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To: [ARB LCFS Workshop](#)
Cc: core@iscc-system.org
Subject: Feedback - Public Working Meeting for Stakeholder Groups, December 19, 2016
Date: Wednesday, January 18, 2017 2:55:07 AM

Dear Ladies and Gentlemen,

We would like to take the opportunity to provide the following feedback to the ARB Public Working Meeting for Stakeholder Groups from December 19, 2016.

- Accreditation of certification bodies against existing international standards like ISO/IEC 17065, 14065 and 14066 is helpful and state of the art to create a basic level-playing field in certification. Certification bodies (CBs) cooperating with ISCC for example and conducting audits based on the ISCC standard and scheme must also fulfill these requirements.
- However, when there are very specific additional requirements (e.g. specific LCFS CI calculation methodology, consideration of net emissions from land use change) additional guidance, procedures and trainings for CBs and their auditors is required as the ISO standards are rather generic.
- A precise description of the methodology, calculation and verification procedures for the audits with implementation and verification guidance must be provided to the CBs by independent certification schemes. Certification schemes have the capacities to develop these on a global scale and for global supply chains, covering many different types of biomass and wastes and residue materials, processing units, transport, etc. Certification schemes should also provide additional guidance with respect to calculation formulas, emission factors, forwarding of CI information across the supply chain, etc. to guarantee that CI numbers are correct and in the end reflect real emissions savings compared to the fossil reference.
- Commodity and biofuel markets are global markets. Companies often operate on a global scale handling different types of raw materials, processing steps and biofuels and supplying different markets. Supply chains change on a daily basis, new raw materials, processing technologies and biofuels emerge. Certification needs to reflect this. Globally operating certification schemes can provide the respective framework, expertise, and stakeholder involvement to set up a credible and up-to-date standard and scheme that reflects market realities and can be used by CBs to securely verify compliance with sustainability and CI requirements. Companies can achieve cost reductions when they use certification schemes that operate globally and that can be used for all types of raw materials, biofuels and markets.
- Guaranteeing impartiality is key for credible certification. However, an obligatory rotation of CBs does not achieve this. Audit history might even be hidden, there might be a lack of qualified auditors and an increase in costs for companies. The economic dependency of the CB from the company always remains. Certification schemes need to be the corrective to guarantee impartiality. Within ISCC for example CBs and their auditors must be impartial and free of conflicts of interest. CBs are not allowed to become members of the ISCC Association and auditors are not permitted to carry out any activities which may affect their independence or impartiality (e.g. they are not allowed to carry out any consultancy activities for the company they audit). The CB must have internal procedures in place to constantly assess this and certification systems must control it.
- Example ISCC: On top of all legal commitments and requirements between ISCC, certification bodies and the controlling authorities and accreditation bodies, ISCC runs it's own integrity program, controlling the work of the certification bodies and auditors and sanctioning violations (e.g. cancellation of cooperation agreements with CBs, withdrawal of

certificates). With this program ISCC can also react immediately in case of allegations. It adds another level to integrity and impartiality.

- Having in mind that certification in these markets needs to handle global, dynamic and complex situations, the best is to establish a three-dimensional governance structure: The governmental authority (CARB), the certification systems (e.g. ISCC) and the CBs (e.g. SCS, Control Union). CARB is the organization to recognize, control and sanction certification schemes and (if required) separately also their independent third-party certification bodies. In addition, the certification schemes must have strong mechanisms and sanctions (for CBs and companies) in place (this should be a requirement for recognition by CARB) to guarantee a high integrity of the overall scheme and of the CBs using it and controlling the companies based on the scheme.

Thanks again for the opportunity to provide feedback on these important issues raised by the ARB. In case of further questions please do not hesitate to contact us. We are happy to discuss.

Thank you and kind regards,
Jan

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