consideration by ISCC and when will ISCC onboard all economic operators to the Union Database for Biofuels (UDB) and make UDB reporting mandatory for all system users?
- ISCC is advertised as a multi-stakeholder standard but it appears that the System Update of 28th April was not based on wide consultation with system users or the Technical Committee and it needed to still be further defined before it could be implemented (System Update of 9th June) and some measures still require further definition. Will ISCC reinstate the TC Wastes & Residues to ensure that multi-stakeholder feedback is included in the definition of requirements so they are sufficiently robust to mitigate existing risks of mislabelling, fraud and non-compliance?

We would very much appreciate if you could provide us with your responses to the questions above at your earliest convenience.

Many thanks for your kind support.

Best regards,



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