

Assessment of KZR INiG

Version as submitted 11 August 2017

Summary

An assessment has been made on compliance of the KZR INiG System certification scheme (hereafter "KZR") as submitted to the European Commission for recognition, with the sustainability criteria of Directive 2009/28/EC.

The assessment results indicate that the KZR scheme meets the mandatory sustainability requirements of Directive 2009/28/EC on GHG, land-use, chain of custody and audit quality.

Scheme scope:

- Type of feedstock: All feedstocks (including and residues)
- Type of biofuel: All
- Geographic coverage: All (focussed on Poland)
- Chain of custody coverage: Full supply chain

Background

The KZR scheme has been operational since 2011 and was formally recognised by the European Commission via a Decision dated 3 June 2014.¹

The KZR scheme has been developed and is administered by the Oil and Gas Institute of Poland (INiG), based in Krakow. The implementation of the scheme is intended to provide economic operators, particularly those in Poland, operating in the supply chain of biofuels, bioliquids and biocomponents, with a possibility to prove that they meet the sustainability requirements of the RED.

The KZR scheme has been developed taking into account the legal system of the Republic of Poland. The scheme owners say the KZR scheme is based on specific national laws in the scope of both the assessment of biomass cultivation from the perspective of land use and good agricultural practice, and realisation of international labour conventions (listed in Article 17(7) of the RED).

The structure of the KZR scheme is shown in Figure 1 overleaf.

¹ Commission Decision 2014/325/EU. Available via:

http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L_.2014.165.01.0056.01.ENG

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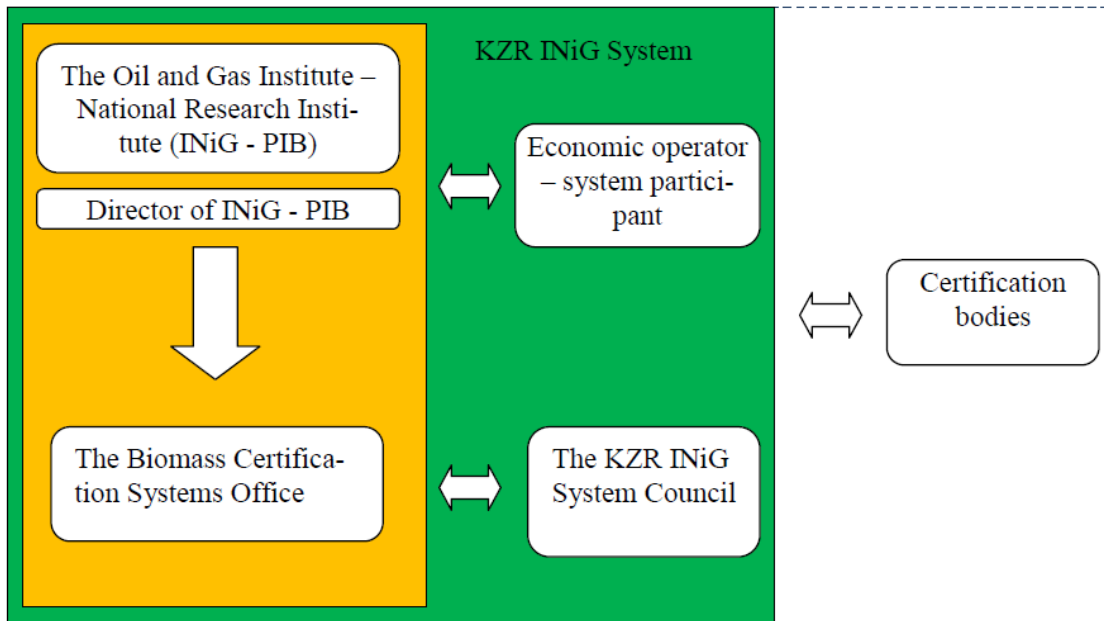


Figure 1: Governance structure of the KZR INiG System

The KZR scheme **System Administrator** is the Oil and Gas Institute, represented by the Director of the Institute. The Administrator has overall responsibility for the scheme and is obliged to ensure independency, transparency, avoiding conflicts of interests between the system participants and certification bodies. The Administrator, signs contractual agreements with economic operators and certification bodies.

The **Biomass Certification Systems Office** is a division of the Oil and Gas Institute – National Research Institute, responsible for supervision and development of KZR. The main task of this division is to supervise records and documents of the KZR INiG System and to apply the System’s resolutions. and is supervised by a Management team.

The **Management of the Biomass Certification Systems Office** (BCSO) manages the KZR INiG System Office. It is responsible for setting directions for the development of the KZR INiG System and communication and cooperation with the System Administrator, system participants, certification bodies, System Council and interested parties. The Management is responsible for authorising and supervising the certification bodies. The Management assigns KZR INiG auditors to carrying out audits at certification bodies. Furthermore, the Management is entitled to initiate internal monitoring audits.

The **KZR INiG System Council** is comprised of between 5 and 10 members (external experts, e.g. industry representatives, associations, NGOs, representatives of

government, representatives of certification bodies - members are selected such that each party will have representatives and no party predominates). Candidates for membership are either proposed by the Management Office or by external parties, and appointed by the Director of the Oil and Gas Institute. The main tasks of the Council are: supervision over independence, transparency, avoiding conflicts of interests between the system participants and certification bodies, examination of complaints and proposals, setting directions for the development of the KZR scheme.

The KZR scheme is seeking formal assessment and recognition by the European Commission for the KZR INiG System, as a 'voluntary scheme' to demonstrate compliance with Articles 17(2)-17(5) of the Renewable Energy Directive (RED).

Please note this assessment focuses on coverage of the mandatory criteria, Articles 17(2)-(5). Coverage of the criteria that are 'non-mandatory' for economic operators, Article 18(4), is not part of this assessment at this time. Documents assessed

- System_KZR_INiG_1: Description of INiG System of Sustainability Criteria – general rules
- System_KZR_INiG_2: Definitions
- System_KZR_INiG_3: Reference with national legislation
- System_KZR_INiG_4: Land use for biomass production – lands with high carbon stock
- System_KZR_INiG_5: Land use for biomass production – biodiversity
- System_KZR_INiG_6: Land use for biomass production – agricultural and environmental requirements and standards
- System_KZR_INiG_7: Guidance for proper functioning of mass balance system
- System_KZR_INiG_8: Guidelines for determination of lifecycle per unit values of GHG emissions for biofuels, bioliquids, biocomponents
- System_KZR_INiG_9: Requirements for Certification Bodies
- System_KZR_INiG_10: Guidelines for auditor and conduct of audit
- System_KZR_INiG_10 - Annex 2 Checklist: Guidelines for auditor and conduct of audit

Assessment results

Table 1: Assessment results - summary

RED Article	KZR INiG	Comments
	Version as submitted 11 August 2017	
Sustainability criteria		
17(2): Greenhouse gas emissions savings	Y	
calculation of actual emission savings	Y	
emission saving from soil carbon accumulation via improved agricultural management (e_{sca})	Y	
emission saving from excess electricity from cogeneration (e_{ee})	Y	
emission saving from carbon capture and geological storage (e_{ccs})	Y	
emission saving from carbon capture and replacement (e_{ccr})	Y	
17(3): Conservation of biodiversity	Y	
17(4): Conservation of carbon stocks	Y	
17(5): Conservation of peatlands	Y	
17(1): Exemption for wastes and residues	Y	
Chain of Custody		
18(1): Use of a mass balance system	Y	
Recognition of other voluntary schemes and national systems	Y	
Audit Quality and Scheme Governance		
18(5): Adequate standards of reliability, transparency and independent auditing	Y	

Annex 1: Detailed assessment results

Sustainability criteria

The sustainability criteria detailed below are the mandatory sustainability criteria of the RED: Article 17(2) – 17(5)).

Scope of the sustainability scheme for biofuels and bioliquids		
Requirement	Guidance	Assessment
0.1 Voluntary schemes can only demonstrate compliance with the sustainability criteria for biofuels and bioliquids.	<ul style="list-style-type: none"> Set the scope of the scheme applying the relevant definitions of Directive (2009/28/EC) for "biomass", "bioliquids" and "biofuels". 	<div>Y</div> <p>KZR_INIG_2: Definitions</p> <ul style="list-style-type: none"> 3. Definitions Biofuels mean liquid or gaseous transport fuel produced from biomass. Bioliquids mean liquid fuel used for energy purposes other than transport, including electricity and heating and cooling, produced from biomass. Biomass means the biodegradable fraction of products, wastes and residues from biological origin from agriculture (including vegetal and animal substances), forestry and related industries including fisheries and aquaculture, as well as the biodegradable fraction of industrial and municipal waste (definition according to the RED).

Article 17(2): Greenhouse gas emissions savings	The use and production of biofuels and bioliquids should lead to reductions in greenhouse gas emissions compared to fossil fuels	
Requirement	Guidance	Assessment
<p>1.1 The greenhouse gas emission saving from the use of biofuels shall be at least 60% for biofuels produced in installations starting operation after 5 October 2015. In the case of installations that were in operation on or before 5 October 2015 biofuels shall achieve a greenhouse gas emission saving of at least 35% until 31 December 2017 and at least 50% from 1 January 2018.</p> <p>Member States are obliged to transpose the amendments regarding the minimum GHG emissions savings set out in Directive (2015/1513/EU) by 10 September 2017.</p>	<ul style="list-style-type: none"> • With respect to Article 17(2) the primary role of the voluntary schemes is to ensure that operators deliver accurate data on GHG emissions of biofuels and bioliquids. • Member States will verify whether these emissions fulfil the requirements of the Renewable Energy Directive. For this purpose the Member States need to be informed whether the biofuel or bioliquid has been produced in an installation that was in operation on or before 5 October 2015. • An installation shall be considered to be in operation if the physical production of biofuels or bioliquids has taken place. 	<p>Y</p> <p>KZR_INiG_1: Description of INiG System of Sustainability Criteria – general rules</p> <ul style="list-style-type: none"> • 5. The criteria of the KZR INiG System: • According to the KZR INiG System, the following criteria are constituted, to be met regarding corresponding stages of biofuels and bioliquids the lifecycle: • 1. The greenhouse gas emission saving from the use of biofuels shall be at least 60 % for biofuels produced in installations starting operation after 5 October 2015. An installation shall be considered to be in operation if the physical production of biofuels has taken place. In the case of installations that were in operation on or before 5 October 2015, for the purposes referred to in paragraph 1, biofuels shall achieve a greenhouse gas emission saving of at least 35 % until 31 December 2017 and at least 50 % from 1 January 2018. <p>KZR INiG_7: Guidance for proper functioning of mass balance system</p> <ul style="list-style-type: none"> • 5. Documenting the verified data

		<ul style="list-style-type: none"> • statement by the economic operator that delivered biofuel/bioliquids has been produced in an installation that was in operation on / before 5 October 2015². • Footnote 2: This concerns only biofuel/bioliquids producers and operators after biofuel/bioliquids producer in a supply chain. An installation shall be considered to be in operation if the physical production of biofuel has taken place. • Required minimum output data: • statement by the economic operator that delivered biofuel/bioliquids has been produced in an installation that was in operation on / before 5 October 2015⁴. • Footnote 4: As per footnote 2. <p>KZR_INiG_8: Guidelines for the determination of the lifecycle unit values of GHG emissions for biofuels, bioliquids</p> <ul style="list-style-type: none"> • 1. Introduction: • According to this article, GHG emission savings achieved by the use of biofuels/bioliquids must amount to at least 35 % compared to their relevant fossil fuel comparator. Starting from 1.01.2018, this value will increase to 50%. The GHG emission saving from the use of biofuels shall be at least 60 % for biofuels produced in installations starting operation after 5 October 2015. An installation shall be considered to be in operation if the physical production of biofuels has taken place
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<p>1.2 The greenhouse gas emission saving from the use of biofuels and bioliquids shall be calculated in accordance with RED Article 19(1)-19(3), Annex V and Commission Decision 2010/335/EU of 10 June 2010.</p>	<ul style="list-style-type: none"> The greenhouse gas emission saving from the use of biofuel and bioliquids shall be calculated as follows: <ul style="list-style-type: none"> a. where a default value for greenhouse gas emission saving for the production pathway is laid down in part A or B of Annex V and where the e_l value for those biofuels or bioliquids calculated in accordance with point 7 of part C of Annex V is equal to or less than zero, by using that default value; b. by using an actual value calculated in accordance with the methodology laid down in part C of Annex V; or c. by using a value calculated as the sum of the factors of the formula referred to in point 1 of part C of Annex V, where disaggregated default values in part D or E of Annex V may be used for some factors, and actual values, calculated in accordance with the methodology laid down in part C of Annex V, for all other factors. 	<p>Y</p>	<p>KZR_INiG_8: Guidelines for the determination of the lifecycle unit values of GHG emissions for biofuels, bioliquids</p> <ul style="list-style-type: none"> 1. Introduction: The KZR INiG methodology is consistent with the RED methodology. All emissions, including land use change emissions (e_l) are taken into account. 4. Guidelines for the determination of greenhouse gases emissions in the lifecycle of biofuels: 4.1 Conditions for use of default, actual values, according to the RED: Article 19.1 of the RED "Calculation of the greenhouse gas impact of biofuels and bioliquids" provides the following methods of calculation of greenhouse gas emissions in the biofuel lifecycle: <ul style="list-style-type: none"> a) where a default value for greenhouse gas emission saving for the production pathway is laid down in part A or B of Annex V and where the e_l value for those biofuels or bioliquids calculated in accordance with point 7 of part C of Annex V is equal to or less than zero, by using that default value; b) by using an actual value calculated in accordance with the methodology laid down in part C of Annex V; or c) by using a value calculated as the sum of the factors of the equation referred to in point 1 of part C of Annex V, where disaggregated default values in part D or E of Annex V may be used for some factors, and actual values, calculated in accordance with the
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		<p>methodology laid down in part C of Annex V, for all other factors.</p> <ul style="list-style-type: none"> • Re a) The default values for biofuels and the disaggregated default values for cultivation may be used when their raw materials were <ul style="list-style-type: none"> - cultivated outside the European Community or cultivated in the Community - waste or residues other than agricultural, aquaculture and fisheries residues. • For biofuel and bioliquid not falling under the points mentioned above, the actual value for cultivation shall be used. Please note, that there is no longer any NUTS II restriction on the use of default values. • Re b) Actual values of greenhouse gases emissions resulting from the production of biofuels, may be used in every case. • Re c) The RED allows also to use the sum of disaggregated default values and calculated actual values. Given the complex character of the methodology, adopting this solution may be the most convenient in Polish conditions. • The KZR INiG System for the cultivation stage, allows use of typical values of GHG emissions designated for areas classified as level 2 in the Nomenclature of Territorial Units for Statistics (NUTS), designated in accordance with Article 19 of Directive 2009/28 / EC. The system allows the use of typical values of GHG emissions for areas in countries outside the EU
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			<p>included in the reports approved by the European Commission.</p> <ul style="list-style-type: none"> • Member States or competent authorities of third countries may submit to the Commission reports including data on typical emissions from cultivation of feedstock¹. As set out in Commission Communication 2010/C 160/02, the values from the "NUTS 2" reports, which were submitted to the Commission by the Member States as requested in Article 19(2) Renewable Energy Directive, can be used in the KZR INiG System. The calculation of these values has been scrutinised by the Commission services and thus the KZR INiG may allow operators to apply these values as an alternative to actual values, provided these are available in the unit g CO₂eq/dry-ton of feedstock on the Commission website. • The calculation of alternative averages for areas and crops which are covered by the NUTS 2 reports should under normal condition not be deemed appropriate as the appropriate averages have already been calculated by the national authorities. It is also possible to calculate average GHG values for a certain region, provided that this takes place on a more fine-grained level. Use of such values should be restricted to farm groups only. In this context, it is important to note that the values included in the NUTS 2 reports do not represent disaggregated default values. Therefore, they can for the time being only be used as input for the calculation of actual values but not to report
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			<p>emissions from cultivation in the unit CO₂eq/MJ of biofuel.</p> <ul style="list-style-type: none"> 4.2.4 Actual value calculation: Actual value of greenhouse gases emission in biofuels' lifecycle is calculated according to the following equation [2]: $E = e_{ec} + e_l + e_{td} + e_u - e_{sca} - e_{ccs} - e_{ccr} - e_{ee}$
1.3 Default values	<ul style="list-style-type: none"> Default values listed in Annex V can only be applied if the process technology and feedstock used for the production of the biofuel match their description and scope. In case specific technologies are set out the default values can only be used if those technologies were actually applied. One example is methane capture where the default value should only be applied when it is ensured that the methane is captured in an efficient manner. Details on the prerequisites for the use of the individual default values and how these prerequisites are assessed needs to be included in the system documentation. 	Y	<p>KZR_INiG_8: Guidelines for the determination of the lifecycle unit values of GHG emissions for biofuels, bioliquids</p> <ul style="list-style-type: none"> 4. Guidelines for the determination of greenhouse gases emissions in the lifecycle of biofuels 4.1 Conditions for use of default and actual values, according to the RED: Re a) The default values for biofuels and the disaggregated default values for cultivation may be used only when their raw materials were <ul style="list-style-type: none"> - cultivated outside the European Community or cultivated in the Community - waste or residues other than agricultural, aquaculture and fisheries residues. For biofuel and bioliquid not falling under the points mentioned above, actual value for cultivation shall be used. Default values/disaggregated default values can be applied only if the process technology and feedstock used for the production of the biofuel match their description and scope. In most cases, it can easily be checked which default value should be applied because many specify only the feedstock used for the

			<p>production of the biofuel. Others depend also on the energy carrier used for processing. Two pathways require additionally the use of processes with methane capture at the oil mill. These default values can be applied by economic operators only when the approved methane capture methods and auditing requirements are described in detail in the scheme documents. Methane capture methods can only be approved when their application ensures that the methane is captured in an efficient manner similar to what has been assumed in the calculation of the default values. For the calculation of the default values, it was assumed that methane emission are reduced so that without allocating emissions to palm oil mill effluent (POME) plants emit less than 5.46 kgs of methane per tonne of CPO.</p> <ul style="list-style-type: none"> • Further default values can be used only if no land use change has occurred. Otherwise, the related emissions must be added.
1.4 Actual values	<ul style="list-style-type: none"> • Actual values can only be calculated when all relevant information is available and transmitted through the chain of custody: <ul style="list-style-type: none"> a. Actual values of emissions from cultivation can only be determined at the origin of the chain of custody. b. Actual values of emissions from transport can only be determined if 	Y	<p>KZR_INiG_8: Guidelines for the determination of the lifecycle unit values of GHG emissions for biofuels, bioliquids</p> <ul style="list-style-type: none"> • 4. Guidelines for the determination of greenhouse gases emissions in the lifecycle of biofuels • 4.1 Conditions for use of default and actual values, according to the RED: • Actual values of emissions from cultivation can only be determined at the origin of the chain of custody.

	<p>emissions of all transport steps are recorded and transmitted through the chain of custody.</p> <p>c. Actual values of emissions from processing can only be determined if emissions of all processing steps are recorded and transmitted through the chain of custody.</p> <ul style="list-style-type: none"> • GHG emissions shall be reported using appropriate units. These are: <ul style="list-style-type: none"> a. g CO₂eq/dry-ton for raw materials and intermediary products b. g CO₂eq/MJ for final biofuels • When default values are used, information on GHG emissions should only be reported for final biofuels and can be reported as an aggregate. If relevant, both, the process technology and the raw material used need to be specified. • Member States, or competent authorities of third countries, may submit to the Commission reports including data on typical emissions from cultivation of feedstock². Voluntary schemes may allow operators to apply these values as an alternative to actual 	<ul style="list-style-type: none"> • Economic operators will only be able to use actual values for transport if emissions of all relevant transport steps are taken into account. Therefore, in case no information on actual transport emissions is available at a stage where transport emissions should have occurred, the calculation of actual transport emissions cannot be considered as an option. • The use of actual values for processing is only possible if information on the emissions of all processing steps was included at the appropriate processing step. • It is necessary to communicate whether the calculation of actual values remains an option. Therefore, whenever information that is relevant for the calculation of actual emissions is not adequately taken into account, it must be clearly documented that default values have to be used. • Within the INiG System, it is recommended that, for cultivation, storage, transport and distribution stages, default values are used (if corresponding conditions are met); and actual values for the biomass processing and biofuel/bioliquid manufacturing stages. If a given stage is implemented by more than one operator (e.g. the processing stage of pressing oil and transesterification), all entities performing the stage are required to use the same type of GHG emissions: the default or actual.
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² Article 19(3) Directive (2009/28/EC)

	<p>values provided these have been published in the unit g CO₂eq/dry-ton of feedstock on the Commission website.</p> <ul style="list-style-type: none"> • Information on actual GHG emissions has to be provided for all relevant elements of the GHG emission calculation formula. Relevant refers in this context to elements for which reporting is obligatory (e.g. e_i in case of land use change), all elements for which actual values should be used instead of disaggregated default values and all elements related to emission savings (if applicable). • If at any point of the chain of custody emissions have occurred and are not recorded, so that the calculation of an actual value is no longer feasible for operators downstream in the chain of custody, this must be clearly indicated in the delivery notes. • GHG emissions from any land use change that has occurred since 1 January 2008 shall be taken into account in the greenhouse gas calculation, according to the methodology in the RED Annex V and Commission Decision 2010/335/EU of 10 June 2010. 	<ul style="list-style-type: none"> • In every case, annualized emissions from carbon stock changes caused by land-use change that has occurred since 1 January 2008, are taken into account. • 4.2. Calculation of actual values of greenhouse gas emissions in the lifecycle of biofuels and bioliquids: • In cases when the above conditions for usage of default/disaggregated values are not met, or when the actual emission generated during a given process is lower than the one cited in the RED, the economic operator has the option of providing the actual value of emissions in reference to unit of mass or unit of energy of the fuel. All the calculations are carried out based on the dry weight of the raw material / product. In accordance with the KZR INIG System guidelines, determination of actual values shall be carried out based on credible data, in a clear and evident way, easy to verify. • The calculations shall be carried out for a defined time period set by the economic producer. This defined time period cannot be longer than one year. • 4.2.1. Credibility of data sources: • Firstly, availability of required standard values on the EC website should be checked. • Below is a recommended list of literature data- Ecoinvent : http://www.ecoinvent.org - Biograce : http://www.biograce.net - GEMIS: http://www.oeko.de Data concerning land use:
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	<ul style="list-style-type: none"> • If a scheme permits the use of actual values it is required that the scheme documentation sets out in detail how e_{ec}, e_l, e_p and e_{td} are derived. Similarly, elements of the GHG emission calculation methodology representing measurements of emission savings such as e_{CCF}, e_{CCS}, e_{SCA} and e_{ee} can be applied by economic operators within the scheme only when prerequisites on their use are fully described in the scheme documents. • For the purpose of actual GHG emission calculations, whenever available, the standard calculation values published on the Commission website should be applied. In case alternative values are chosen this must be duly justified and flagged up in the documentation of the calculations in order to facilitate the verification by auditors. 	<ul style="list-style-type: none"> • - IPCC Good practice guidance: http://www.ipcc-nggip.iges.or.jp • Data concerning artificial fertilizers and chemicals used in agriculture: • - EFMA: http://www.efma.org • However, whenever an item is covered by the list, the use of alternative values must be duly justified. In case alternative values are chosen, this must be flagged up in the documentation of the calculations in order to facilitate the verification by auditors. • 4.2.2. Applicable units: • In accordance with the requirements of the RED, the only unit approved for the determination of intensity of greenhouse gas emissions is gCO₂eq/MJ of energy contained in the biofuel. • Actual values for GHG emissions for raw material and intermediate product shall be expressed in gCO₂eq/dry-ton. Only two kinds of units are acceptable: gCO₂eq/MJ for biofuel and gCO₂eq/dry-ton for raw material and intermediate product. • To receive information on emissions per dry-ton feedstock the following formula has to be applied: [Formula as per "Note to VS on GHG calculations".] • The moisture content should be the value measured after delivery, or, if this is not known, the maximum value allowed by the delivery contract. • 4.2.4.1 Emissions from the extraction or cultivation of raw materials, e_{ec}, e_l: • 4.2.4.2 Emissions from processing, e_p:
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		<ul style="list-style-type: none"> • Co-processing of biomass with fossil raw material • Some processes of biomass conversion may be carried out simultaneously with the processing of fossil raw material. In such cases, it is necessary to define the share of the product of biological origin in the total amount of co-product at a given stage of processing. [...] • As referred to in Council Directive (EU) 2015/625, the quantity of co-processed biofuel is determined according to the energy balance and efficiency of the co-processing process (as set out in point 17 of Part C of Annex IV to Directive 98/70/EC). • After issuance by the European Commission of any further guidance/rules regarding co-processing (e.g. on determining the biogenic content of a fuel, or on GHG emissions calculation), these will be incorporated into the KZR INiG System with immediate effect. • 4.2.4.3 Emissions from transport and distribution, e_{td}: • 4.2.4.4. Emissions from the fuel in use, e_u: • 4.2.4.5. Emission saving from carbon capture and geological storage e_{ccs}, Emission savings from carbon capture and replacement, e_{ccr}: • Emission saving from carbon capture and geological storage that have not already been accounted for in e_p, shall be limited to emissions avoided through the capture and sequestration of emitted CO₂ directly related to the extraction, transport, processing and distribution of fuel. The emission saving is expressed in gCO₂eq/MJ.
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		<ul style="list-style-type: none"> Both CCR and CCS processes require energy for capture, transport, and in the case of CCS also compression of CO₂, causing additional GHG emissions to the atmosphere (unless the energy used comes from renewable sources or from fuels not containing carbon). So the capture of CO₂ originating from biomass processing does not reduce the total GHG emission. In order to reduce CO₂ emission effectively, emissions generated during the capture and storage (replacement) processes shall also be (if possible) stored. If such process occurs, the avoided CO₂ emission is considered and not the amounts actually stored in deep geological structures. 4.2.4.6. Emission saving from excess electricity from cogeneration, e_{ee}: <p>KZR INiG_4: Land use for raw materials production – lands with high carbon stock:</p> <ul style="list-style-type: none"> 4.4 Land use change The term "land use changes" refers to changes among the six land categories used by the IPCC (forest land, grassland, cropland, wetlands, settlements and other land) plus a seventh category of perennial crops, i.e. multi-annual crops which stem is usually not annually harvested such as short rotation coppice and oil palm. This means, for example, that a change from grassland to cropland is a land-use change, while a change from one crop (such as maize) to another (such as rapeseed) is not.
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<p>1.5 Adjustment of actual GHG emission estimates throughout the chain of custody</p>	<ul style="list-style-type: none"> Voluntary schemes shall lay down in detail how the required information of GHG emissions is transmitted through the chain of custody (i.e. in the delivery notes) and how these values are calculated. At each step of the chain of custody it must be verified whether the emission estimate needs to be adjusted: <ul style="list-style-type: none"> Additional emissions from transport and/or processing have to be added to e_p and or e_{td} respectively. Energy losses occurred during processing or if relevant transportation or storage have to be taken into account using a 'feedstock factor'. Whenever a processing step yields co-products, emissions need to be allocated using an 'allocation factor' following the rules set out in the GHG emission calculation methodology. At the last processing step the emission estimate needs to be converted into the unit $g\ CO_2eq/MJ$ of final biofuel. 	<p>Y</p>	<p>KZR_INiG_8: Guidelines for the determination of the lifecycle unit values of GHG emissions for biofuels, bioliquids</p> <ul style="list-style-type: none"> 4.4 Allocation of GHG emissions to co-products and waste/residues: <ul style="list-style-type: none"> GHG emissions are allocated between the main product (biofuel, processed biomass, processed biomass for biofuels production) and co-products, based on the energy content of the individual streams, according to the equation: [...] In applying this rule, the lower heating value used shall be that of the entire (co-)product, not just the dry fraction of it. However, the latter could give a result that is an adequate approximation in many cases, notably in relation to nearly-dry products. Co-products: [...] In cases where co-products are taken into account in calculations, emissions to be allocated are: $e_{ec} + e_l$ + these parts of e_p, e_{td} and e_{ee}, which take place before the phase of production, in which co-product forms, and during this phase. If, in relation to these co-products, any emissions have been allocated to earlier production phases in the lifecycle, only the part of emissions allocated to intermediate fuel product in the last production phase is taken into account, not the whole emissions. [...] 4.5 Adjusting GHG emissions estimates throughout the chain of custody: <ul style="list-style-type: none"> Whenever actual values are calculated at each step of the chain of custody, the additional emissions from
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		<p>transport and/or processing need to be added to e_p and/or e_{td}, respectively.</p> <ul style="list-style-type: none"> • Whenever a processing step yields co-products, emissions need to be allocated as set out in section 4.4. • More formally, the following formula should be applied to emissions from cultivation when processing intermediate products: [...] • At the last processing step, additionally, the emission estimate needs to be converted into the unit $\text{CO}_2\text{eq/MJ}$ of final biofuel. • For this transformation, the following formula should be applied to emissions from cultivation: [...] • Similarly, also the values for e_p, e_{td}, e_l and e_{ee} need to be adjusted. In case of e_p and e_{td}, the emissions from the relevant processing step must be added. For (e_{ccr}) and carbon capture and geological storage (e_{ccs}), dedicated rules apply. • For the purpose of this calculation feedstock factors based on plant data have to be applied. Please note that for the calculation of the feedstock factor the LHV values for dry ton need to be applied while for the calculation of the allocation factor LHV values for wet biomass^f need to be used as this approach was also applied for the calculation of the default values. The assumptions applied in the framework of the calculation of the default values are provided in table 1 for information (assuming that the biofuel is produced in one production step) [...]. <p>Footnote f: For the purposes of allocation only, the 'wet</p>
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			definition LHV' is used. This subtracts from the LHV of the dry matter, the energy needed to evaporate the water in the wet material. Products with a negative energy content are treated at this point as having zero energy, and no allocation is made. See also 2009/28/EC, Annex V, part C, point 18.
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Article 17(3): Conservation of biodiversity	Biofuels and bioliquids shall not be made from raw material obtained from land with high biodiversity value	
Requirement	Guidance	Assessment
2.1 Conservation of primary forest and other wooded land	<ul style="list-style-type: none"> Biofuels and bioliquids shall not be made from raw material obtained from land that was primary forest or other wooded land in or after January 2008, whether or not the land continues to have that status. Primary forest and other wooded land is defined as forest and other wooded land of native species, where there is no clearly visible indication of human activity and the ecological processes are not significantly disturbed. 	<p>Y</p> <p>KZR_INiG_1: Description of INiG System of Sustainability</p> <p>Criteria – general rules</p> <ul style="list-style-type: none"> 5. The criteria of the KZR INiG System 2. Biofuels and bioliquids shall not be made from raw material obtained from land with high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status: <ul style="list-style-type: none"> a) primary forest and other wooded land, namely forest and other wooded land of native species, where there is no clearly visible indication of human activity and the ecological processes are not significantly disturbed; <p>KZR_INiG_2: Definitions</p> <ul style="list-style-type: none"> 3. Definitions

		<ul style="list-style-type: none"> • Primary forest and other primary wooded land forest and other wooded land of native species where there is no clearly visible indication of human activity and the ecological processes are not significantly disturbed (based on article 17 (3 a) of the RED). <p>KZR_INiG_5: Land use for biomass production – biodiversity</p> <ul style="list-style-type: none"> • 1. Introduction: • In accordance with the KZR INiG System, biofuels and bioliquids shall not be produced from raw materials cultivated and harvested from land with high biodiversity values. Directive 2009/28/EC (RED) defines as land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status: <ul style="list-style-type: none"> a) primary forests and other primary wooded lands; b) areas designated for specific nature protection purposes; c) highly biodiverse grasslands; • For nature protection areas an exception is possible, as discussed in section 4.2. • [The above has not been repeated in sections 2.2 and 2.3 below.] • 4. Description and requirements • 4.1 Primary forests and other primary wooded lands: • Biofuels and bioliquids shall not be made from raw material obtained from land that was primary forest or other primary wooded land in or after 1st January
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			<p>2008, whether or not the land continues to have that status. Primary forest and other wooded land is defined as forest and other wooded land of native species, where there is no clearly visible indication of human activity and the ecological processes are not significantly disturbed</p> <ul style="list-style-type: none"> • Agriculture producers shall provide that the land, from which the raw materials for biofuels or bioliquids production have been obtained, does not have a status of primary forests and other wooded lands (e.g. natural forests). Examples of acceptable evidence (see also section 6.1.1) are an excerpt from the land register (containing information about land use purpose) or aerial photograph of the land showing it to be planted with defined raw materials. To prove that the land was not a primary forest after 1st January 2008, the excerpt from the land register must precede this date. • 6.1.1 Primary forests and other primary wooded lands: Guidance provided on forms of evidence. • The criteria refer to the status of the land in 1st January 2008. The use of earlier evidence is not ruled out. For example, if it is shown that land was cropland a little earlier than 2008, e.g. in 2005, this may be enough to show compliance with some or all of the land-related criteria.
2.2 Conservation of protected areas	<ul style="list-style-type: none"> • Biofuels and bioliquids shall not be made from raw material obtained from land 	Y	KZR_INiG_1: Description of INiG System of Sustainability Criteria – general rules

	<p>that was a protected area in or after January 2008, whether or not the land continues to have that status.</p> <ul style="list-style-type: none"> • This includes areas designated: <ul style="list-style-type: none"> i) by law or by the relevant competent authority for nature protection purposes; or ii) for the protection of rare, threatened or endangered ecosystems or species recognised by international agreements or included in lists drawn up by intergovernmental organisations or the International Union for the Conservation of Nature, subject to their recognition in accordance with the second subparagraph of Article 18(4) of the RED. • An exception is possible if evidence is provided that the production of that raw material did not interfere with those nature protection purposes. 	<ul style="list-style-type: none"> • 5. The criteria of the KZR INiG System • 2. Biofuels and bioliquids shall not be made from raw material obtained from land with high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status: <ul style="list-style-type: none"> • b) areas designated: <ul style="list-style-type: none"> • - by law or by the relevant competent authority for nature protection purposes; or • - for the protection of rare, threatened or endangered ecosystems or species recognised by international agreements or included in lists drawn up by intergovernmental organisations or the International Union for the Conservation of Nature, subject to their recognition in accordance with the second subparagraph of Article 18(4) of the RED; unless evidence is provided that the production of that raw material did not interfere with those nature protection purposes; <p>KZR_INiG_2: Definitions</p> <ul style="list-style-type: none"> • 3. Definitions • Designated areas/protected areas: means areas designated by law or other equivalent competent legal authority for nature protection or areas designated for protection of rare, endangered or critically endangered ecosystems or species, considered as such by international treaties or included in lists prepared by intergovernmental organizations or the International
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			<p>Union for Conservation of Nature, on condition that they are recognized according to article 18 (4, second paragraph) of the RED unless evidence is produced showing that production of raw materials does not infringe the principles of nature protection;</p> <ul style="list-style-type: none"> Protected area means also a geographically defined area which is designated or regulated and managed to achieve specific protection purposes (according to the Convention on Biological Diversity). <p>KZR_INiG_5: Land use for biomass production – biodiversity</p> <ul style="list-style-type: none"> 4.2 Areas designated for nature protection: Biofuels and bioliquids shall not be made from raw materials obtained from land that was a protected area in or after 1st January 2008, whether or not the land continues to have the status of areas designated: by law or by the relevant competent authority for nature protection purposes; or for the protection of rare, threatened or endangered ecosystems or species recognised by international agreements or included in lists drawn up by intergovernmental organisations or the International Union for the Conservation of Nature, subject to their recognition in accordance with the second subparagraph of Article 18(4) of the RED; unless evidence is provided that the production of that raw materials did not interfere with those nature protection purposes.
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			<ul style="list-style-type: none"> [...] It is permitted to cultivate the raw materials on lands that are designated for nature protection as long as the evidence is provided that the production of raw materials does not interfere with the nature protection purpose in question. An example of acceptable evidence has been showed in section 6.1.2. [...] The KZR INiG System will communicate to economic operators any details of lists on protected areas as soon as they are available from the EC. The standard documentation will be updated accordingly.
2.3 Conservation of highly biodiverse grassland	<ul style="list-style-type: none"> Biofuels and bioliquids shall not be made from raw material obtained from land that was highly biodiverse grassland in or after January 2008, whether or not the land continues to have that status. Highly biodiverse grassland is defined as: <ul style="list-style-type: none"> i) natural, namely grassland that would remain grassland in the absence of human intervention and which maintains the natural species composition and ecological characteristics and processes; or ii) non-natural, namely grassland that would cease to be grassland in the absence of human intervention and which is species-rich and not degraded, unless evidence is provided that the 	Y	<p>KZR_INiG_1: Description of INiG System of Sustainability Criteria – general rules</p> <ul style="list-style-type: none"> 5. The criteria of the KZR INiG System 2. Biofuels and bioliquids shall not be made from raw material obtained from land with high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status: <ul style="list-style-type: none"> c) highly biodiverse grassland is: <ul style="list-style-type: none"> Natural highly biodiverse grassland means grassland that: <ul style="list-style-type: none"> (a) would remain grassland in the absence of human intervention; and (b) maintains the natural species composition and ecological characteristics and processes. Non natural highly biodiverse grassland means grassland that:

	<p>harvesting of the raw material is necessary to preserve its grassland status.</p> <ul style="list-style-type: none"> Commission Regulation (EU) No 1307/2014 establishes definitions of 'grassland', 'human intervention', 'degraded' and 'species-rich' in the context of this criterion and furthermore, clarifies that grasslands in the following geographic ranges of the European Union shall always be regarded as highly biodiverse grassland: <ul style="list-style-type: none"> (1) habitats as listed in Annex I to Council Directive 92/43/EEC (1); (2) habitats of significant importance for animal and plant species of Union interest listed in Annexes II and IV to Directive 92/43/EEC; (3) habitats of significant importance for wild bird species listed in Annex I to Directive 2009/147/EC of the European Parliament and of the Council. The following approach must be taken when determining whether land is (or in the case of conversion was) highly biodiverse grassland: <ul style="list-style-type: none"> The lead auditor must judge whether an assessment of 	<ul style="list-style-type: none"> (a) would cease to be grassland in the absence of human intervention; and (b) is not degraded, that is to say it is not characterised by long-term loss of biodiversity due to overgrazing, mechanical damage to the vegetation, soil erosion or loss of soil quality; and (c) is species-rich, that is to say it is: [...] <p>KZR_INiG_2: Definitions</p> <ul style="list-style-type: none"> 3. Definitions Highly biodiverse natural grassland means grassland that would remain grassland in the absence of human intervention; and maintains the natural species composition and ecological characteristics and processes. Highly biodiverse non-natural grassland means grassland that would cease to be grassland in the absence of human intervention and is not degraded, that is to say it is not characterised by long-term loss of biodiversity due to overgrazing, mechanical damage to the vegetation, soil erosion or loss of soil quality; and is species-rich.ⁱ Human intervention means, managed grazing, mowing, cutting, harvesting or burningⁱ Footnote i: Commission regulation (EU) No 1307/2014
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	<p>highly biodiverse grassland is necessary.</p> <ul style="list-style-type: none"> ○ If an assessment is necessary, it must be conducted by a qualified independent specialist who may be additional to the audit team. The assessment and result must then be reviewed as part of the audit. 	<p>KZR_INiG_5: Land use for biomass production – biodiversity</p> <ul style="list-style-type: none"> • 4.3 Highly Biodiverse Grasslands: • Biofuels and bioliquids shall not be made from raw materials obtained from land that was highly biodiverse grassland in or after 1st January 2008, whether or not the land continues to have this status. Highly biodiverse grassland is defined in document System KZR_INiG/2/Definitions. • Any conversion of grassland in or after 1st January 2008 is prohibited within the KZR INiG System • Grassland means terrestrial ecosystems dominated by herbaceous or shrub vegetation for at least 5 years continuously. It includes, meadows or pasture that is cropped for hay, but excludes land cultivated for other crop production and cropland lying temporarily fallow. It further excludes continuously forested areas as defined in Article 17(4)(b) of Directive 2009/28/EC, unless these are agroforestry systems which include land-use systems where trees are managed together with crops or animal production systems in agricultural settings. The dominance of herbaceous or shrub vegetation means that their combined ground cover is larger than the canopy cover of trees;^v • Natural highly biodiverse grassland means grassland that: (a) would remain grassland in the absence of human intervention; and (b) maintains the
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		<p>natural species composition and ecological characteristics and processes;^v</p> <ul style="list-style-type: none"> • Non-natural highly biodiverse grassland means grassland that: (a) would cease to be grassland in the absence of human intervention; and (b) is not degraded, that is to say it is not characterised by long-term loss of biodiversity due to overgrazing, mechanical damage to the vegetation, soil erosion or loss of soil quality; and (c) is species-rich, that is to say it is: <ul style="list-style-type: none"> • - a habitat of significant importance to critically endangered, endangered or vulnerable species as classified by the International Union for the Conservation of Nature Red List of Threatened Species, or other lists with a similar purpose for species or habitats laid down in national legislation, or recognised by a competent national authority in the country of origin of the raw material; or - a habitat of significant importance to endemic or restricted-range species; or - a habitat of significant importance to intra-species genetic diversity; or - a habitat of significant importance to globally significant concentrations of migratory species or congregatory species; or – a regionally or nationally significant or highly threatened or unique ecosystem.^v • Human intervention means managed grazing, mowing, cutting, harvesting or burning;^v • Footnote v: Commission regulation (EU) No 1307/2014
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Article 17(4): Conservation of carbon stocks	Biofuels and bioliquids shall not be made from raw material obtained from land with high carbon stock	
Requirement	Guidance	Assessment
3.1 Conservation of wetlands	<ul style="list-style-type: none"> Biofuels and bioliquids shall not be made from raw material obtained from land that was wetland in January 2008 and no longer has that status. A wetland is land that is covered with or saturated by water permanently or for a significant part of the year. These provisions shall not apply if, at the time the raw material was obtained, the land had the same status as it had in January 2008. 	<p>Y</p> <p>KZR_INiG_1: Description of INiG System of Sustainability Criteria – general rules</p> <ul style="list-style-type: none"> 5. The criteria of the KZR INiG System 3. Biofuels and bioliquids shall not be made from raw material obtained from land with high carbon stock, namely land that had one of the following statuses in January 2008 and no longer has that status: <ul style="list-style-type: none"> a) wetlands, namely land that is covered with or saturated by water permanently or for a significant part of the year [...] The provisions of this paragraph shall not apply if, at the time the raw material was obtained, the land had the same status as it had in January 2008. <p>KZR_INiG_2: Definitions</p> <ul style="list-style-type: none"> 3. Definitions Wetlands (water & swamp areas) land that is covered with or saturated by water permanently or for a significant part of the year (according to RED Directive). For the agriculture producer, they are a transition zone between terrestrial ecosystems located on higher elevation, and typically aquatic ecosystems. Areas included on the List of Wetlands of International

			<p>Importance, according to regulations of art. 2 Convention on Wetlands of International Importance especially as waterfowl habitat, are of particular significance.</p> <p>KZR_INiG_4: Land use for biomass production – lands with high carbon stock</p> <ul style="list-style-type: none"> • 1. Introduction: • KZR INiG Scheme regulations prohibit the use raw materials obtained from categories of land listed below, unless the status of these lands has not changed in comparison with their status on 1st January 2008: <ul style="list-style-type: none"> a) wetlands, b) continuously forested areas, c) weakly forested areas, d) peatlands. • In the case of peatland, an exception is possible. Additional requirements are discussed later in this document. • [The above text has not been repeated in sections 3.2 to 4.1 below.] • 4. Description and requirements: • 4.1 Wetlands: • Biofuels and bioliquids shall not be made from raw material obtained from land with high carbon stock, namely land that had wetland status in January 2008 and no longer has that status. Wetland is land that is covered with or saturated with water permanently or for a significant part of the year.
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		<ul style="list-style-type: none"> • Designation of wetlands requires definition of the geographical boundaries of areas so designated. Wetlands boundaries are often not defined precisely; they are movable and can change depending on climate and current precipitation conditions. This influences the precision of the land status classification. For instance, due to seasonal changes of wetland boundaries the requirements for the assessment conducted on-site must be higher than for assessment of other types of agricultural land. This applies to all wetlands, not only those included in the Convention on Wetlands of International Importance. • In such a case, it may be necessary to integrate data other than geospatial data with on-site assessments results. • System participants, especially agriculture producers, first gathering points, broker (middleman) are obliged to, among other things: <ul style="list-style-type: none"> ○ prove that the land on which the raw material was cultivated and harvested did not have wetland status in January 2008 or, if it have such a status in January 2008, during the harvest of the raw material, the land status did not change; ○ define the status, boundaries and characteristic features of wetlands defined as such in 1st January 2008, and indicate the boundaries of nearby raw materials production, existing or planned.
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<p>3.2 Conservation of continuously forested areas</p>	<ul style="list-style-type: none"> • Biofuels and bioliquids shall not be made from raw material obtained from land that was continuously forested in January 2008 and no longer has that status. • Continuously forested areas are defined as land spanning more than one hectare with trees higher than five metres and a canopy cover of more than 30%, or trees able to reach those thresholds in situ. • Continuously forested areas do not include land that is predominantly under agricultural or urban land use. In this context, agricultural land use refers to tree stands in agricultural production systems, such as fruit tree plantations, oil palm plantations and agroforestry systems when crops are grown under tree cover. • These provisions shall not apply if, at the time the raw material was obtained, the land had the same status as it had in January 2008. 	<p>Y</p> <p>KZR_INiG_1: Description of INiG System of Sustainability Criteria – general rules</p> <ul style="list-style-type: none"> • 5. The criteria of the KZR INiG System • 3. Biofuels and bioliquids shall not be made from raw material obtained from land with high carbon stock, namely land that had one of the following statuses in January 2008 and no longer has that status: <ul style="list-style-type: none"> • b) continuously forested areas, namely land spanning more than one hectare with trees higher than five metres and a canopy cover of more than 30 %, or trees able to reach those thresholds in situ • The provisions of this paragraph shall not apply if, at the time the raw material was obtained, the land had the same status as it had in January 2008. <p>KZR_INiG_2: Definitions</p> <ul style="list-style-type: none"> • 3. Definitions • Continuously forested area land spanning more than one hectare with trees higher than five metres and a canopy cover of more than 30 %, or trees able to reach those thresholds in situ (definition based on article 17 (4b) of the RED)ⁱ • Footnote i: Continuously forested areas do not include land that is predominantly under agricultural or urban land use <p>KZR_INiG_4: Land use for biomass production – lands with high carbon stock</p> <ul style="list-style-type: none"> • 4.2 Continuously forested and weakly forested areas:
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		<ul style="list-style-type: none"> • Biofuels and bioliquids shall not be made from raw material obtained from land with high carbon stock, i.e. land that had one of the following statuses in January 2008 and no longer has that status: • continuously forested areas, i.e. land spanning more than one hectare with trees higher than five metres and a canopy cover of more than 30 %, or trees able to reach those thresholds in situ • [...] • forest according to respective national legal definition • This requirement shall not apply if, at the time the raw material was harvested, the land had the same status as it had in January 2008. [...] • Continuously forested areas do not include land that is predominantly under agricultural or urban land use, because land under agricultural use in this context refers to tree standing in agricultural production systems, such as fruit tree plantations, oil palm plantations and agroforestry systems (crops grown under tree cover). • Therefore, raw materials for biofuel or bioliquid production may be harvested from continuously forested areas and [...], on condition that before and after 1st January 2008, the area had preserved its status of continuously forested area [...]. If in 1st January 2008 this terrain would have been characterized by the same status after raw material harvest, the raw materials obtained from the land fulfill
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			<p>the sustainability criteria. From other naturally forested areas the raw material harvesting is prohibited.</p> <ul style="list-style-type: none"> • System participants, especially agriculture producers, first gathering points, brokers (middleman), may comply with this criterion by: <ul style="list-style-type: none"> ◦ proving that the raw materials are obtained from areas which did not have a status of continuously forested land in or after January 2008 (e.g. the areas are agricultural lands); [...]
3.3 Conservation of forested areas with 10-30% canopy cover	<ul style="list-style-type: none"> • Biofuels and bioliquids shall not be made from raw material obtained from land that was sparsely forested in January 2008 and no longer has that status. • Sparsely forested areas are defined as land spanning more than one hectare with trees higher than five metres and a canopy cover of between 10% and 30%, or trees able to reach those thresholds in situ, unless evidence is provided that the carbon stock of the area before and after conversion is such that, when the methodology laid down in part C of Annex V is applied, the greenhouse gas threshold (principle 1 above) would still be fulfilled. • These provisions shall not apply if, at the time the raw material was obtained, 	Y	<p>KZR_INiG_1: Description of INiG System of Sustainability Criteria – general rules</p> <ul style="list-style-type: none"> • 5. The criteria of the KZR INiG System • 3. Biofuels and bioliquids shall not be made from raw material obtained from land with high carbon stock, namely land that had one of the following statuses in January 2008 and no longer has that status: <ul style="list-style-type: none"> • c) land spanning more than one hectare with trees higher than five metres and a canopy cover of between 10 % and 30 %, or trees able to reach those thresholds in situ, unless evidence is provided that the carbon stock of the area before and after conversion is such that, when the methodology laid down in RED, part C of Annex V is applied, the conditions laid down in paragraph 2 of this Article would be fulfilled • The provisions of this paragraph shall not apply if, at the time the raw material was obtained, the land had the same status as it had in January 2008.

	<p>the land had the same status as it had in January 2008.</p>	<p>KZR_INiG_2: Definitions</p> <ul style="list-style-type: none"> • 3. Definitions • Weakly forested area land spanning an area more than one hectare with trees higher than five metres and a canopy cover of between 10 % and 30 %, or trees able to reach those thresholds in situ, unless evidence is provided that the carbon stock of the area before and after conversion is of such that, when the methodology laid down in part C of Annex V is applied, the conditions laid down in paragraph 2 of this Article, pertaining to limitation of greenhouse gases emission would be fulfilled, definition based on article 17 (4c) of the RED). <p>KZR_INiG_4: Land use for biomass production – lands with high carbon stock</p> <ul style="list-style-type: none"> • 4.2 Continuously forested and weakly forested areas: • Biofuels and bioliquids shall not be made from raw material obtained from land with high carbon stock, namely land that had one of the following statuses in 1st January 2008 and no longer has that status: • [...] • land spanning more than one hectare with trees higher than five metres and a canopy cover of between 10 and 30% or trees able to reach those thresholds in situ, unless evidence is provided that the carbon stock of the area before and after conversion is of such that, when the methodology laid down in part C of Annex A
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			<p>is applied, the greenhouse gas (GHG) threshold would still be fulfilled</p> <ul style="list-style-type: none"> • forest according to respective legal definition • This requirement shall not apply if, at the time the raw material was harvested, the land had the same status as it had in January 2008. • Therefore, raw materials for biofuel or bioliquid production may be harvested from [...] and weakly forested areas on condition that before and after 1st January 2008, the area had preserved its status of [...] weakly forested area. For weakly forested areas, it is necessary to ensure fulfillment of the requirements on GHG emissions, in accordance with the rules of System KZR INiG/8/ Guidelines for determination of life cycle per unit values of GHG emissions for biofuels and bioliquids. If in 1st January 2008 this terrain would have been characterized by the same status after raw material harvest, the raw materials obtained from the land fulfill the sustainability criteria. • System participants, especially agriculture producers, first gathering points, brokers (middleman) may comply with this criterion by: <ul style="list-style-type: none"> ◦ proving that the raw materials are obtained from areas which did not have a status of continuously forested land in or after January 2008 (e.g. the areas are agricultural lands); ◦ in the case of raw materials obtained from weakly forested areas, providing
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			evidence of GHG emissions, including any changes since January 2008 in the carbon stock of the area concerned.
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Article 17(5): Conservation of peatlands	Biofuels and bioliquids shall not be made from raw material obtained from peatland	
Requirement	Guidance	Assessment
4.1 Conservation of peatlands	<ul style="list-style-type: none"> Biofuels and bioliquids shall not be made from raw material obtained from land that was peatland in January 2008. An exception is possible if evidence is provided that the cultivation and harvesting of that raw material does not involve drainage of previously undrained soil. For peatland that was partially drained in January 2008 a subsequent deeper drainage, affecting soil that was not fully drained, would constitute a breach of the criterion. 	<p>Y</p> <p>KZR_INiG_1: Description of INiG System of Sustainability Criteria – general rules</p> <ul style="list-style-type: none"> 5. The criteria of the KZR INiG System: 4. Biofuels and bioliquids shall not be made from raw material obtained from land that was peatland in 1st January 2008, unless evidence is provided that the cultivation and harvesting of that raw material does not involve drainage of previously undrained soil. <p>KZR_INiG_2: Definitions</p> <ul style="list-style-type: none"> 3. Definitions Peatlands mean area of peat presence. According to Communication from the Commission on the practical implementation of the EU biofuels and bioliquids sustainability scheme, and taking into account rules for biofuels, peat itself is not considered as biomass, because it does not fall within the definition of biomass, i.e. biodegradable fraction of products,

			<p>wastes and residues from biological origin from agriculture (including vegetal and animal substances), forestry and related industries, including fisheries and aquaculture, as well as the biodegradable fraction of industrial and municipal waste (according to article 2 of the RED).</p> <p>KZR_INiG_4: Land use for biomass production – lands with high carbon stock</p> <ul style="list-style-type: none"> • 4.3 Peatlands: • The KZR INiG System prohibits, for biofuels or bioliquids production, the use of raw materials obtained from land that was peatlands in January 2008, unless: <ul style="list-style-type: none"> ◦ the soil was completely drained in January 2008, or ◦ there has not been draining of the soil since January 2008. • This means that for peatland that was partially drained in January 2008 a subsequent deeper drainage, affecting soil that was not already fully drained, would constitute a breach of the criterion.
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<p>Article 17(1): Exemption for wastes and residues</p>	<p>Biofuels and bioliquids produced from wastes and residues, other than agricultural, aquaculture, fisheries and forestry residues, need only fulfil the sustainability criteria set out in [Article 17(2)]</p>	
<p>Approach to wastes and residues (OPTIONAL – only assessed if scheme includes exemption for wastes and residues)</p>	<ul style="list-style-type: none"> The Commission is able to recognise voluntary schemes as containing accurate data for the purposes of Article 17(2) and to demonstrate that biofuels comply with the sustainability criteria in Articles 17(3)-(5) (see Article 18(4), 2nd sub-paragraph). Thereby, in the context of a voluntary scheme, the Commission can recognise rules related to wastes and residues for the purposes of whether or not: <ul style="list-style-type: none"> biofuels from a certain feedstock have to demonstrate compliance with the land use criteria (Article 17(1): “biofuels and bioliquids produced from waste and residues, other than agricultural, aquaculture, fisheries and forestry residues, need only [comply with the GHG threshold]”). 	<p>Y KZR_INiG_1: Description of INiG System of Sustainability Criteria – general rules</p> <ul style="list-style-type: none"> 4. The scope of the KZR INiG System: Double counting (of biofuels towards Member States’ national targets) is the decision of the Member States and not the KZR INiG system. The responsibility of the KZR INiG system is to ensure that information on the feedstock is passed down the chain. 5. The criteria of the KZR INiG System: 6. Biofuels and bioliquids produced from waste and processing residues, need only fulfill the sustainability criteria set out in point 1 of paragraph 5 (above) i.e. are excluded from demonstrating compliance with the land use criteria. Agricultural, aquaculture, fisheries and forestry residues are required to comply with the land use criteria. 7. Participants of the KZR INiG System: First waste/residues collection point/economic operator collecting and processing waste and residues The First waste/residues collection is an economic operator which collects waste or residues from the

	<ul style="list-style-type: none"> ○ certain feedstocks can be considered to have zero GHG emissions to the point of collection (Annex V, Part C, 18: "Wastes, agricultural crop residues, including straw, bagasse, husks, cobs and nut shells, and residues from processing, including crude glycerine (glycerine that is not refined), shall be considered to have zero life-cycle greenhouse gas emissions up to the process of collection of those materials.") In this context, the "point of collection" is the point where the waste or the residue arises in the first place (e.g. for used cooking oil this would be the restaurants or plants producing the fried products). • The following requirements apply for the verification of the chain of custody of biofuels made from waste and processing residues: <ul style="list-style-type: none"> ○ The whole chain of custody needs to be covered starting from its origin, i.e. the economic operator where the waste or residue material arises. 		<p>enterprises where it is generated or from households. These enterprises can also be engaged in utilization of the waste and residues. First waste/residues collection points (waste/residues collected from processing, catering and household waste/residues) are excluded from the land use criteria requirements.</p> <ul style="list-style-type: none"> • The economic operators are obliged to implement, manage and verify the mass balance system, according to the KZR INiG System requirements. The way the documentation is kept shall ensure traceability of the waste/residues declaration with individual suppliers. • The entity supplying the waste/residues is obliged to complete a waste/ residues declaration (see specimen included in Annex No.3). The declaration may be filled in for an individual supply or for all supplies within a given contract or within a year, starting from the date of signing the declaration of waste/residues. The declaration may have a different form than the one in the Annex, provided that all the information is included. The entrepreneurs collecting the waste/residues are additionally (besides other KZR INiG system requirements) are obliged to: <ul style="list-style-type: none"> ○ keep a list of suppliers ○ keep the declaration of waste/residues for 5 years ○ ensure traceability of the declaration and other documents related to the supply. • No declaration is required for collecting household waste/residues. The First wastes/residues collection
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	<ul style="list-style-type: none"> ○ As a principle, all economic operators need to be audited individually. Only at the origin of the chain of custody (e.g. restaurants) can group auditing approaches be considered (see requirement 6.4). ○ The frequency and intensity of the auditing procedure needs to reflect the level of risk. • Include the following definitions set out in Directive (2009/28/EC) for: <ul style="list-style-type: none"> ○ “agricultural, aquaculture, fisheries and forestry residues” ○ “processing residue” ○ “waste” 	<p>point must document the amount of collected wastes/residues.</p> <ul style="list-style-type: none"> • Both the waste/residue collection point and the entrepreneurs collecting and utilizing or processing the waste/residues are subject to certification. • The places of origin of the waste/residues: The places of origin of the waste/residues are the enterprises or households where the waste and residues occur. The entities deliver the waste/residue, along with the declaration of origin, to the waste collection points. They do not have to be certified, but are audited during the audit at waste collection point, according to the rules described in the KZR INiG System/10 document. <p>KZR_INiG_2: Definitions</p> <ul style="list-style-type: none"> • 3. Definitions • Agricultural, aquaculture, fisheries and forestry residues: means residues that are directly generated by agriculture, aquaculture, fisheries and forestry; they do not include residues from related industries or processing. • Processing residue: means substance that is not the end product(s) that a production process directly seeks to produce; it is not a primary aim of the production process and the process has not been deliberately modified to produce it. • Waste: Waste shall be defined as in Article 3 (1) of the Waste Framework Directive 2008/98/EC. According to this definition a waste can be understood as any
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			<p>substance or object which the holder discards or intends or is required to discard. Raw material or substances that have been intentionally modified or contaminated to meet that definition are not covered by this definition.</p> <p>KZR_INiG_8: Guidelines for determination of lifecycle per unit value of GHG emissions for biofuels [...]</p> <ul style="list-style-type: none"> • 4.4 Allocation of GHG emissions to co-products and waste/residues • Co-products: [...] For biofuels and bioliquids, all co-products are taken into account in calculations, including electricity omitted in e_{ee} with exclusion of agriculture crop residue, including straw, bagasse, husk, cobs and nutshells). In the calculations, for co-products with negative energy value, it is assumed that they have zero energy value. • Wastes from processing, agricultural crop residues, including straw, bagasse, husks, cobs and nut shells, and residues from processing, including crude glycerine (glycerine that is not refined), shall be considered to have zero life-cycle greenhouse gas emissions up to the process of collection of those materials. • Waste and residues: Waste from processing, and agricultural crop residue, including straw, husks, cobs and nutshells, and residue formed in other processing operations, including raw (non-refined) glycerol, are considered to have zero life-cycle greenhouse gas emissions up to the process of collection of those materials. No emissions should be allocated to
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			<p>agricultural crop residues, processing residues or wastes since they are considered to have zero emissions until the point of their collection. Similarly, when these materials are used as feedstock they start with zero emissions at the point of collection.</p> <p>KZR_INiG: Declaration on waste/residues</p> <ul style="list-style-type: none"> • I. Identification of the source of waste/residues (supplier) • II. Identification of the recipient of waste/residues • III. Information on delivery of waste/residues • Validity of declaration on waste/residues (Limited to 12 months) • Name of waste/residues/ Code of waste • IV. Declaration • Includes consent to third part verification <p>KZR_INiG_10: Guidelines for auditor and conduct of audit</p> <ul style="list-style-type: none"> • 5.4. Auditing of first wastes/residues collection point • Waste is defined as in Article 3 (1) of the Waste Framework Directive 2008/98/EC. According to this definition, waste is as any substance or object which the holder discards or intends to or is required to discard¹. Raw materials or substances that have been intentionally modified or contaminated to meet this definition (e.g. by adding waste material to a material that was not waste) are not covered by this definition. Footnote 1: Including materials that have to be withdrawn from the market for health or safety reasons.
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		<ul style="list-style-type: none"> • In this context residues can include: • — agricultural, aquaculture, fisheries and forestry residues, and • — processing residues. • A processing residue is a substance that is not the end product(s) that a production process directly seeks to produce. It is not the primary aim of the production process and the process has not been deliberately modified to produce it. • Examples of processing residues include crude glycerine, tall oil pitch and manure. • It must be verified whether the waste/residues did not arise as a consequence of intentional addition of the waste to a good quality product.
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Chain of Custody

Article 18(1): Use of a mass balance system	Economic operators shall use a mass balance system	
Requirement	Guidance	Assessment
<p>5.1 Economic operators shall use a mass balance system</p>	<ul style="list-style-type: none"> The mass balance system: <ul style="list-style-type: none"> a) allows consignments of raw material or biofuel with differing sustainability characteristics to be mixed; b) requires information about the sustainability characteristics and sizes of the consignments referred to in point a) to remain assigned to the mixture; and c) provides for the sum of all consignments withdrawn from the mixture to be described as having the same sustainability characteristics, in the same quantities, as the sum of all consignments added to the mixture. 	<p>Y KZR_INiG_7: Guidance for proper functioning of mass balance system:</p> <ul style="list-style-type: none"> 1. Introduction: A mass balance system is a set of statements and data ensuring supervision over quantities of biomass flowing through the chain of supply and production, from an agricultural producer or first waste collection point, to the final biofuels or bioliquids producer. The mass balance must always start from the origin of the feedstock. e.g. for used cooking oil the first collector must be included in the scheme and must be able to provide evidence of the restaurants they collected from. This document applies to all economic operators participating (i.e. system participants) in the KZR INiG System and at any sites where biomass, biofuel and bioliquids products are legally and physically controlled by system participants. Compliance with all requirements of this mass balance system is demonstrated by system participants during audit carried out by independent certification bodies. The system participants in mass balance system are the;

		<ul style="list-style-type: none"> • agricultural producers; first gathering points, middlemen, traders, brokers; intermediate producers (biomass processors); biofuel, bioliquid manufacturers; fuel producers, final suppliers; others that are: and any other economic operators involved in processing, conversion, transformation, manufacturing, trading, storage, first waste collection points, distribution of waste, residues and biomass, biofuel and bioliquid products and/or otherwise the way of handling. • To ensure proper supervision over these streams, article 18 of Directive 2009/28/EC (RED) requires enterprises to develop and apply a mass balance system. In accordance with the directive, EU Member States require that system participants to apply the mass balance system as the basis for demonstrating compliance with the sustainability criteria. The mass balance system: <ul style="list-style-type: none"> • a) allows consignments of raw material or biofuel with differing sustainability characteristics to be mixed; • b) requires information about the sustainability characteristics and sizes of the consignments referred to in point (a) to remain assigned to the mixture; and • c) provides for the sum of all consignments withdrawn from the mixture to be described as having the same sustainability characteristics, in the
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		<p>same quantities, as the sum of all consignments added to the mixture.</p> <ul style="list-style-type: none"> • 4. Guidelines for the construction of a mass balance system in a unit: • (p5) Economic operators must enforce a mass balance system, in accordance with the regulations of the KZR INiG System. Each system participant is obliged to introduce a mass balance system, which is assessed during audits. • (p6) A mass balance system means record-keeping such that "sustainability characteristics" remain ascribed to a given batch, lot or consignment of the raw material, allowing each economic operator that processes, converts, transforms, manufactures, trades, stores, distributes and/or otherwise handles the biomass (processed biomass) to ensure traceability of every batch, lot or consignment of product that goes through processing unit. • (p6) The sustainability characteristics of given batch are described by input/output data (see point 5). • Traceability shall be ensured at every stage of the chain of custody. • The mass balance system shall include data on GHG of all compliant batches, lots or consignments in a given accounting period, excluding GHG emissions that are ascribed to those that do not comply with the sustainability requirements. Only compliant batches, lots or consignment shall be accounted for in the GHG balance. The KZR INiG system does not
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			<p>allow averaging of GHG emissions across different batches.</p> <ul style="list-style-type: none"> • In the case of blending of batches, lots or consignments with identical sustainability characteristics, the total mass is taken into consideration in the calculations of GHG emissions. This means that, for the purpose of GHG emissions calculation, batches from different supply but with the same sustainability characteristics can be summed. Note that it is permitted if all sustainability characteristics are identical. Under the KZR INiG scheme, it is also permitted to allocate the worst GHG value to all batches that have otherwise the same sustainability characteristics. • (p7) For correct implementation and usage of the mass balance, it is necessary to identify all processes occurring at the production plant, from the entry of the commodity to the moment of shipment to the customer. Development of a process map showing biomass path and connections between the individual processes will be helpful. It will allow ensuring traceability of biomass stream complying with the sustainability criteria, and it will also be a basis for carrying out calculations of GHG emissions connected with this stage of biofuel or bioliquids life cycle. • (p7) When input batches, lots or consignments with various sustainability characteristics are blended together (processed together), the individual sizes
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			<p>and sustainability characteristics of each batch remain assigned to the mixture. This information shall be documented in the mass balance system records. If the mixture is split up, the quantity of the compliant batch taken out of this mixture shall not be greater than quantity of input compliant batch introduced into the mixture (taking into account an efficiency coefficient or a conversion coefficient).</p> <ul style="list-style-type: none"> • (p8) An efficiency coefficient or conversion coefficient must be defined for each production process or other process where a change in mass of the biomass may occur. Whenever a processing step involves losses, appropriate conversion factors should be used to adjust the size of a consignment. In addition, it is important to note that, generally, the sustainability characteristics of the feedstock that is processed should be attributed to products and residues of that process equally. For instance, when 50% of a mixture has been certified as being sustainable, 50% of all products and residues from that mixture should also be considered sustainable. The only exception is the allocation of GHG emissions, which should follow the rules of Annex V RED. • 5. Documenting the verified data • (p12) A map of processes performed in the production unit together with definition of input and output data for each process, is a starting point for the development of inventory tables. If, during the
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			<p>process, a change in mass or conversion to another product occurs, it is necessary to provide corresponding coefficients in the mass balance calculation.</p> <ul style="list-style-type: none"> • In order to ensure traceability of the product batches meeting the sustainability criteria, economic operators shall provide to the next operating operator information about input and output data that he is obliged to report, demonstrate during audit, exchange and collect within mass balance system.
5.2 Prevention of multiple claiming	<ul style="list-style-type: none"> • An information system needs to be included by each economic operator which is able to keep track of the amounts of sustainable material sourced and sold. This could include, inter alia, a digital database, documentation with unique reference numbers for consignments or similar. • [See also requirement 6.7 below.] 	Y	<p>KZR_INiG_7: Guidance for proper functioning of mass balance system</p> <ul style="list-style-type: none"> • 4. Guidelines for the construction of a mass balance system in a unit: • (p6) In order to minimize administrative burden for the economic operator (system participant), it is suggested that the operational system already existing in the company (financial-bookkeeping system, storage system, etc.) be expanded, supplementing it with elements revolving around sustainability. • (p7) Ensuring traceability of the individual biomass batches, lots or consignments does not entail physical supervision over the individual shipments, but it must take place at the stage of purchase and sale of batches meeting sustainability criteria

			<p>(defined points of entry to, and exit from, the system), and at the points of entry and exit to/from the individual processes, particularly those in which a change in mass or a conversion to another product occurs. Thus each system participant (economic operator) performs a mass balance based on invoices (reception documents) and records of quantity of product (complying with sustainability criteria) bought and sold.</p> <ul style="list-style-type: none"> • 5. Documenting the verified data: • In order to ensure traceability of the product batches meeting the sustainability criteria, economic operators shall provide to the next operating operator information about input and output data that he is obliged to report, demonstrate during audit, exchange and collect within mass balance system. • Required minimum input data • data identifying the economic operator [...] • whether "a recognised voluntary scheme" certified the supplier and, if so, the name of this voluntary scheme • the name of the purchased product • biofuel type^a data confirming sustainability of the biomass/processed biomass (including number and date of the certificate, name of the recognized certification scheme, and related contract number),
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		<ul style="list-style-type: none"> • Footnote a: Biofuel type means a biofuel production process and/or a biofuel production pathway defined by the RED • data confirming sustainability of the biomass/processed biomass (include number and date of the certificate and name of recognized certification scheme, related contract number) • type of raw material/feedstock, The name of raw material of the sold product e.g. rapeseed oil, sunflower oil, rapeseed methyl ester, corn etc.) • shipment destination, date and supply size • country of origin of the biomass and NUTS2 region, if available • originating from waste and residue, the name of waste feedstock (e.g. UCO, etc.), waste code, category for animal fats, if applicable • whether the bonus for degraded land has been applied (Yes/No/No data) • GHG emission characterizing the data (actual, default, disaggregated default value or regional default value), expressed in gCO₂/MJ (for final fuel) or gCO₂/t dry basis (for raw materials and intermediate products), [...] including emissions received from the preceding economic operators • (see note 1 for further requirements) • annualised emission from carbon stock changes caused by land-use change^b • Footnote b: Data collected at the stage of FGP, if no value is specified means that it amounts to zero
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		<ul style="list-style-type: none"> • delivery date and unique identification number • statement by the economic operator that delivered biofuel/bioliquids has been produced in an installation that was in operation on / before 5 October 2015 • statement by the economic operator that delivered raw material/feedstock (other than waste and residue) complies with the land-use requirements [...] • name, function and signature of authorized person confirming data • Required minimum output data • [As above – except] • data identifying the seller [...] • name of the sold product • confirmation of the operator's KZR INiG Scheme certification, certificate number and name of the certification body, • [Note there is no reference to other EC recognised voluntary schemes.] • Note 1: If the actual (not default) value of GHG emissions for the transport stage is used, it must take into account GHG emissions from all stages of transportation. If default value is used, "default value for GHG emissions from transport" should be entered. Similarly, if the actual (not default) value of GHG emissions for the transport stage is used, it must take into account GHG emissions from all stages of processing. If the default value is used,
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			<p>"default value for GHG emissions from processing" should be entered.</p> <ul style="list-style-type: none"> Information on GHG emissions must include accurate data on all relevant elements of the emission calculation formula. When default values are used, information on GHG emissions should be only reported for final biofuels and can be reported as an aggregate. When actual values are calculated, it is necessary to split the total amount of emissions into all elements of the GHG emission calculation formula that are relevant. This applies also to the elements of the formula which are not included in the default values such as e_l, e_{scb}, e_{ccr}, e_{ccs} and e_{ee}. In case actual values are not used, information on the amount of GHG emissions should not be transmitted through the chain of custody (before the last processing step) as it would be difficult to know at later stages of the chain of custody whether these emissions represent actual values or are derived from (disaggregated) default values. Actual value of GHG emissions shall always be expressed in relation to dry product. In the case of using a default value of GHG emissions, the biofuel production path shall be consistent with that given in the RED Directive.
5.3 The mass balance system shall operate at least at the level of a site	<ul style="list-style-type: none"> The mass balance system shall operate at a level where consignments could normally be in contact, such as in a 	Y	KZR_INiG_7: Guidance for proper functioning of mass balance system

	<p>container, processing or logistical facility or site (defined as a geographical location with precise boundaries within which products can be mixed).</p> <ul style="list-style-type: none"> • If more than one legal entity operates on a site then each legal entity is required to operate its own mass balance. 	<ul style="list-style-type: none"> • 4. Guidelines for the construction of a mass balance system in a unit: • (p6) The mass balance system shall operate at least at the level of a site. Site is defined as a geographical location with precise boundaries within which products can be mixed. The mass balance system shall operate at a level where consignments could normally be in contact, such as in a container, processing or logistical facility or site. If more than one legal entity operates on a site then each legal entity is required to operate its own mass balance system. [...] The mass balance shall be consistent within a site, even if it is run according to more than one voluntary scheme. [...] • The first step is to define the system boundaries and to designate points of raw material/feedstock entry (biomass, waste or residue) and final product exit. • In accordance with the KZR INiG System, the moment of receipt biomass (or processed biomass) is the entry point (or the exit point) of a stream to the mass balance system of a given economic operator. <p>KZR_INiG_2: Definitions</p> <ul style="list-style-type: none"> • 3. Definitions • Site: geographical location with precise boundaries within which products can be mixed.
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<p>5.4 The mass balance shall specify the timeframe over which the system operates</p>	<ul style="list-style-type: none"> • If the balance in the system is continuous in time, a "deficit", i.e. that at any point in time more sustainable material has been withdrawn than has been added, is required not to occur. • Alternatively the balance could be achieved over an appropriate period of time (up to a maximum of three months) and regularly verified. • In both cases it is necessary for appropriate arrangements to be in place to ensure that the balance is respected. 	<p>Y</p>	<p>KZR_INiG_7: Guidance for proper functioning of mass balance system</p> <ul style="list-style-type: none"> • 4. Guidelines on the construction of a mass balance system in a unit: • (p7) The mass balance may be calculated in a defined time period and verified regularly. A three-month period is the maximum allowed time in KZR INiG System. Each individual producer shall design a mass balance method and adjust it to his operation profile, so as to allow monitoring and easy verification of the mass balance. • If in a given time period an economic operator purchased more sustainable raw material than was sold, the excess quantity may be transferred to the next time period. This is only allowed when the amount of transferred feedstock is physically located in the warehouse. It is not permitted to transfer documents confirming sustainability of biomass if there is no suitable amount of goods in stock. The opposite situation, the sale of an amount of sustainable biomass exceeding the amount purchased (including existing stock), is a breach of the rules of mass balance and causes withdrawal of a certificate.
<p>5.5 Apply relevant feedstock definitions</p>	<ul style="list-style-type: none"> • When reporting on the type of feedstock the relevant definitions of Directive (2009/28/EC) must be applied: <ul style="list-style-type: none"> ◦ "ligno-cellulosic material" ◦ "non-food cellulosic material" 	<p>Y</p>	<p>KZR_INiG_2: Definitions</p> <ul style="list-style-type: none"> • 3. Definitions • Ligno-cellulosic material: means material composed of lignin, cellulose and hemicellulose such as biomass

			<p>sourced from forests, woody energy crops and forest-based industries' residues and wastes.</p> <ul style="list-style-type: none"> • Non-food cellulosic material: means feedstocks mainly composed of cellulose and hemicellulose, and having a lower lignin content than ligno-cellulosic material; it includes food and feed crop residues (such as straw, stover, husks and shells), grassy energy crops with a low starch content (such as ryegrass, switchgrass, miscanthus, giant cane and cover crops before and after main crops), industrial residues (including from food and feed crops after vegetal oils, sugars, starches and protein have been extracted), and material from biowaste.
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Recognition of other voluntary schemes and national systems

Recognition of other voluntary schemes		
Requirement	Guidance	Assessment
5.6 Approach to voluntary scheme recognition (OPTIONAL: Voluntary schemes are encouraged to include a clause on recognising the potential use of other voluntary schemes for part of a supply chain)	<ul style="list-style-type: none"> In case part of the chain relies on other voluntary schemes, schemes may only recognise voluntary schemes that are recognised by the Commission in the context of the Directive 2009/28/EC. Schemes may only recognise the scope of the voluntary scheme that the EC recognises in this context. 	<p>Y KZR_INiG_1: Description of INiG System of Sustainability Criteria – general rules</p> <ul style="list-style-type: none"> 1. Introduction The KZR INiG System recognises the same version and scope of the voluntary schemes, that are recognised by the EC in the context of the Directive 2009/28/EC. KZR INiG System recognises the scope of the voluntary scheme that the EC recognises in this context.
5.7 Recognition of national schemes	<ul style="list-style-type: none"> The Commission may recognise national schemes for compliance with the conditions set out in Directive 2009/28/EC. Voluntary schemes shall not refuse mutual recognition with those schemes as regards the verification of compliance with the sustainability criteria set out in Articles 17(2) to (5). 	<p>Y KZR_INiG_1: Description of INiG System of Sustainability Criteria – general rules</p> <ul style="list-style-type: none"> 1. Introduction The Commission may recognise national schemes for compliance with the conditions set out in Directive 2009/28/EC. The KZR INiG System shall not refuse mutual recognition with those schemes as regards the verification of compliance with the sustainability criteria set out in Article 17(2) to (5).

Audit Quality and Scheme Governance

Assessment of the audit processes of a voluntary scheme is relevant for auditing of the sustainability criteria and auditing of the chain of custody. The level of complexity of a chain of custody is a function of the features that a scheme allows.

RED Article 18(3):

Member States shall take measures to ensure that economic operators submit reliable information and make available to the Member State, on request, the data that were used to develop the information. Member States shall require economic operators to arrange for an adequate standard of independent auditing of the information submitted, and to provide evidence that this has been done. The auditing shall verify that the systems used by economic operators are accurate, reliable and protected against fraud. It shall evaluate the frequency and methodology of sampling and the robustness of the data.

RED Article 18(5):

The Commission shall adopt decisions only if the scheme in question meets adequate standards of reliability, transparency and independent auditing.

Article 18(3): Adequate standard of independent auditing	Voluntary Schemes need to ensure a sufficient quality of auditing and verification	
Requirements	Guidance	Assessment
6.1. Documentation management	<ul style="list-style-type: none"> The system ensures that economic operators must have a documentation management system. It should be a condition of participation in voluntary schemes that economic operators: <ul style="list-style-type: none"> i) have an auditable system for the 	<p>Y</p> <p>KZR_INiG_1: Description of INiG System of Sustainability Criteria – general rules</p> <ul style="list-style-type: none"> 7. Participants of the KZR INiG System: The economic operators are obliged to: <ul style="list-style-type: none"> - submit credible information verified by an independent audit, - have a documentation management system,

	<p>evidence related to the claims they make or rely on;</p> <p>ii) keep any evidence for a minimum of 5 years; and</p> <p>iii) accept responsibility for preparing any information related to the auditing of such evidence.</p> <ul style="list-style-type: none"> The auditable system should normally be a quality system drawing on points 2 and 5.2 of Module D1 ('Quality assurance of the production process') of Annex II of the Decision on a common framework for the marketing of products. 	<ul style="list-style-type: none"> have written procedure(s), incorporated into the firm, describing rules of mass balance and applied GHG methodology, keep all evidence for a minimum of 5 years, accept responsibility for preparing any information related to the auditing of such evidence. <p>KZR_INiG_9: Requirements for Certification Bodies</p> <ul style="list-style-type: none"> 5.9. Data retention period: Certification bodies are obliged to keep the audit results (reports and other records) and copies of all certificates for at least five years. <p>KZR_INiG_10: Guidelines for auditor and conduct of audit</p> <ul style="list-style-type: none"> Annex 2 - Checklist: The auditor checklists contain (among others) questions that frame the documentation management from the economic operator; for example: <ul style="list-style-type: none"> "Is it possible to prove the origin of the raw material in a clear way, based on area control or other documentation?" "Based on available documents, can the farms prove that the biomass comes from land which was arable before 1 of January 2008?" "Did the economic operator introduce a mass balance system?" Is the mass balance system described by internal procedures? "Was the source of the data collection for calculations documented in a clear and readable way?"
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			<ul style="list-style-type: none"> Moreover, the auditor checklists include a list of information to be provided by the economic operator (e.g. information required to identify raw material batches), and the questions included in the auditor checklist include the follow-up of previous non-conformities, which requires the economic operator to be able to record it. [Note also that throughout the scheme documentation, explicit requirements are made for having an appropriate documentation system.]
6.2 Audits before participation in the voluntary scheme	<ul style="list-style-type: none"> As a general rule, a voluntary scheme should ensure that economic operators are audited before allowing them to participate in the scheme. [The requirements for auditor competency are covered separately under requirement 6.5 below.] 	Y	<p>KZR_INiG_1: Description of INiG System of Sustainability Criteria – general rules</p> <ul style="list-style-type: none"> 5. The criteria of KZR INiG System: Issuing such a certificate is preceded by an audit, during which evidence of meeting of the above criteria by the entity being subject to the certification process is assessed. 7. Participants of the KZR INiG System: Economic operators are audited before allowing them to participate in the KZR INiG System. After a positive result of the audit, the certification body issues the KZR INiG certificate that provides conformity with requirement of sustainable criteria. <p>KZR_INiG_9: Requirements for Certification Bodies</p> <ul style="list-style-type: none"> 5.6 Additional requirements:

		<ul style="list-style-type: none"> • Every System participant needs to be audited in order to receive a certificate. Next audit (re-certification) must be carried out before the expiry of the certificate. Audits must take place at least once yearly. Procedures of a control audit in the surveillance are analogous to those of the certification audit. • 5.8. Certification process of an economic operator performed by certification bodies • Every economic operator must be audited before he/she is allowed to participate in the KZR INiG System. [...] • After successfully passing the audit, the economic operator is registered in the KZR INiG System participant list, giving him/her the right to sell biomass/processed biomass/ biofuel/bioliquid under the KZR INiG System framework.
6.3 Retrospective audits	<ul style="list-style-type: none"> • The voluntary scheme shall arrange for regular, at least yearly, retrospective auditing of a sample of claims made under the scheme. It is the responsibility of the verifiers to define the size of the sample that will permit them to reach the level of confidence necessary to issue a verification statement. • [The requirements for auditor competency are covered separately under requirement 6.5 below.] 	<p>KZR_INiG_1: Description of INiG System of Sustainability Criteria – general rules</p> <ul style="list-style-type: none"> • 5. The criteria of KZR INiG System: • Issuing such a certificate is preceded by an audit, during which evidence of meeting of the above criteria by the entity being subject to the certification process is assessed. <p>KZR_INiG_9: Requirements for Certification Bodies</p> <ul style="list-style-type: none"> • 5.6. Additional requirements: • Every System participant needs to be audited in order to receive a certificate. Next audit (re-certification)

			<p>must be carried out before the expiry of the certificate. Audits must take place at least once yearly. Procedures of a control audit in the surveillance are analogous to those of the certification audit.</p> <ul style="list-style-type: none"> • 5.8. Certification process of an economic operator performed by certification bodies: • In the case of a positive result of the conformity assessment, the certification body issues a certificate to the applicant, valid for one year. The certification body delivers the information to the Biomass Certification Systems Office, where the applicant is entered into the certified participating operators registry within the KZR INiG System. • 5.12. KZR Certificate: • [This section details the content of the certificate; the certificate is said to be valid for one year.]
<p>6.4 Group auditing [OPTIONAL – only relevant when group auditing is applied]</p>	<ul style="list-style-type: none"> • Group auditing - in particular for smallholder farmers, producer organisations and cooperatives - can be performed. [Note that group auditing is only permitted for the producers of raw material, not other economic operators further down the supply chain.] • In such cases, verification for all units concerned can be performed based on a sample of units, where appropriate taking into account a relevant standard 	Y	<p>KZR_INiG_1: Description of INiG System of Sustainability Criteria – general rules</p> <ul style="list-style-type: none"> • 7. Participants of KZR INiG System: • According to the rules of the KZR INiG System, agricultural producers are audited. If requirements described in the KZR INiG System documents (no. 4-6) are met, group audit is permitted (see KZR INiG System/9 document). • In the case of biofuels and bioliquids production, the agricultural producer attaches the declaration to a batch of raw materials (annex 2 for producers in the areas of the EU and annex 3 for non EU producers).

	<p>developed for this purpose. Aspects that should be covered include the following:</p> <ul style="list-style-type: none"> ○ What is the sample size and how is the sample determined? ○ What is the threshold for non-compliance and do they apply to the whole group? <ul style="list-style-type: none"> • As a minimum, it is required that a sample of at least the square root of the number of group members is audited individually annually, in line with the ISEAL standard P035. • It is generally expected that group auditing is undertaken on-site (e.g. that auditors visit the individual farms where the feedstock is produced). If the application of desk audits is allowed voluntary schemes must provide guidance to the auditors under which circumstances such desk audits could be considered to provide the same level of assurance as an on-site audit (e.g. availability of high quality satellite images, data on protected areas and peatland that provide information on the relevant time horizon). For example: <ul style="list-style-type: none"> ○ Criteria should be set out how the general level of risk in the areas can be determined and 		<p>The declaration is valid no longer than 12 months after the date of signature. The reported data must identify sufficiently the agricultural producer, scale and type of their production, character of the land on which raw materials have been cultivated, land use change information. The information shall be verified by audit.</p> <p>KZR_INiG_2: Definitions</p> <ul style="list-style-type: none"> • 3. Definitions • Group Audit: means audit of agriculture producer group with similar production system to verify compliance with the KZR INiG System requirements. Group audit is not applied to economic operators further down the supply chain. <p>KZR_INiG_9: Requirements for Certification Bodies</p> <ul style="list-style-type: none"> • 5.6. Additional requirements: • Farmers • Farmers can be audited individually or as part of group. Group auditing is only possible for homogenous groups of farmers. Group audits for compliance with land criteria are permitted if the farms are near each other and have similar characteristics. Group auditing for the purpose of calculating GHG emissions indicators is only acceptable when the agriculture producers have similar production systems and products. Farmers supplying seeds to a first gathering point, or farmers who are members of farming
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	<p>which consequences the level of risk has got for the auditing approach.</p> <ul style="list-style-type: none"> ○ What type of evidence needs to be available to allow desk audits. In this context self-declarations from economic operators cannot be regarded as sufficient evidence. • Group auditing for compliance with the scheme's land related criteria is only acceptable when the areas concerned are near each other and have similar characteristics. • Group auditing for the purpose of calculating GHG savings is only acceptable when the units have similar production systems and products. 		<p>organisations and cooperatives can be considered as a group. A farmers' organization shall designate a management representative responsible for group management and implementation of the System's requirements. A certificate is issued to the first gathering point or to the central office of the organisation. In such a case, the first gathering point or central office is obliged to:</p> <ul style="list-style-type: none"> - keep a list of the farms, - keep contracts/invoices, - liaise between the certification body auditor with farmers, - keep self declaration, - be responsible for managing the certification process. <ul style="list-style-type: none"> • Before issuing a certificate, an auditor must be sure that the verification of the individual farms was carried out and completed. In the case of detecting a violation of land-use criteria (see documents System KZR INiG/4, 5 and 6) by a farm, the farm can no longer supply sustainability criteria to the First Gathering Point (FGP). This shall be reflected in a FGP's mass balance and necessary corrections made. Risk factor increases. • In the case when a first gathering point collects raw material from many agricultural producers, the minimum number of farms to be subjected to a random inspection is the square root of farms (\sqrt{x}, where x is the number of farms) rounded up to the
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		<p>nearest whole number. Audit of the first gathering point is mandatory.</p> <ul style="list-style-type: none"> • It is generally expected that group auditing is undertaken on-site, i.e. that auditors visit the individual farms where the feedstock is produced. However, desk audits are allowed under some circumstances (when a desk audit provides the same level of assurance as an on-site audit). Desk audit shall be conducted at the same level of the risk (see risk analysis). Moreover, the auditor, before deciding on desk audit, must consider the availability of: Moreover, the auditor, before deciding on desk audit, must consider the availability of: <ul style="list-style-type: none"> • - high quality satellite images of the cultivation area, and databases regarding, for example, protected areas, areas with high biodiversity, peatland, etc. (both current and as of 1st January 2008); • - reliable documents confirming land status (both current and as of 1st January 2008). Documents issued by governmental institutions (e.g. land register or documents, including satellite images, confirming participation in the EU support system (cross-compliance)) can be considered reliable. • A combined desk audit and on-site audit is possible. If documents provided by a farmer do not completely confirm land status or if satellite images are of poor quality, on-site audit and site surveys are needed. [...] • Multi site economic operator
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		<ul style="list-style-type: none"> • If an economic operator of storage/tanks in a warehouse where biomass is not processed runs its business on more than one site (multi-site economic operator) share a common management system, the following rules can be applied. The minimum number of sites to be audited is the square root of the number of operator sites, rounded up to the nearest whole number. The size of the control sample may be increased, based on an evaluation by the auditor. The headquarters is audited once a year. The audit of all sites must be carried out and completed before a certificate can be issued for the audited economic operator. • The selection criteria for the sites to be audited are as follow: <ul style="list-style-type: none"> - random selection; - results of internal audit - the size of the sites (it is recommended to differentiate it) • Major non-conformity identified at any site causes revoking of the certificate for the whole company. • NOTE: The above rules do not apply to processing sites where biomass is processed. In such cases, each plant shall be audited individually on-site. <p>KZR_INiG_10: Guidelines for auditor and conduct of audit</p> <ul style="list-style-type: none"> • 5.4. Auditing of first wastes/residues collection point: • During an audit of the First waste/Residues collection/Collection and utilization point, verification is
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		<p>also carried out at the place of origin of the waste/residues. The square root of the number of the number of waste/residues suppliers providing over one ton per month is verified on the site (rounded up to the nearest whole number), and is multiplied by the factor defined in section 6. The sample shall be selected by taking into account the following:</p> <ul style="list-style-type: none"> • - the volume of supplies, • - variety of feedstock, • - variety of enterprises producing the wastes/residues. <p>Auditors have the right to do on-site audits at the origin of the wastes/residues (e.g. restaurants) if required, regardless of the volume of material supplied.</p> <ul style="list-style-type: none"> • During the on-site verification process at the place of origin of the waste/residues, the waste/residues supplier has a duty to confirm findings from the verification process. • The result of an audit (i.e. findings, non-compliances, statement confirming compliance with the KZR INiG System, remarks) must always be confirmed by the wastes/residues supplier. • Operators must declare to auditors the name of all voluntary schemes they operate in and make available all relevant information, e.g. the full mass balance records for a site. • In the case of auditing the waste/residues generated in households, the auditor, based on documents or, if
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		<p>necessary, inspection on-site, shall verify the origin of the feedstock.</p> <ul style="list-style-type: none"> • The auditing documents shall include records concerning risk analysis and assessment and also sample selection method. • An economic operator owning more than one wastes/residues collection or indirect collection points, shall be treated as a multi-site economic operator and as such will be subject to the same audit procedures as a normal multi-site economic operator. • The number of waste/residues suppliers verified on site for every location is determined separately, i.e. it is determined as the square root of the number of suppliers providing more than one ton per month, rounded up to the nearest whole number. • 6. Risk evaluation: • The certification bodies recognized by the KZR INiG System are obliged to carry out a risk assessment before conducting an audit. • Risk evaluation shall take into account the credibility of the certified entity. If the certified entity has been placed on other certification system`s warning lists (both voluntary and national), the number of samples shall be increased accordingly. • Risk analysis should take into account the assessment of technological potential of obtaining the specific sustainable product in declared volumes. [...]
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			<ul style="list-style-type: none"> When auditing First waste/residues collection points, is mandatory to the use of the risk factors of the KZR INiG System. <ul style="list-style-type: none"> - Low: Multiplication factor x1 - Medium: Multiplication factor x1.3 - High: Multiplication factor x1.8
6.5 Auditor competencies	<ul style="list-style-type: none"> For these audits, requirements are that the auditor should be: <ol style="list-style-type: none"> Independent of the activity being audited Free from conflict of interest Competent <ul style="list-style-type: none"> Point 1 and 2 mean that the audit shall be carried out by an external third party (not the economic operator) Point 3 mean that the auditor has the generic skills and the verification body has the general skills for performing audits; and The auditor has the appropriate specific skills necessary for conducting the audit related to the scheme's criteria. Namely: Land use criteria: Experience in agriculture, ecology or similar. Note that verifying compliance with the 	Y	KZR_INiG_1: Description of INiG System of Sustainability Criteria – general rules <ul style="list-style-type: none"> 8. Transparency and independence of the KZR INiG System: <ul style="list-style-type: none"> The KZR INiG System is independent and free from external pressures. The KZR INiG does not employ external auditors (i.e. individuals not employed under an employment contract by the Oil and Gas Institute - National Research Institute) to supervise certification bodies or verify system participants. All training organized by the KZR INiG for certification bodies is open, and relevant information is always published on the KZR INiG website. The rule of transparency and independence is the primary principle of the System's operation. Monitoring of transparency and independence of operation of the System is the Council's duty. Correctness of the Council's operation is assured by the inclusion of external experts, free of any pressures and conflicts of interests. Moreover, certification bodies that are not participants of the System but perform audits of a given participant of the System must be free from conflict of interests.

	<p>highly biodiverse grasslands criterion partially requires technical knowledge that goes beyond the competences that can be expected from the auditors verifying the claims made by market operators (e.g. assessing whether a grassland maintains the natural species composition and ecological characteristics and processes and whether grassland is species rich).</p> <ul style="list-style-type: none"> ○ GHG criteria: Relevant experience in, agriculture, natural science, engineering (chemical, process etc), energy management or similar depending on the type of audits to be conducted by the individual auditor. ○ Chain of Custody system: Experience in mass balance systems, supply chain logistics, traceability, data handling or similar. • The scheme documentation should describe in sufficient detail how it is ensured that the requirements concerning auditors' competences are met. 	<p>Audits are conducted according to principles of confidentiality.</p> <p>KZR_INiG_9: Requirements for Certification Bodies</p> <ul style="list-style-type: none"> • 5.1. General requirements for the certification body: • A certification body must: <ul style="list-style-type: none"> - be legally recognised; - have accreditation of conformity with ISO/IEC 17021 standard (issued by the national accreditation body, which needs to be affiliated with the IAF); - carry out audits according to the requirements of EN 19011 standard; - establish at least a 'limited assurance level' on the audited data, in line with the requirements of ISAE3000; - have access to auditors with competencies as described in the KZR INiG/10 document; - prove independence and impartiality towards the certified system participants; - prove compliance with the KZR INiG System requirements. • 5.2. Authorization of the certification body: • The process for authorization of a certification body proceeds as follows: • submission of an application for authorisation (Annex 1). [...] <ul style="list-style-type: none"> - a quality manual/management system manual; - full set of procedures;
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			<ul style="list-style-type: none"> - qualification criteria for auditors, employed by the body to carry out the audits [...]; • - submission of a list of auditors and technical experts, qualified to carry out the assessments (KZR INiG System /10/ Guidelines for auditor and conduct of audit); [...] <p>KZR_INiG_10: Guidelines for auditor and conduct of audit</p> <ul style="list-style-type: none"> • 5.1. Requirements for an auditor: • The Manager of a certification body appoints auditors [...], who: <ul style="list-style-type: none"> (1) <u>are external</u>: audit cannot be conducted by a participating economic operator (excluding personnel of the certification body); (2) <u>are independent</u>: auditors are independent of the activity being audited and free from conflicts of interest; (3) <u>have general qualifications</u>: the certification body has general qualifications to conduct the audit, and (4) <u>have the appropriate specific qualifications</u>: the auditors must have qualifications necessary for assessing the evidence, in terms of the system criteria. <p>Auditors are obliged to make a confidentiality declaration.</p> <ul style="list-style-type: none"> • 5.1.1. Foundation of professionalism: • [...]. the audit team must have proper authorizations confirming their qualifications according to KZR INiG
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			<p>System requirements. In particular, the audit team shall:</p> <ul style="list-style-type: none"> - have 3 years of professional experience, including at least 2 years work in the relevant area of quality and/or environment management system auditing; - complete a training course (40 hours) in management systems auditing, to ISO 19011 or equivalent standard, carried out by a training body that issues certificates upon course completion; - conduct audits according to the requirements of PN-EN ISO 19011 standard; - have professional experience of conducting audits; and participate, as a candidate for auditor (including preparation and development of reports), in at least 4 external audits for total of 20 days of audit experience - as a candidate for auditor (including preparation and development of reports); - prove participation in at least certification and/ or surveillance eight audits, totalling 15 days, of management systems quality environment or another voluntary scheme recognized by the European Commission, as a candidate for lead auditor, with total of 15 days of audit experience; - have knowledge of KZR INiG System requirements [...] - have the appropriate specific skills to assess land use criteria, mass balance system, calculation of GHG emission (e.g. relevant experience, in agriculture, ecology, mass balance systems, traceability, data
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			<p>handling, knowledge of ISO14040, ISO 14064-3, and ISO 14065 standards, methodology of evaluation of GHG emission in lifecycle of products including the RED methodology). Auditors verifying the calculation of actual GHG emission need to have the appropriate specific skills, including relevant experience in this field.</p> <ul style="list-style-type: none"> - successfully complete training in the KZR INiG System requirements; - have knowledge of handling and analysis of data required by the KZR INiG System. <ul style="list-style-type: none"> • If needed, the auditing team may include a technical expert from a specific area. The expert is required to have specific knowledge, including among others: [...] • 5.1.3. Independence: • Auditors must be independent from the activity being audited and also free from conflicts of interests. Auditors must be impartial throughout the auditing process.
6.6 Management of the audit	<ul style="list-style-type: none"> • Audits shall be properly planned, conducted and reported on. • The scheme has clear procedures that describe how audits should be conducted, including detailed guidelines or checklists for auditors. • The guidelines shall also set out the content of the auditing reports e.g. beginning and the end of the audit 	Y	<p>KZR_INiG_9: Requirements for Certification Bodies</p> <ul style="list-style-type: none"> • 5.1. General requirements for the certification body: A certification body must: carry out audits according to the requirements of EN 19011 standard; [...] • 5.4. Tasks of an authorized certification body: These include: <ul style="list-style-type: none"> - carrying out the assessment of conformity with the KZR INiG System, based on the KZR INiG Systems' documents;

	<p>(length of the audit), the address where the audit was conducted, the audit participants and a list of audited documents. Further, the guidelines shall determine the necessary information to be included on the certificates (e.g. type of biomass and scope of certificate).</p> <ul style="list-style-type: none"> • Audit includes the following: <ul style="list-style-type: none"> ○ Identify the activities undertaken by the economic operator which are relevant to the scheme's criteria; ○ Identify the relevant systems of the economic operator and its overall organisation with respect to the scheme's criteria and checks the effective implementation of relevant control systems; ○ Analyse the risks which could lead to a material misstatement, based on the verifier's professional knowledge and the information submitted by the economic operator; ○ Draw up a verification plan which corresponds to the risk analysis and the scope and complexity of the economic operator's activities, and which defines the sampling 	<ul style="list-style-type: none"> - issuing certificates related to certification of biomass, biocomponents, biofuels, and bioliquids; [...] - collection and dissemination of data between competent bodies, certification bodies and other databases acknowledged by the competent body, in accordance with the provisions of the Act on personal and commercial data protection. <ul style="list-style-type: none"> • 5.7. Determination of audit duration: • Audit duration depends on the scope of certification and size of the participating economic operator being subject to the audit. The certification body determines the audit taking those factors into account. • 5.8. Certification process of an economic operator performed by certification bodies: 5. Preparation and conducting of the audit During the audit, the auditor uses the checklist of the KZR INiG System. Detailed requirements for approving an audit plan, determining the audit date and appointing a lead auditor and audit team are given in document KZR INiG System/10/ Guidelines for auditor and conduct of audit. 6. Preparation of the report on the certification process [...] 7. Evaluation of the audit report and issuance of the certificate [...] • 5.12. KZR Certificate: [This section details the content of the certificate.]
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	<p>methods to be used with respect to that operator's activities;</p> <ul style="list-style-type: none"> ○ Carry out the verification plan by gathering evidence in accordance with the defined sampling methods, plus all relevant additional evidence, upon which the verifier's verification conclusion will be based; ○ Request the operator to provide any missing elements of audit trails, explain variations, or revise claims or calculations, before reaching a final verification conclusion. <ul style="list-style-type: none"> • ISO 19011: 2011 (plan, do, act, check), or justified equivalent, covers the above requirements. • The voluntary scheme should also describe what the implications are for any non-conformities identified during the audit. For example: <ul style="list-style-type: none"> ○ Under which circumstances are certificates withdrawn or suspended? ○ What procedures are in place to ensure that any non-conformities that do not lead to immediate 	<p>KZR_INiG_10: Guidelines for auditor and conduct of audit</p> <ul style="list-style-type: none"> • 5.2. Description of the conformity assessment process: [This section details the conformity assessment process through a diagram containing 7 steps.] <ul style="list-style-type: none"> - initiation of the audit (with in particular the definition of goals, scope and criteria of the audit, and the assignation of the appropriate team) - review of documents - preparation of audit operations conducted on-site, (with in particular the preparation of the audit plan) - conduct of audit operations on-site (with in particular the verification of KZR INiG system checklists) - preparation, approvals and distribution of the audit report - end of the audit - issuing of the certificate • Non-compliances: Non-compliances are always assessed from the point of view of a risk of selling non-sustainable materials as sustainable. • Minor non-conformities: These are non-conformities whose causes are detected and can be eliminated within 30 days from the date of preparing the report. A minor non-compliance does not seriously violate the System's requirements and the risk of selling non-sustainable materials as sustainable is low. The certificate can be issued after approval by the lead auditor's correction and corrective action. In such cases it is recommended to carry out a surveillance
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	<p>withdrawal or suspension of the certificate are corrected?</p>	<p>audit no later than six months from the end of the certification audit. If improper correction, or lack of correction, potentially result in major non-compliance, a surveillance audit is obligatory. When a single, minor non-conformity occurs, for which the proof of correction made may be send by post or e-mail, the decision to carry out the audit should be made by the lead auditor.</p> <ul style="list-style-type: none"> • Major non-conformities: These are non-conformities whose causes are not detected or cannot be eliminated within 30 days from the date of preparing the report. A major non-compliance is a serious violation of the System's requirements and the risk of selling non-sustainable materials as sustainable is high or, if such material were sold, there is no possibility to reverse it. The issuing of a certificate is rejected or the current certificate is suspended. In the case of major non-conformities, the certifying body shall immediately inform the KZR INiG System Administrator, and take corrective actions taken. [...] • 5.3 Credibility and reliability of data: • The range of data verification varies, depending on the scope of the audit. Detailed descriptions of the required data sources, their types, and verification methods, depending on the area of the audit, may be found in the following documents: [...] • 6. Risk evaluation: • The certification bodies recognized by the KZR INiG System are obliged to carry out a risk assessment
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			<p>before conducting an audit. Risk evaluation shall take into account credibility of the certified entity. If the certified entity has been placed on other certification system's warning lists (both voluntary and national), the number of samples shall be increased accordingly. Findings from the complaints procedures (as specified by the KZR INiG/1) are also taken into account during risk analysis, if appropriate. Risk analysis should take into account the assessment of technological potential of obtaining the specific sustainable product in declared volumes. In the case of an audit of agricultural producer, it is mandatory to use the risk factors stipulated by the KZR INiG System. [This section further details the sample to be built, and how it has to be adapted to the results of the risk analysis.]</p> <ul style="list-style-type: none"> • Annex 2 - Checklist: • [This section is the checklist to be used by auditors during the audit. It describes the criteria to be verified, the required documents, the source of data, and a free space for auditor comments.]
6.7 Transparency on other voluntary scheme participation by economic operators	<ul style="list-style-type: none"> • Voluntary schemes need to ensure that economic operators declare the names of all schemes they participate in and make available to the auditors all relevant information, including the mass balance data and the auditing reports. • Prior to re-certification of an economic operator that was previously found to be 	Y	<p>KZR_INiG_10: Guidelines for auditor and conduct of audit</p> <ul style="list-style-type: none"> • KZR_INiG_10: Guidelines for auditor and conduct of audit • 5.2. Description of the conformity assessment process: • Major non-compliances: [...] In the case of major non-compliances, the certifying body shall immediately inform the KZR INiG System Administrator and take corrective actions. Depending on the magnitude of the

	<p>in major non-conformity with this requirement, or any other aspect of the mandatory sustainability criteria, the auditor should be required to bring this to the attention of the voluntary scheme under which the operator is in the process of re-certification. (This requirement applies to all voluntary schemes that the economic operator is participating in.)</p>	<p>non-compliance, the KZR INiG imposes appropriate recommendations (for example a request for additional documents, or participation of a KZR INiG auditor during the audit, etc.). The certificate loses its validity immediately. The economic operator cannot be certified under the KZR INiG System for a period of three months from the date of the loss of validity of the certificate. If the major non-compliance was an intentional fraud, the period can be extended. This also applies to major non-compliances detected under other, voluntary schemes.</p> <ul style="list-style-type: none"> • 5.3 Credibility and reliability of data • Audited economic operators are obliged to declare the names of all schemes they participate in, and to make available to the auditor(s) all relevant information, including mass balance data, auditing reports, etc. Failure to declare any of this information will constitute a major non-compliance. • System participants are obliged to immediately inform the KZR INiG of the withdrawal of a sustainability certificate issued by other, voluntary schemes. The KZR INiG will evaluate each case individually and will decide upon what action should be taken. Recommendations are transferred to the certification body (if applicable) and are used as input data for risk analysis. • The auditor is obliged to verify the entire mass balance, even if is run according to more than one voluntary scheme.
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			<ul style="list-style-type: none"> • 5.4. Auditing of first wastes/residues collection point • Operators must declare to auditors the names of all voluntary schemes they operate in and make available all relevant information, e.g. the full mass balance records for a site.
6.8 Specific aspects relevant for audits of actual GHG emission calculations	<ul style="list-style-type: none"> • The voluntary scheme is required to ensure that economic operators make available to auditors all relevant information concerning the calculation of actual GHG emissions in advance of the planned audit. The auditor should record the emissions occurring at the audited site (emissions after allocation) and if relevant the achieved savings in the audit report. Should the emissions deviate significantly from typical values the report has to include information that explains the deviation. • The voluntary scheme shall ensure that economic operators are only allowed to use actual values after the capability to conduct such a calculation according to the GHG emission calculation methodology has been verified by an auditor. Such a verification can be performed during the audit of the economic operator before participation 	Y	<p>KZR_INiG_8: Guidelines for the determination of the lifecycle unit values of GHG emissions for biofuels, bioliquids</p> <ul style="list-style-type: none"> • 4.2.4.5. Emission savings from carbon capture and geological storage e_{ccs}, Emission savings from carbon capture and replacement, e_{ccr} • Emission savings from carbon capture and geological storage that have not already been accounted for in e_p shall be limited to emissions avoided through the capture and sequestration of emitted CO₂ directly related to the extraction, transport, processing and distribution of fuel. The emissions saving is expressed in gCO₂eq/MJ. • Emission savings from carbon capture and geological storage e_{ccs} can only be taken into account if there is valid evidence that CO₂ was effectively captured and safely stored. If the CO₂ is directly stored it should be verified that storage is under good conditions, leakages are non-existent, and the existing storage method guarantees that leakage does not exceed the current state of technology. The KZR INiG System participant's documentation shall include at least the following information:

	<p>in the voluntary scheme (see requirement 6.2. above).</p> <ul style="list-style-type: none"> Carbon capture and replacement: Auditors are required to verify that the estimate of emissions saving from capture and replacement of CO₂ is limited to emissions avoided through the capture of CO₂ of which the carbon originates from biomass and which is used to replace fossil-derived CO₂. This requires access to the following information: <ul style="list-style-type: none"> The purpose for which the captured CO₂ is used. The origin of the CO₂ that is replaced. The origin of the CO₂ that is captured. Information on emissions due to capturing and processing of CO₂. <p>To supply evidence regarding the origin of the CO₂ that is replaced, operators using the captured CO₂ should state how the CO₂ that is replaced was previously generated and declare, in writing, that due to the replacement emissions of that quantity are avoided.</p>		<ul style="list-style-type: none"> <ul style="list-style-type: none"> The purpose for which the captured CO₂ is used; The origin of the CO₂ that is replaced; The origin of the CO₂ that is captured; Information on emissions due to capturing and processing of CO₂. The above-mentioned information is subject to audit. Operators using the captured CO₂ should state how the CO₂ that is replaced was previously generated and declare, in writing, that due to the replacement, emissions of that quantity are avoided. The evidence must enable auditors to verify whether the requirements of Directive 2009/28/EC are met, including whether emissions are actually avoided. A good examples of a replacement which can be expected to avoid CO₂ emissions is the case where the CO₂ that is replaced was previously produced in a dedicated process aimed at CO₂ production. Emission savings from carbon capture and replacement shall be limited to emissions avoided through the capture of CO₂ of which the carbon originates from biomass and which is used to replace fossil-derived CO₂ used in commercial products and services. The emission saving is expressed in gCO₂eq/MJ. Reducing GHG emissions is assigned only to biofuels, must relate to the production of biofuels from which GHG emissions comes from. [...] Both CCR and CCS processes require energy for capture, transport and, in the case of CCS,
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	<p>The evidence must enable auditors to verify whether the requirements of Directive 2009/28/EC are met including that emissions are actually avoided.</p> <ul style="list-style-type: none"> • Good examples for a replacement which can be expected to avoid CO₂ emissions are cases where the CO₂ that is replaced was previously produced in a dedicated process aiming at the production of CO₂. 	<p>compression of CO₂, causing additional GHG emissions to the atmosphere (unless the energy used comes from renewable sources or from fuels not containing carbon). So the capture of CO₂ originating from biomass processing does not reduce the total GHG emission. In order to reduce CO₂ emission effectively, emissions generated during the capture and storage (re-placement) processes shall also be stored, if possible In such a case, only the avoided CO₂ emission is considered and not the amounts actually stored in deep geological structures.</p> <ul style="list-style-type: none"> • 4. Guidelines for the determination of greenhouse gases emissions in the lifecycle of biofuels • 4.4 Allocation of GHG emissions to co-products and waste/residues • NOTE Economic operators are only allowed to use actual values after the ability to conduct such a calculation according to the GHG emissions calculation methodology has been verified by an auditor. <p>KZR_INiG_9: Requirements for Certification Bodies</p> <ul style="list-style-type: none"> • 5.6. Additional requirements: • Verification of actual GHG emission calculations • In line with the general requirements for conducting audits, auditors verifying the calculation of actual GHG emission need to have the appropriate specific skills, including relevant experience in this field. Due to the complexity of the tasks, conducting such a verification solely by on-site audit is challenging. To improve the
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			<p>robustness of the verification procedure, it is therefore required that economic operators make available to the auditors, in advance of the planned audit, all relevant information concerning the calculation of actual GHG emissions. The auditor in turn should record, in the auditing report, the emissions from the processing at the audited site (for all relevant elements) and, if relevant, the achieved savings, in order to document that the calculation was thoroughly verified and understood. In those emissions deviate significantly from typical values, the report should also include information explaining the deviation.</p> <p>KZR_INiG_10: Guidelines for auditor and conduct of audit</p> <ul style="list-style-type: none"> • 5.2 Description of the conformity process: • In the case of an audit calculation of the actual value of GHG emissions, auditors should be handed the necessary information far enough in advance. Each change in the calculation methodology (used standard calculation values of GHG emissions, etc.) introduced during the period of validity of the certificate must be approved by the auditor. • 5.3 Credibility and reliability of data: • In the case of an audit calculation of the actual value of GHG emissions, auditors should be handed the necessary information adequately in advance. Each change in the calculation methodology, used standard calculation values of GHG emissions, etc. introduced
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			during the period of validity of the certificate must be approved by the auditor.
6.9 Establishment of at least a "limited assurance level" when conducting audits	<ul style="list-style-type: none"> A "limited assurance level"³ implies a reduction in risk to an acceptable level as the basis for a negative form of expression by the auditor such as "based on our assessment nothing has come to our attention to cause us to believe that there are errors in the evidence". 	Y	KZR_INiG_9: Requirements for Certification Bodies <ul style="list-style-type: none"> 5.1. General requirements for the certification body: A certification body must: [...] establish at least a 'limited assurance level' on the audited data in line with the requirements of ISAE3000;
6.10 Accreditation of certification bodies	<ul style="list-style-type: none"> The requirements to be met by certification bodies to undertake audits on behalf of the scheme and the procedure to select or exclude certification bodies shall be described. Accreditation of certification bodies can take a number of approaches: <ul style="list-style-type: none"> Accreditation by bodies referred to in Article 4 of Regulation (EC) No 765/2008; or Accreditation by bodies having a bilateral agreement with the European Cooperation for Accreditation; or 	Y	KZR_INiG_9: Requirements for Certification Bodies <ul style="list-style-type: none"> 5.1. General requirements for the certification body: Certification body must: [...] have accreditation of conformity with ISO/IEC 17021 standard (issued by national accreditation body. The national accreditation body needs to be affiliated with the IAF);

³ A stronger "assurance level" is the "Reasonable assurance level". Reasonable assurance implies a reduction in risk to an acceptably low level as the basis for a positive form of expression such as "based on our assessment, the evidence is free from material misstatement".

	<ul style="list-style-type: none"> ○ Accreditation by a national accreditation body affiliated to the International Accreditation Forum (IAF); or ○ Accreditation by a full member or 'associate' member of ISEAL; or ○ 'Commitment to comply' with ISO 17011: 2004 (General requirements for accreditation bodies accrediting conformity assessment bodies), or justified equivalent, within 3 years (consistent with ISEAL associate member). 		
6.11 Complaint procedure	<ul style="list-style-type: none"> • The voluntary scheme should describe how information received from third parties that is relevant for the certification is taken into account (e.g. in the planning of future audits and how requests for information, including that requests from competent authorities of EU Member States are answered). 	Y	<p>KZR_INiG_1: Description of the INiG System of Sustainability Criteria – general rules</p> <ul style="list-style-type: none"> • 6. The structure of the KZR INiG System: • The KZR INiG System Council, called in all System document the Council, is comprised of 5 to 10 members (external experts appointed by the Director of the Oil and Gas Institute). The main tasks of the Council are: [...], examination of complaints and proposals, [...]. • 8. Transparency and independence of the KZR INiG System, complaint procedures, internal monitoring • Complaint procedures: Representatives of authorities or Member states, companies, certification bodies and natural persons have the right to express

			<p>their dissatisfaction with the KZR INiG in any field of its activity. A complaint may also concern the activity of certification body authorized by the KZR INiG.</p> <ul style="list-style-type: none"> • All complaints shall be in writing, either an official letter or an e-mail, with a detailed description and contact data. The complaint should be send to the Biomass Certification Systems Office (contact data are published on the website www.kzr.inig.eu). If a claim concerns the Biomass Certification System Office's activity and can be honored, the Office's staff take appropriate action without delay. In other cases, the complaint is transferred to the chairman of the KZR INiG System Council. Complaints are analyzed and investigated by the Council and appropriate action is taken. The complainant is kept informed of progress of the appeal and has the right to anonymity. The KZR INiG is entitled to ask involved parties for additional information and documentation. Findings from the investigation of a complaint, in the form of a recommendation, are passed (in written form) to the Biomass Certification Systems Office in order to take appropriate actions, as well as to the complainant. • Internal monitoring: [...] Such internal audits should be undertaken in cases where relevant information on potential non-conformities has been brought to the attention of the scheme by external parties, and also as a result of risk analysis. The certification body is always informed about planned internal monitoring
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			<p>audits and its representative may attend the assessments as an observer.</p> <p>KZR_INiG_9: Requirements for Certification Bodies</p> <ul style="list-style-type: none"> • 5.3 Supervision of certification bodies within the KZR INiG System internal monitoring audits • Certification bodies, during the term of the powers granted to them, are subject to supervision involving: [...] • The frequency of audit surveillance depends on the number of audits carried out and is decided by the Biomass Certification Systems Office, taking into account the results of the audits on the supervision of the certification body, as well as complaints received from third parties. The minimum frequency is once a year. In the case of receiving a complaint about a serious violation of KZR INiG rules, an extra audit can be performed, in accordance with the KZR INiG complaints procedure described in document KZR INiG/1. <p>KZR_INiG_10: Guidelines for auditor and conduct of audit</p> <ul style="list-style-type: none"> • 6. Risk evaluation: • The certification bodies recognized by the KZR INiG System are obliged to carry out a risk assessment before conducting an audit. • Risk evaluation shall take into account credibility of the certified entity. If the certified entity has been placed on other certification system`s warning lists (both
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			voluntary and national), the number of samples shall be increased accordingly. Findings from the complaints procedures (as specified by the KZR INiG/1) are also taken into account during risk analysis, if appropriate.
6.12 Internal monitoring	<ul style="list-style-type: none"> The voluntary scheme should have in place a system of internal monitoring to verify compliance of economic operators with the provisions of the scheme. Such internal audits should be undertaken in case relevant information on potential non-conformities has been brought to the attention of the scheme by external parties, and also to cross check the work conducted by external auditors. Internal monitoring should be undertaken on a regular basis. 	Y	<p>KZR_INiG_1: Description of INiG System of Sustainability Criteria – general rules</p> <ul style="list-style-type: none"> 8. Transparency and independence of the KZR INiG System, complaint procedures, internal monitoring Internal monitoring: The KZR INiG endeavors to ensure a consistent, objective and reliable audit and certification process, carried out by authorized certification bodies. KZR INiG internal monitoring consists of assessments of both system participants and certification bodies. This assessment is called an “internal monitoring audit”. Internal monitoring – system participants: The purpose of assessing a system participant is to verify compliance of economic operators with the provisions of the scheme as well as to cross-check the work conducted by certification bodies. Internal monitoring audit is carried out by the KZR INiG and reflects audit carried out by the certification body (based on KZR INiG procedures). Findings are compared with the certification body’s audit documents (report, checklist). The report from an internal monitoring audit is transferred to system participants and the certification body. Depending on the findings, the Management of the Biomass Certification Systems Office, in

		<p>consultation with the KZR INiG auditors, decides about appropriate actions. The findings may be used as input data for a risk analysis for other similar audits carried out by certification body. Such internal audits (carried out by the KZR INiG) should be undertaken in cases where relevant information on potential non-compliances has been brought to the attention of the scheme by external parties, and also as a result of the audit carried out by the KZR INiG at certification bodies (see KZR INiG/9 point 5.3.). The certification body is always informed about planned internal monitoring audits and its representative may attend the assessments as an observer.</p> <ul style="list-style-type: none"> • Internal monitoring – supervision of certification bodies: Certification bodies are obliged to report semi-annually on audits carried out, including information about auditors, non-compliances, GHG values, amounts of certified biomass/biofuel, etc. Information from the Report are input data for internal monitoring. • Authorized certification bodies are subject to regular audits carried out by the KZR INiG. The audits are part of internal monitoring. Detailed rules are given in document KZR INiG/9 point 5.3. <p>KZR_INiG_9: Requirements for Certification Bodies</p> <ul style="list-style-type: none"> • 5.3 Supervision of certification bodies within the KZR INiG System: • Certification bodies (CB), during the term of authorisation, are subject to supervision. This
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			<p>supervision is part of KZR INiG internal monitoring (see KZR INiG system/1 point 8).</p> <ul style="list-style-type: none"> • Internal monitoring – supervision of certification bodies involves: <ul style="list-style-type: none"> - periodic witness audits carried out by the KZR INiG. The purpose of the witness audit is to observe and assess audits undertaken by the certification body at the system participant; - periodic on-site audit. The audit is carried out by the KZR INiG auditors at the certification body's headquarters. The purpose of the audit is evaluation of the management system of the certification body and also of documents generated by the CB during KZR INiG certification processes. Particular attention is paid to reports and checklists, with a view for essential correctness. 4% of finished auditing process rounded up to the nearest integer, but no less than three (or all if a CB did not carry out more than 3 audits) performed by the CB within the last year are a subject of verification. • Non-compliance identified during the above mentioned audits are always assessed in view of the risk of introducing non sustainable biomass as sustainable biomass. If the risk is high every case is investigated immediately and appropriate actions are undertaken. • KZR INiG auditors prepare a report from both witness and on-site audit. The report contains among others: identified non-compliance, deadline for next audit and
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			<p>remarks, as well as recommendations concerning preservation or suspension of the authorisation.</p> <ul style="list-style-type: none"> • Basic frequency of both periodic witness audit and on-site audit is every year. The frequency can be increased or period between subsequent audits can be shortened if identified non-compliance may cause high risk of introducing non sustainable biomass as sustainable. Findings from compliant procedures (see KZR INiG system/1 point 8), as well as compliance received from third parties (e.g. other EU and outside EU countries, voluntary scheme, governmental and non- governmental organization, etc.) about a serious violation of KZR INiG rules, may be a reason to carry out an extra on-site audit. The decision about an extra audit or increasing frequency is taken by the manager of the Biomass Certification Systems Office, after evaluation of a given case and in consultation with the KZR INiG auditors carrying out the audit at the CB. • For as long as the authorisation of the certification body remains in force, at least one audit (both witness and on-site) has to be performed by the KZR INiG. • 5.13.1. Suspension, or withdrawal of recognition of the certification body • Suspension of the approval of a certification body may occur if: [...] <ul style="list-style-type: none"> ○ an audit carried out according to the internal monitoring rules (see point 5.3) found serious violation of the KZR INiG principles, and/or the CB no longer meets
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			<p>the requirements of the KZR INiG system;</p> <ul style="list-style-type: none"> the suspension may reflect the outcome of the internal monitoring (according to KZR INiG System/1 point 8). <ul style="list-style-type: none"> Suspension of authorization is for a specified time. During the suspension period, the certification body cannot carry out activities connected with certification under the KZR INiG System. Restoration of the authorization may occur if the conditions specified in the decision on suspension are met before the defined deadline, and verified by the System Administrator. [...]
6.13 Transparency	<ul style="list-style-type: none"> Voluntary schemes should make available information that is relevant for the operation of the system or for transparency purposes. This includes in particular: <ul style="list-style-type: none"> The list of economic operators that are recognised under the scheme and those who no longer participate. Information on the withdrawal or suspension of certificates must be published without delay. The latest version of scheme documents including the guidelines for audits. 	Y	<p>KZR_INiG_1: Description of the INiG System of Sustainability Criteria – general rules</p> <ul style="list-style-type: none"> 8. Transparency and independence of the KZR INiG System, complaint procedures, internal monitoring Documents of the KZR INiG System are freely available and published in the following web-site: www.kzr.inig.eu. Moreover, the KZR INiG website provides information on the following aspects: <ul style="list-style-type: none"> issued certificates (current (green mark), withdrawn/out of date (red mark) and suspended (yellow mark)), with comments if needed. Comments may include periods in which a certificate was suspended; scheme documents; certification bodies;

	<ul style="list-style-type: none"> ○ The certification bodies that are permitted to conduct audits and if relevant where they are accredited. ○ Publication of contact details for the scheme e.g. telephone number, email address and correspondence address. ○ The names of the voluntary schemes the scheme is recognising. 		<ul style="list-style-type: none"> ○ scheme contact details; ○ the names of the voluntary schemes the scheme is recognising. <ul style="list-style-type: none"> • Information on the withdrawal or suspension of certificates is published without delay. • NOTE It is strongly recommended that customers check the validity of a supplier's certificate on the KZR INiG website during the acceptance of deliveries. <p>The KZR website provides information on the following aspects:</p> <ul style="list-style-type: none"> • Issued certificates (current certificates only) • Scheme documents (all in English) • Certificate bodies • Scheme contact details • Voluntary scheme recognition
6.14 Annual reports	<ul style="list-style-type: none"> • Recognised voluntary schemes are obliged to submit annually a report to the Commission that includes relevant information concerning the operation of the scheme. • The scheme shall have a procedure in place to collect the information required to fulfil this reporting obligation. 	Y	<p>KZR_INiG_1: Description of the INiG System of Sustainability Criteria – general rules</p> <ul style="list-style-type: none"> • 10. Annual reports • According to the provision of Directive (EU) 2015/1513 (the ILUC Directive amending the RED), the KZR INiG is obliged to submit annually a report to the Commission that includes or verifies: [points a to k] • The report is be sent by 30th April every year. • In order to prepare reliable information for point (f), the KZR INiG extracts reports, in aggregated form, received from the First gathering point and from biofuel producers. Relevant data are then put on the

			<p>Commission's data-reporting template. If any company among the system participants does not comply with its reporting obligations, it is treated as non-conforming, and is liable to suspension of its certificate. Moreover, the KZR INiG is entitled to indicate the name of any such company to the European Commission.</p> <ul style="list-style-type: none"> • Further guidelines concerning preparation of the report are included in the ILUC Directive (EU 2015/1513) and on DG Energy website http://ec.europa.eu/energy/en/topics/renewable-energy/biofuels/voluntary-schemes ("Letter on reporting requirements for voluntary schemes" and "Data reporting template").
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