






System KZR INiG/1

	<u>Certification system of sustainable biofuels and bioliquids production</u>	Issue: 2nd
	Description of the INiG System of Sustainability Criteria – general rules	Date:
		Page 2 of 17

	<u>Certification system of sustainable biofuels and bioliquids production</u>	Issue: 2nd
	Description of the INiG System of Sustainability Criteria – general rules	Date:
		Page 3 of 17


**Description of the INiG System of Sustainability Criteria –
 general rules**

By the Oil and Gas Institute
 The KZR INiG System/1

	<u>Certification system of sustainable biofuels and bioliquids production</u>	Issue: 2nd
		Date:
	Description of the INiG System of Sustainability Criteria – general rules	Page 4 of 17

List of contents

1. Introduction	5
2. Normative references	5
3. Definitions	6
4. The scope of the KZR INiG System	6
5. The criteria of the KZR INiG System	7
6. The structure of the KZR INiG System	10
7. Participants of the KZR INiG System.....	12
8. Transparency and independence of the KZR INiG System	18
9. Principles of use of KZR INiG System logo.....	18
10. Costs of participation in KZR INiG System	19
11. Annex list:	20

	<u>Certification system of sustainable biofuels and bioliquids production</u>	Issue: 2nd
	Description of the INiG System of Sustainability Criteria – general rules	Date:
		Page 5 of 17

1. Introduction

System of certification of biofuels and bioliquids (further referred to as the **KZR INiG System or System**) relating to the sustainability criteria developed in the Oil and Gas Institute (further named as Administrator). The rules of the KZR INiG System are based on requirements stated in Directive 2009/28/EC of the European Parliament and of the Council of April 23, 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC (further referred to as the RED or Renewable Energy Directive). The requirements of the KZR INiG System are in line with the aims defined in the Directive, and they also take into account local conditions.

In all documents describing the system, the abbreviation **KZR** is used for sustainability criteria defined in Directive 2009/28/EC.

Implementation of the KZR INiG System is to provide economic operators, particularly local ones, operating in the supply chain of biofuels and bioliquids with the possibility to prove that they meet sustainability criteria, according to the requirements of RED.

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.

2. Normative references

The system of sustainable certification of biofuels and bioliquids production developed in the Oil and Gas Institute in Cracow, has been described in detail in the documents referred below. The normative references display documents which, contents are linked and must be considered as common points.

KZR INiG System /2/ Definitions

KZR INiG System /3/ Reference with national legislation

KZR INiG System /4/ Land use for raw materials production – lands with high carbon stock

KZR INiG System /5/ Land use for raw materials production - biodiversity

KZR INiG System /6/ Land use for raw materials production – agricultural and environmental requirements and standards


KZR INiG System /7/ Guidance for proper functioning of mass balance system

KZR INiG System /8/ Guidelines for the determination of the lifecycle per unit values of GHG emissions for biofuels and bioliquids

KZR INiG System /9/ Requirements for certification bodies

KZR INiG System /10/ Guidelines for auditor and conduct of audit

KZR INiG-PIB System /1	Cracow, October February 2015	Issue No 2
------------------------	--	-------------------

	<u>Certification system of sustainable biofuels and bioliquids production</u>	Issue: 2nd
	Description of the INiG System of Sustainability Criteria – general rules	Date:
		Page 6 of 17

The Scope of the abovementioned KZR INiG System's documents is based on the following documents:

EN 16214-1 Sustainably produced biomass for energy applications – Principles, criteria, indicators and verifies for biofuels and bioliquids – Part 1: Terminology.

PrEN 16214-2 Sustainably produced biomass for energy applications – Principles, criteria, indicators and verifies for biofuels and bioliquids – Part 2: Conformity assessment including chain of custody and mass balance.

EN 16214-3 Sustainably produced biomass for energy applications – Principles, criteria, indicators and verifies for biofuels and bioliquids – Part 3: Biodiversity and environmental aspects.

EN 16214-4 Sustainably produced biomass for energy applications – Principles, criteria, indicators and verifies for biofuels and bioliquids – Part 4: Calculation methods of the greenhouse gas emission balance using a life cycle analysis.

FprCEN/TR 16214-5 Sustainably produced biomass for energy applications – Principles, criteria, indicators and verifies for biofuels and bioliquids – Part 5: Guidance towards definition of residue and waste via positive list.

Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing directives 2001/77/EC and 2003/30/EC


3. Definitions

System KZR INiG/2/Definitions

4. The scope of the KZR INiG System

The KZR INiG System was developed in the Poland, taking into account the European regulations in the scope of both the assessment of biomass cultivation from the point of view of land use and good agricultural practice, and realization of international labor conventions (listed in article 17(7) of the RED).

References to national legislations are described in document *KZR INiG System/3/Reference to national legislation*. Given this aspect, it shall be noted that the **territorial range of the KZR INiG System validity encompasses EU territory, taking into particular consideration the territory of the Republic of Poland.**

	<u>Certification system of sustainable biofuels and bioliquids production</u>	Issue: 2nd
	Description of the INiG System of Sustainability Criteria – general rules	Date:
		Page 7 of 17

Within the framework of the KZR INiG System **raw materials cultivated and harvested, as well as wastes and residues collected in the territory of European Union, and also feedstock, biofuels and bioliquids produced in the territory of EU countries,** will be assessed for conformity with sustainability criteria.

The whole lifecycle of biofuels and bioliquids will be assessed, starting from the stage of raw material cultivation or waste/residues collection point to the stage of final usage, waste and residue formation, considering all inter-linkage of the supply chain.

The KZR INiG System includes all entities which ~~physically takes ownership~~ are legal owners of biomass or biofuel.

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

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 and bioliquids shall be at least 35 %.

With effect from 1 January 2017, the greenhouse gas emission saving from the use of biofuels and bioliquids shall be at least 50 %. From 1 January 2018 that greenhouse gas emission saving shall be at least 60 % for biofuels and bioliquids produced in installations in which production started on or after 1 January 2017. Greenhouse gas emissions from any land-use change that has occurred since 1 January 2008 shall be taken into account in the greenhouse gas calculation


The greenhouse gas emission saving from the use of biofuels and bioliquids shall be calculated in accordance with ***RED methodology or KZR INiG System/ 8/ Guidelines for determination of lifecycle per unit values of GHG emissions for biofuels and bioliquids document.***

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 1st January 2008, whether or not the land continues to have that status:

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;

b) areas designated:

- by law or by the relevant competent authority for nature protection purposes; or

	<u>Certification system of sustainable biofuels and bioliquids production</u>	Issue: 2nd
	Description of the INiG System of Sustainability Criteria – general rules	Date: Page 8 of 17

- 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;

c) highly biodiverse grassland is:

- natural, namely grassland that would remain grassland in the absence of human intervention; and maintains the natural species composition and ecological characteristics and processes.

~~natural grasslands that would remain grassland in the absence of human intervention and which maintains the composition of natural species, ecological characteristics and processes (definition based on article 17 3c) (i) of the RED).~~

- non natural, namely 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.

~~– 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~~


~~– non natural, namely grassland that would cease to be grassland in the absence of human intervention and which is species rich and not degraded.~~

~~The Commission shall establish the criteria and geographic ranges to determine which grassland shall be covered by point (c). Immediately upon the receipt of that information, the KZR INiG system will be updated and resubmitted to the European Commission for approval. Up to that time, criterion regarding highly biodiverse grassland will not be applied.~~

~~Until definitions, criteria and geographic areas featuring grassland with high biodiversity are determined by the Commission, any conversion of grassland in or after 1st January 2008 is prohibited within 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:

a) wetlands, namely land that is covered with or saturated by water permanently or for a significant part of the year

	<u>Certification system of sustainable biofuels and bioliquids production</u>	Issue: 2nd
	Description of the INiG System of Sustainability Criteria – general rules	Date:
		Page 9 of 17

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

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.


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.

5. Agricultural raw materials cultivated in the Community and used for the production of biofuels and bioliquids shall be obtained in accordance with the requirements and standards under the provisions referred to under the heading ‘Environment’ in part A and in point 9 of Annex II to Council Regulation (EC) No 73/2009 of 19 January 2009 establishing common rules for direct support schemes for farmers under the common agricultural policy and establishing certain support schemes for farmers (OJ L 30, 31.1.2009, p. 16.) and in accordance with the minimum requirements for good agricultural and environmental condition defined pursuant to Article 6(1) of that Regulation.

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.

The aforementioned criteria are described in the following system documents:

1. Biofuels and bioliquids, have not been manufactured from raw materials obtained from lands with high carbon stock, nor from peatlands. These requirements are described in detail in document ***KZR INiG System/ 4/Land use for raw materials production – lands with high carbon stock.***
2. Biofuels and bioliquids have not been manufactured from raw materials obtained from areas with high biodiversity. These requirements are described in detail in document ***KZR INiG System/ 5/Land use for raw materials production – biodiversity.***

	<u>Certification system of sustainable biofuels and bioliquids production</u>	Issue: 2nd
	Description of the INiG System of Sustainability Criteria – general rules	Date:
		Page 10 of 17

3. Agricultural raw materials for production of biofuels and bioliquids have been obtained according to the requirements and standards establishing common rules for direct support systems for farmers within the framework of common agricultural policy, and also according to the minimum requirements on good agricultural practice consistent with nature protection. These requirements are described in detail in document *KZR INiG System/ 6/Land use for raw materials production – agricultural and environmental requirements and standards*.
4. In order to ensure traceability of a biomass (processed biomass) batch meeting the sustainability criteria and that which does not meet them, an economic operator who uses biomass (processed biomass) is obliged to implement a mass balance system. These requirements are described in detail in document *KZR INiG System/ 7/ Guidance for proper functioning of mass balance system*.
5. The reduction potential of greenhouse gases emissions for biofuels and bioliquids and also of intensity of greenhouse gases emissions for biomass (processed biomass) at the individual stages of its processing has been defined according to the methodology stated in Annex V to RED. These requirements are described in detail in document *KZR INiG System/ 8/ Guidelines for the determination of the lifecycle per unit values of GHG emissions for biofuels and bioliquids*.
6. References of the KZR INiG System to national legislation are shown in document *KZR INiG System/ 3/Reference with national legislation*.


The certificate issued by the certification body, authorized by the KZR INiG System Administrator, is a document confirming compliance with the above mentioned criteria. Issuing such a certificate is preceded by an audit, during which evidence of meeting of the above criteria by the economic operator being subject to the certification process is assessed. Certification bodies, as well as auditors carrying out the audit, shall be characterized by high professionalism, required knowledge, and competency. Requirements and guidelines for such bodies operating within the framework of the KZR INiG System are presented in documents: *KZR INiG System/9/Requirements for certification bodies* and *KZR INiG System/10/ Guidelines for auditor and conduct of audit*.

6. The structure of the KZR INiG System

The KZR INiG System is owned and administered by the Oil and Gas Institute located in Cracow, represented by the Director of the Institute. The System Administrator is the operator having the right to administer the certification system, and is obliged to ensure **independence, transparency, avoiding conflicts of interests** between the system participants and certification bodies. The System Administrator, signs agreements with:

- economic operators who intend to participate in KZR INiG System,
- certification bodies after positive results of assessment (see *KZR INiG System /9/ Requirements for certification bodies*) are named as authorized certification bodies.

KZR INiG-PIB System /1	Cracow, October February 2015	Issue No 2
------------------------	--	------------

	<u>Certification system of sustainable biofuels and bioliquids production</u>	Issue: 2nd
	Description of the INiG System of Sustainability Criteria – general rules	Date:
		Page 11 of 17

The KZR INiG System Board, which is set up by System Administrator ~~as an organizational division called the System Board~~, manages the KZR INiG System Office. The Board of the System has decisive powers in relation to the System; it supervises certifying bodies within the framework of the System. 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 System Board is responsible for the authorization of the certification body, interested in the implementation of the KZR INiG System to their structures.

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: **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 INiG System.

The KZR INiG System Office, it is a division responsible for supervision and development of the System. The main task of this division is to supervise records and documents of the KZR INiG System and realization of the System's resolutions.

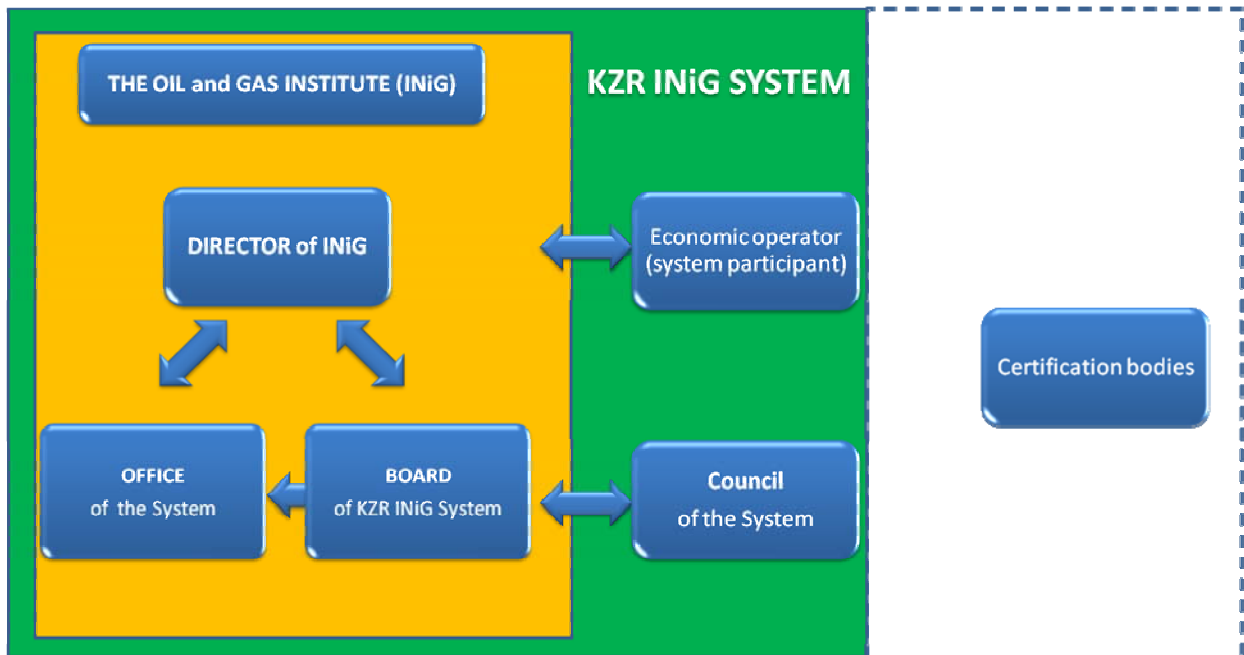
Economic operators means everyone who provide economic activity, exists in the supply chain, operates with sustainable raw material (biomass), feedstock (processed biomass), biofuels, bioliquids, wastes and residues (first waste/residue collection points, **trading and processing**) and is interested in obtaining the KZR INiG certificate.

Certification bodies are not participants of the KZR INiG System, and their task is to evaluate data submitted by economic operators, documenting compliance with the requirements of the KZR INiG System. Certification bodies are impartial, independent organizations with freedom of economic activities, which operates within the framework adopted by that body and recognised by the certification system, and is authorized to issue KZR INiG certificates and carries out control and management of processes and conformity with the KZR INiG System requirements for system participants. All relevant requirements for certification bodies and an audit have been described in the following System documents: *KZR INiG System /9/ Requirements for certification bodies* and *KZR INiG System /10/ Guidelines for auditor and conduct of audit*.

Structure of the KZR INiG System as a diagram is shown in the figure below:


	<u>Certification system of sustainable biofuels and bioliquids production</u>	Issue: 2nd
		Date:
	Description of the INiG System of Sustainability Criteria – general rules	Page 12 of 17

Fig.1 Structure of KZR INiG System



7. Participants of the KZR INiG System

In order for biofuels and bioliquids to be accepted as achieving the goals set out by the KZR INiG System, towards the fulfillment of the duty to use energy from renewable sources, and also to be qualified for financial support, they must meet the sustainability criteria. Considering the fact that the sustainability criteria relates to the whole lifecycle of biofuels and bioliquids, it is required that all participants of the supply chain, in the scope of their activity will show proof of meeting these requirements. The economic operators are obliged to:

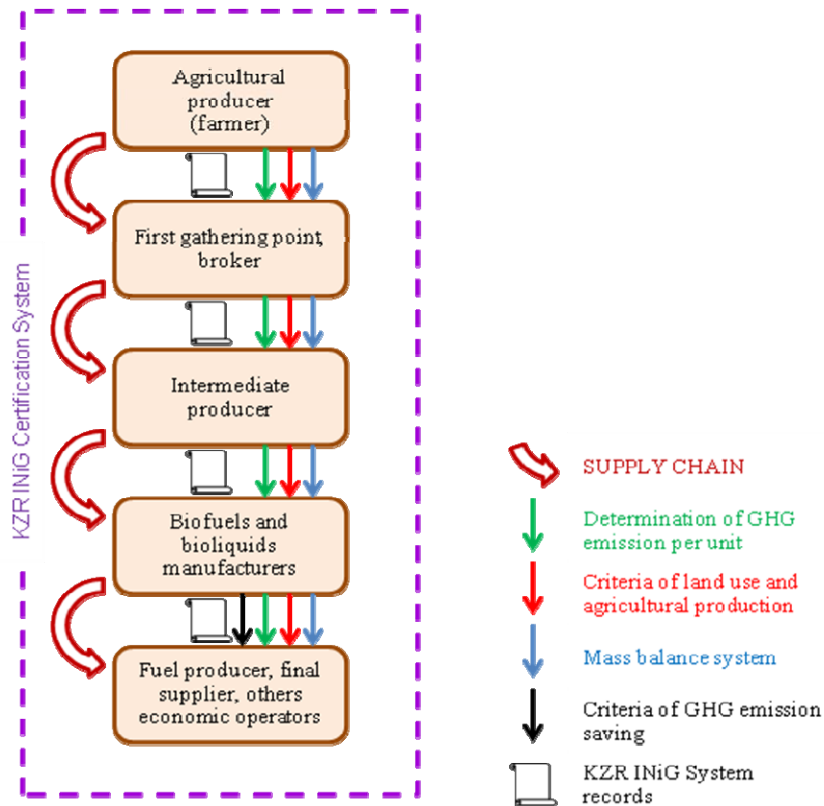
	Certification system of sustainable biofuels and bioliquids production	Issue: 2nd
		Date:
	Description of the INiG System of Sustainability Criteria – general rules	Page 13 of 17


- submit credible information verified by an independent audit,
- have a documentation management system,
- ~~have a quality system,~~
- keep all evidence for a minimum of 5 years,
- accept responsibility for preparing any information related to the auditing of such evidence.

Within the framework of the KZR INiG System, these requirements shall apply whether the biofuels or bioliquids are produced within the European Community or imported, and is realized by certification bodies which verify the submitted information. 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 requirements of sustainable criteria. Transport is not audited (it is not a certification subject).

A diagram of the supply chain is shown below.

Fig.2. A diagram of the supply chain



	<u>Certification system of sustainable biofuels and bioliquids production</u>	Issue: 2nd
	Description of the INiG System of Sustainability Criteria – general rules	Date:
		Page 14 of 17

As denoted in the figure above, each of the economic operators in the supply chain is obliged to implement the requirements of the KZR INiG System, in the scope of their operational area.

Agricultural producer (farmer)

The agricultural producer is the first link of the supply chain, hence their necessity to participate in the KZR INiG System. For biofuels and bioliquids to be considered as complying with the sustainability criteria, it is necessary to prove that raw materials, from which bioliquids and biofuels have been produced, meet the sustainability criteria in the scope of arable land use, defined in the RED and discussed in detail in the following KZR INiG System documents:


1. *KZR INiG System/4/Land use for raw materials production – lands with high carbon stock.*
2. *KZR INiG System/5/Land use for raw materials production – biodiversity.*
3. *KZR INiG System/6/Land use for raw materials production – agricultural and environmental requirements and standards.*

In order to assess meeting the criterion of greenhouse gases emission saving by a product included in the certification system, it is necessary to know GHG emission generated at earlier stages of production, including the stage of plants' cultivation. For that reason, the agricultural producer is also obliged, besides running mass balance, to define the intensity of GHG emissions at the cultivation stage. Details of the methodology of determination of these values are provided in document: *KZR INiG System/8/ Guidelines for the determination of the lifecycle per unit values of GHG emissions for biofuels and bioliquids.*

According to the rules of the KZR INiG System, an agricultural producer is 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 to a batch of raw materials a ***Self-declaration for agricultural producer*** (Annex 2). **The declaration is valid no longer than 12 months starting from the date of signature.** The scope of reported data identifies 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 during an audit. Apart from providing the compliance with land use criteria, the agricultural producer is obliged to introduce a mass balance system and report the greenhouse gas emissions. When a default value according to Annex V to the RED or a regional default value is reported, it will be necessary to verify correctness of the values indicated. In the case when the agricultural producer reported actual values of GHG emission intensity, it will be necessary to verify correctness of the used methodology and calculations.

First gathering point, broker

KZR INiG-PIB System /1	Cracow, October February 2015	Issue No 2
------------------------	--	------------

	<u>Certification system of sustainable biofuels and bioliquids production</u>	Issue: 2nd
	Description of the INiG System of Sustainability Criteria – general rules	Date:
		Page 15 of 17

First gathering point purchasing raw materials (e.g. grain or sugar beet) from agricultural producers and broker (economic operator that trades and stores biomass), are the next link in the supply chain. Their responsibilities include also collection of proofs confirming that raw materials cultivation and harvesting meet the sustainability criteria. Aspects related to the assessment of land use for raw materials cultivation are discussed in the following documents:

1. *KZR INiG System/4/Land use for raw materials production – lands with high carbon stock.*
2. *KZR INiG System/5/Land use for raw materials production – biodiversity.*
3. *KZR INiG System/6/Land use for raw materials production – agricultural and environmental requirements and standards .*

First gathering point and broker have a documentation management system and are obliged to implement a mass balance system and methodology of determination of GHG emissions. This responsibility is subjected to audit. These aspects are discussed in detail in the following documents:


1. *KZR INiG System/ 7/ Guidance for proper functioning of mass balance system*
2. *KZR INiG System/8/Guidelines for the determination of the lifecycle per unit values of GHG emissions for biofuels and bioliquids*
3. *KZR INiG System/9/ Requirements for Certification Bodies*
4. *KZR INiG System/10/ Guidelines for auditor and conduct of audit*

If, the broker is only selling on/trading the material **without legal ownership** (and not actually receiving and not storing any physical product) then they would typically not need to undergo certification

Intermediate producer

The intermediate producer, **including wastes and residue processors** (e.g. oil extraction plant, distillery) is the next participant of the supply chain, and thereby a participant of the System. According to the rules of the KZR INiG System, similarly to the first gathering point of raw materials, the intermediate producer (producer) is obliged to obtain a certificate confirming that the production meets sustainability criteria. The biofuel and bioliquids production plant has a management system and implemented the mass balance system. It is also necessary to adopt a methodology for calculations of greenhouse gas emissions, based on a mass balance system, considering emissions generated at earlier stages of the lifecycle. These aspects are discussed in detail in the following documents:

1. *KZR INiG System/ 7/Guidance for proper functioning of mass balance system.*
2. *KZR INiG System/8/Guidelines for the determination of the lifecycle per unit values of GHG emissions for biofuels and bioliquids.*

	<u>Certification system of sustainable biofuels and bioliquids production</u>	Issue: 2nd
	Description of the INiG System of Sustainability Criteria – general rules	Date:
		Page 16 of 17

Manufacturer of a biofuel and bioliquid

The biofuel and bioliquids manufacturer is the next link in the supply chain, being a participant of the KZR INiG System. The manufacturer, apart from the necessity of implementation of a mass balance system, ensuring traceability of the raw material and feedstock meeting the sustainability criteria, determination of GHG emissions generated at the stage of biofuel and bioliquids production, is also obliged to have a documentation management system.

Requirements for the implementation of a mass balance system are described in document *KZR INiG System/7/ Guidance for proper functioning of mass balance system*.

Methodology of calculations of GHG emissions in a biofuel and bioliquids lifecycle are presented in the *KZR INiG System/8/Guidelines for the determination of the lifecycle per unit values of GHG emissions for biofuels and bioliquids*.

The biofuel producer is obliged to calculate GHG emission reduction in comparison to the fossil fuel comparator and also to meet the GHG emission reduction criterion, according to point 5.1.

Fuel producer, final supplier, other economic operators (~~first waste collection points~~)

This is a group of economic operators, handling of wastes and residues, biofuel, bioliquid, blending with conventional fuel and supplying the product to fuel stations and the final user. ~~Apart from the necessity~~ These entities are obliged to implement the mass balance system, ensuring traceability of biofuel, bioliquid meeting the sustainability criteria, they, if applicable, ~~shall~~ determine GHG emissions generated during this stage, and have a documentation management system.


~~The final supplier is also obliged to determine GHG emission savings in relation to fossil fuel equivalent.~~ The final supplier of the biofuel which meets sustainability criteria is also obliged to fulfil GHG emission savings criterion in relation to the fossil fuel comparator.

First waste/residues collection point/economic operator collecting and processing waste and residues

The first waste/residues collection point shall be construed as an economic operator which collects waste or residues from 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.

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 supplies.

	<u>Certification system of sustainable biofuels and bioliquids production</u>	Issue: 2nd
	Description of the INiG System of Sustainability Criteria – general rules	Date:
		Page 17 of 17

The entity which supplies the waste/residues is obliged to fill in the declaration of waste/ residues. The declaration specimen is 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 (apart from other KZR INiG system requirements) obliged to:

- 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.

In the case of collecting household waste/residues the declaration is not required. The first wastes/residues collection point shall document the amount of collected wastes/residues.

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 the origin to the waste collection points. They do not have to be certified, but are audited at waste collection point, according to the rules described in the KZR INiG System/10 document.

Certification bodies

Certification bodies **are not participants of the KZR INiG System**, and their task is to evaluate data submitted by economic operators, documenting compliance with the requirements of the KZR INiG System. For that reason, auditors are required to know the requirements of this System, and also to have knowledge and skills of how to perform audits. Detailed requirements for both certification bodies and auditors are presented in documents: *KZR INiG System/9/Requirements for certification bodies* and *KZR INiG System/10/ Guidelines for auditor and conduct of audit*.

Cooperation between Certification Bodies and the KZR INiG System includes:

- First audit of conformity of System implementation,
- Audits surveillance,
- Trainings,
- Access to data base (actual system information and annual reports of system results and development, etc.).

	<u>Certification system of sustainable biofuels and bioliquids production</u>	Issue: 2nd
	Description of the INiG System of Sustainability Criteria – general rules	Date:
		Page 18 of 17

8. Transparency and independence of the KZR INiG System

The KZR INiG System is independent and free from external pressures. 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, and perform audits of a given participant of the System, must be free from conflict of interests. Audits are realized according to principles of confidentiality. Implementation of the requirements of the KZR INiG System should be realized in a transparent and easily verifiable way.

Documents of KZR INiG System are overt and published in the following website: www.inig.system.pl

System participants, and also certification bodies, sign interim contracts with the Oil and Gas Institute as the owner of the KZR INiG System, defining rights and obligations of both parties. Exceptions and proceedings in the cases when the contract is broken, are also regulated.

9. Principles of use of KZR INiG System logo

Minimum dimensions of the logo are 18 mm x 20.5 mm, below this dimension the sign may be unreadable.

The use of the logo is possible only when a valid certificate is held.


Protective field measures 1/3 of the side length of the logotype. The protective field of the logotype defines an area around the sign that cannot be overlapped – wholly or partially – by any graphic or text elements. The aim of the protective field is to preserve a readable form of the logo. Keeping the protective field guarantees correct visual reception of the sign.

It is not allowed to:

- interfere with the lettering of the logo,
- modify the position of the text in relation to the logotype,
- place any text or graphic, e.g. other signs, in the protective field.

The following types of operations are forbidden:

- repositioning of the symbol or typography in relation to each other,
- disproportionate scanning,
- coloring the logo differently than it is defined in the basic version.

	<u>Certification system of sustainable biofuels and bioliquids production</u>	Issue: 2nd
	Description of the INiG System of Sustainability Criteria – general rules	Date:
		Page 19 of 17

The basic version of the logo should be used whenever technically possible. The colored version should be used always when possible. In cases when using the basic version is not possible because of technical or compositional reasons, monochromatic versions should be used.

The logotype should be placed on white background. In justified cases, it may be placed on uniform background other than white, but the color ranges of the background must be contained in the range described by Hue/Saturation/Lightness of RGB system as:

Hue: 28-100
Saturation: 0-255
Lightness: 200-255

In exceptional situations, the logo may be placed on a different background if it results from characteristics of material used (e.g. black paper, cardboard, other). In such a case, consent from the Department of Marketing of the Oil and Gas Institute is necessary.

10. Costs of participation in KZR INiG System

The main purpose of the KZR INiG System is to prove conformity of raw materials, biofuels and bioliquids production with the sustainability criteria as per RED. Fulfillment of these requirements will be an additional administrative, and also financial burden for participants. In the organization of the KZR INiG System, specific local conditions have been taken into account (including using data and information collected from government agencies, which should lessen the administrative burden, particularly those imposed on an agricultural producer.

Charges for obtaining the KZR certificate include the following components:


- costs connected with the process of obtaining the certificate (audit),
- costs connected with participation in the KZR INiG System.

Costs connected with the process of obtaining the certificate (audit)

Payments for carrying out an audit are agreed upon in a separate contract between the certification body, and the economic operator.

Costs connected with participation in the KZR INiG System

Payments resulting from participation in the System are paid according to the pricelist and to a contract signed between the Oil and Gas Institute and the participant being certified. The payments include: a one-time registration fee and payments calculated quarterly, dependant on the quantity of sold raw materials and feedstock having the KZR certification. Fees are determined by the Board of the System and approved by the Director of the Institute. A detailed pricelist is appended as Annex 1 to this document. Payments for raw materials/feedstock are – after prime

	<u>Certification system of sustainable biofuels and bioliquids production</u>	Issue: 2nd
	Description of the INiG System of Sustainability Criteria – general rules	Date:
		Page 20 of 17

costs and have been taken into account – assigned for the development and improvement of the System.

11. Annex list:

1. Annex 1 – Price list
2. Annex 2 – Self-declaration for agricultural producer
3. Annex 3- Declaration of wastes/residues.

