





System KZR INiG/10

	Certification system of sustainable biofuels, biomass fuels and bioliquids production	Issue: 4 th
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by The Oil and Gas Institute - National Research Institute

The KZR INiG System/10

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1. Introduction

Article 30 (3) of Directive (EU) 2018/2001 as amended by Directive (EU) 2023/2413 ("the RED III") requires that economic operators provide data concerning compliance with the sustainability criteria, confirmed by an independent audit. The audit verifies whether the systems used by economic operators are precise, reliable, and protected against fraud. This leads to the necessity of ensuring a high standard of audits, carried out by a professional team.

Auditors are persons qualified to conduct audits, and with technical knowledge acquired through a professional career and through training in the sustainability issues defined in the RED III. These persons have been trained on the KZR INiG certification system and possess documented knowledge of requirements for quality and/or environmental management systems auditing. In justified cases, an auditing team shall be supported by a technical expert, as required, who shall operate under the direction of an auditor.

2. Scope

This document presents requirements for the compliance assessment process in the certification of sustainable biofuels, biomass fuels and bioliquids production, as specified in the KZR INiG certification system. The auditors' competence requirements are defined.

3. Normative references

The normative references, covering all aspects of the KZR INiG System, are the following linked documents, which should be read in conjunction.

KZR INiG System /1/ Description of the KZR INiG System – general rules

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 life cycle per unit values of GHG emissions for biofuels, biomass fuels and bioliquids

KZR INiG System /9/ Requirements for certification bodies

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

KZR INiG System /11/ Forest biomass

KZR INiG System /12/ Renewable Fuels of non-biological origin and recycled carbon fuels

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and

EN ISO 19011 Guidelines for auditing management systems

EN ISO/IEC 17065 Conformity assessment — Requirements for bodies certifying products, processes and services

4. Definitions

KZR INiG System/2/ Definitions

5. Description and requirements

5.1. Requirements for an auditor

In accordance with the requirements of the KZR INiG System, it is necessary to ensure that audits conform to the System's guidelines, and that persons designated to conduct audits have the appropriate competence.


In order to confirm fulfillment of the requirements of the KZR INiG System for assessing the sustainability of biofuels/biomass/biomass fuels/bioliquids are met, the manager of a certification body appoints auditors who:

- ✓ are **external**: auditor cannot provide work for the certified entity; An exception is possible for the audit of Article 29(3), points (a), (b), (d) and (e), Article 29(4), point (a), Article 29(5), point (a) of Article 29(6) and point (a) of Article 29(7) of the RED III, in which case first or second party auditing may be used up to the first gathering point (FGP);
- ✓ are **independent**: auditors are independent of the activity being audited and free from conflicts of interest;
- ✓ have **general qualifications**: the certification body must have general qualifications to conduct the audit; and
- ✓ have the **appropriate specific qualifications**: the auditors must have qualifications necessary for assessing the evidence provided or required, in terms of the System criteria.

Auditors are obliged to make a **confidentiality declaration**.

5.1.1. Foundation of professionalism

Auditors shall demonstrate competences in the area in which they perform verification. Auditors shall be appointed to verification of defined certification area (e.g., verification of FGP, GHG emission etc.).

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In accordance with KZR INiG System requirements, **the audit team** must have proper qualifications.


Each auditor shall demonstrate at least:

- ✓ have **3 years** of professional experience, including at least 2 years working in the relevant area of quality and/or environmental 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 in accordance with the requirements of the ISO 19011 standard;
- ✓ prove **participation** in at least certification and/or surveillance of **10 audits**, totaling **15 days** according to ISO, CEN, voluntary scheme recognised by the European Commission, EU Regulations or similar as auditor;
- ✓ have **knowledge of the KZR INiG System requirements**;
- ✓ successfully complete training in the KZR INiG System requirements (**positive result of an exam**).


In order to maintain appointment of the auditor, the auditor has to carry out at least one KZR INiG audit per year. Otherwise, the auditor is suspended. Re-appointment may be made if the auditor passes the KZR INiG basic training with positive result of the exam and passes the evaluation according to internal CB rules. Please note that all current competency requirements for the auditor shall be met.

Beside of above-mentioned criteria, in case of certification of particular certification scope, auditors have to meet additional requirements. For auditors who do not meet following criteria, but intend to gain relevant qualification, they must participate at least in 5 audits (30 hours) as trainee auditor and pass evaluation during witness audit. Evaluation is performed according to the internal CB's rules.

Qualification	Requirements
Verification of GHG emissions (all certification pathways including GHG emissions of recycled carbon fuels and renewable fuels of non-biological origin)	<ul style="list-style-type: none"> • a minimum of 2 years' experience in fuel life-cycle assessment, and specific experience in auditing GHG emission calculations in accordance with the methodology set out in Annexes V and VI to Directive (EU) 2018/2001 as amended by Directive (EU) 2023/2413, that is relevant for the type of audits to be conducted by the individual auditor. Depending on the specific scope of the audit, that experience shall be complemented by experience in agriculture,

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	<p>agronomy, ecology, forestry, natural science, silviculture, engineering, energy management or a related field. Where the scope of the audit includes verifying soil organic carbon levels, for the purpose of applying the emission saving credit for soil carbon accumulation, technical knowledge on soil science shall also be required;</p> <ul style="list-style-type: none"> • Always if there is a significant change in GHG methodology, the refreshing training shall be passed. The KZR INiG informs about the significant change and necessity of refreshing training. • Relevant experience in depending on the type of audits to be conducted by the individual auditor is required.
Verification of GHG emissions of recycled carbon fuels and renewable fuels of non-biological origin)	<ul style="list-style-type: none"> • Workshop (at least 6 hours) on GHG emission covering methodology of RFNBO/RCF carried out by voluntary scheme recognized by the EC in this scope
RFNBO	<ul style="list-style-type: none"> • Documents proving knowledge of Regulation (EU) 2019/943 in the context of bidding zone determination (trainings, professional experience). Hower self-study is not accepted. • Documents proving knowledge of PPAs types (trainings, professional experience). Hower self-study is not accepted.
RCF	<ul style="list-style-type: none"> • Knowledge of EU ETS system proved as experience in auditing according to EN ISO 14065:2013-07 / EN ISO IEC 17029:2020-04 or training (self-study is not accepted) and • At least 2 years of professional experience in industry or • At least 15 of audits as lead auditor performed at processing plants
Agricultural waste/residue gathering point	<ul style="list-style-type: none"> • education in agriculture or at least 2 years of experience in verification of farmers according to RED or RED II or RED III
Waste/residue gathering point	<ul style="list-style-type: none"> • at least 5 audits of verification of processing units as lead auditor.
Forestry biomass gathering point	<ul style="list-style-type: none"> • Education in forestry or • log sorter authorization (6 days training)

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	<p style="text-align: center;">or</p> <ul style="list-style-type: none"> at least 10 audits experience in verification of forests on compliance with international schemes or officially approved national schemes
Land use criteria:	<ul style="list-style-type: none"> experience in agriculture, agronomy, ecology, natural science, forestry, silviculture or similar, including specific technical skills needed to verify compliance with the highly biodiverse grasslands and highly biodiverse forest criteria <p>NOTE: conversion of any grassland is prohibited according to the KZR INiG, thus the KZR INiG does not define extra requirements for auditing of such area</p>
Soil organic carbon levels for the purpose of applying the emission saving credit for soil carbon accumulation (e_{sca})	<ul style="list-style-type: none"> education in agriculture and specific knowledge in soil management
Group auditing	<ul style="list-style-type: none"> at least 10 group audits. Group audit means the audit of one organization, covering external entities, where the sample of these external entities is taken.

Based on auditors' qualifications, certification body assigns auditor(s) to certify particular certification scopes.


The audit team shall have the competence, experience, and the generic and specific skills necessary for conducting the audit taking into account the scope of the audit. Where there is only one auditor, the auditor shall also have the competence to perform the duties of an audit team leader applicable for that audit. The certification body shall ensure that the certification decision is taken by a technical reviewer that was not part of the audit team.

5.1.2. Reliable presentation

Persons who conduct audits must carry them out precisely and according to actual state. As a result of auditing activities, comprehensive and explicit findings of audit, audit conclusions, and audit reports are obtained. Proofs confirming meeting the KZR INiG criteria by a company shall be reported in audit documentation.

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.

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5.1.4. Professional care

In order to ensure proper fulfillment of their tasks and to justify the confidence bestowed upon them by auditees, auditors must demonstrate exactitude, scrupulousness and a sense of duty during the audit.

5.1.5. Confidentiality

An appointed auditor or an audit team are obliged by the certification body to observe personal data protection rules and to maintain company commercial secrecy and trade secrets (publicly undisclosed technical, technological, or organizational information of the company, or other information with economic value, for which the entrepreneur has undertaken necessary actions to maintain confidentiality).

Each auditor is obliged to sign a “Declaration of confidentiality”, attached in Annex 1 to this document.

5.1.6. The maintenance of competence


The KZR INiG System pays particular attention to supervising the competence of auditors. For this reason, each certification body is obliged to introduce procedure(s) for supervising the competence of staff engaged in the KZR INiG certification process (not only auditors). This matter is a subject of surveillance audits carried out by the KZR INiG at certification bodies, according to internal monitoring (see *KZR INiG System/9*).

Auditors, before being appointed to as KZR INiG auditors, are required to attend trainings organised by KZR INiG, and to pass a final examination. Moreover, KZR INiG organizes, at least once a year, a training course for auditors, for exchanging experiences and enhancement of auditing, in which all authorized certification bodies are obliged to take part. This training always contains guidance to certification bodies and auditors, as required, on aspects that are relevant to the certification process. These may include, for example, updates to the regulatory framework or relevant findings resulting from internal monitoring. Information obtained during this training shall be distributed among staff engaged in the KZR INiG certification process. What is more, auditors shall undertake annually refresher training courses to ensure the professionalism of the auditors. It can be annually course organized by the KZR INiG, or by certification body. If the course is organized by CB, it shall reflect KZR INiG course and contain all KZR INiG course materials. It is a subject of verification during KZR INiG audits performed at CB (see internal monitoring requirements).

5.2. Requirements for technical expert

If needed, the auditing team may include a **technical expert** from a specific area. The expert is required to have specific knowledge of, among others:

- ✓ origin of data, e.g., maps, GPS, GIS, satellite photos;

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- ✓ pedological knowledge in the determination/identification of peatlands and in carrying out evaluations of degraded areas;
- ✓ biological and ecological knowledge such as characteristic species, habitat types (e.g., greenland types, wetlands) and native species of trees;
- ✓ processes related to GHG emissions and their source in every investigated area (plant, broker, farm, etc.);
- ✓ collection and processing of source data, measurement techniques and calculation methods related to GHG emissions (*KZR INiG System /8/ Guidelines for determination of lifecycle per unit values of GHG emissions for biofuels, biomass fuels and bioliquids*);
- ✓ evaluation of the credibility of parameters (crops/yields expected under the relevant conditions of climate and management strategy; expected mass streams for individual production processes; etc.);
- ✓ valid legislation, regulations, and other requirements in nature protection in countries where the KZR INiG System operates (*KZR INiG System /6/ Land use for raw materials production – agricultural and environmental requirements and standards*). Knowledge in this area should include:
 - ✓ local, regional, and national legal acts, decrees, and regulations,
 - ✓ contracts and agreements,
 - ✓ qualifications and experience in carrying out inspections of mass balance systems and at each individual stage of the supply chain (including balance of GHG emissions);
- ✓ knowledge and experience in the natural gas area, especially in the context of gas transmission system, liquefaction/regasification.

The expert's duty is to provide professional knowledge on the issue, and not to assess conformity with the KZR INiG requirements.

5.3. Technical reviewer

The certification body is obliged to set a technical reviewer. The technical reviewer is the function which can be named differently according to the internal procedures of CBs. However, the certification body shall ensure at least that the reviewer:

- ✓ is not a part of the audit team,
- ✓ has a competence to perform verification,
- ✓ is free of conflict of interest.

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If validation of an audit is divided into two or more stages (e.g., formal verification, substantive verification etc.) technical reviewer requirements apply for substantive verification stage. The technical reviewer tasks can be carried out by one person or by a team. In the latter the certification body is obliged to defined particular scope of obligations for each member of the team. Substantive verification and decision taking shall be done by a person meeting requirement defined in a point 5.3.1.

5.3.1. Technical reviewer – competences

The technical reviewer shall fulfil following requirements:

- ✓ at least one year of professional experience in the area of certification (e.g., work in a certification body involved in certification processes, person in charge for certified management system in a company);
- ✓ KZR INiG basic course with a positive result of the exam.

The technical reviewer is obliged to maintain his/her competences. Thus, he/she is obliged to participate in KZR INiG training (other than basic course) at least once a year. The training must be performed or by KZR INiG or by CB. The technical reviewer shall participate in the KZR INiG audit at least once a year. It may be as an auditor or as an observer.

5.3.2. Technical reviewer – tasks

The technical reviewer is responsible for validating the results of audits.

5.4. Description of the conformity assessment process

The main purpose of the compliance assessment process is to check conformity of activities with the KZR INiG System requirements and to determine the effectiveness and efficiency of its operation.

Economic operators are audited prior to allowing them to participate in the scheme. The first audit of a new scheme participant shall always be on-site. The first certification is understood as first certification under the KZR INiG, whereas switching either CB goes under re-certification rules. Similarly, certification after a time break is also the re-certification.

The certification body shall have a process for selecting and appointing the audit team as it is set out in ISO 19011, taking into account the competence needed to achieve the objectives of the audit. Audit team composition and audit decision making process shall be aligned with ISO 19011 standard.

Figure 1 shows diagrammatically a typical audit.


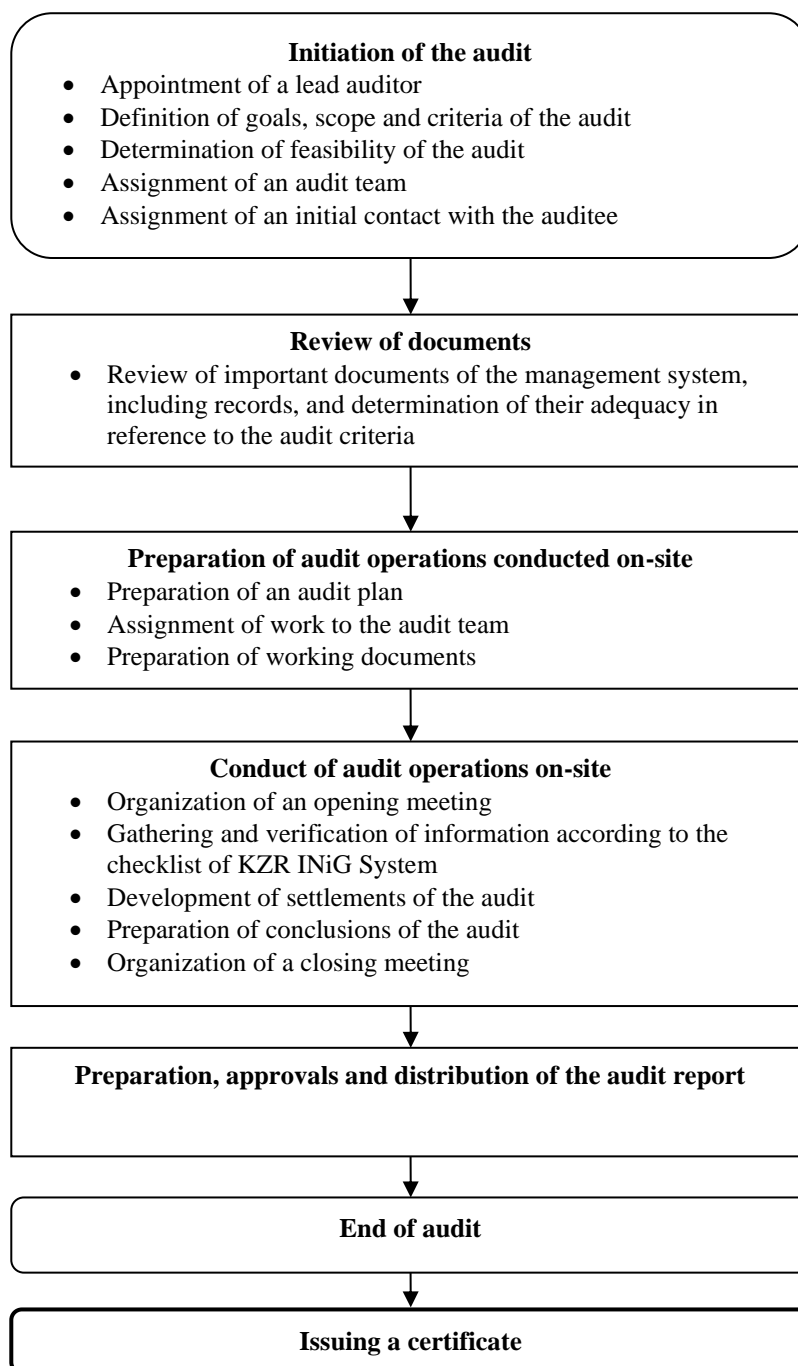

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Figure 1 – Scheme of audit conduct




Note

Beside of general guidance, CB shall take into account following issues:

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- CB identifies the activities undertaken by the economic operator which are relevant to the scheme's criteria;
- CB identifies the relevant systems of the economic operator and its overall organisation with respect to the scheme's criteria and checks for the effective implementation of relevant control systems;
- audit plan corresponds to the risk analysis and the scope and complexity of the economic operator's activities, and which defines the sampling methods to be used with respect to that operator's activities;
- auditor analyses the risks which could lead to a material misstatement, based on the auditor's professional knowledge and the information submitted by the economic operator. That analysis shall take into consideration the overall risk profile of the activities, depending on the level of risk of the economic operator and the supply chain, above all at the immediately upstream and downstream stages, for example, for economic operators that handle material listed in Annex IX of Directive (EU) 2018/2001 as amended by Directive (EU) 2023/2413. The audit intensity or scope, or both, shall be adapted to the level of overall risk identified, also based on plausibility checks of the production capacity of a plant and the declared quantities of produced fuels; 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 methods to be used with respect to that operator's activities;
- auditor carries 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;
- auditor can request the operator to provide any missing elements of audit trails, explain variations, or revise claims or calculations, before reaching a final verification conclusion;
- prior to re-certification of an economic operator that was previously found to be in critical or major non-conformity, or any other aspect of the mandatory sustainability criteria, the auditor should assess grade of this non-conformity and brings that to the attention of all voluntary scheme under which the operator is currently participating, or to which has applied for the process of re-certification. This requirement applies to any other voluntary schemes that the economic operator is participating in;
- auditor verifies the accuracy of data recorded by the economic operators or their representatives in the Union database.

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5.4.1. Types of non-conformities

Non-conformities are always assessed from the point of view of a risk of selling non-sustainable materials as sustainable. Non-conformities identified during an audit shall be classified as critical, major, and minor.

Economic operators shall not be able to make sustainability claims while suspended.

Suspended operators may not join another voluntary scheme until the suspension period has been lifted. The KZR INiG does not accept an economic operator whose certificate is suspended by other voluntary scheme until all issues being a reason of suspension are solved.

Critical non-conformities


Critical non-conformities include the intentional violation of a voluntary scheme's standards such as fraud, a non-conformity that is irreversible, or one that jeopardises the integrity of the voluntary scheme.

Critical non-conformities shall include, but are not limited to, the following:

- (a) non-compliance with a mandatory requirement of Directive (EU) 2018/2001 as amended by Directive (EU) 2023/2413, such as land conversion which contravenes Article 29(3), (4) and (5) of that Directive;
- (b) fraudulent issuance of a proof of sustainability or self-declarations, for example, intentional duplication of a proof of sustainability to seek financial benefit;
- (c) deliberate misstatement of raw material description, falsification of GHG values or input data as well as the deliberate production of wastes or residues, for example, the deliberate modification of a production process to produce additional residue material, or the deliberate contamination of a material with the intention of classifying it as a waste.

Economic operators applying for certification shall not be issued with a certificate. For surveillance or re certification audits, or through a voluntary scheme's internal monitoring or complaints process, critical non-conformities shall lead to the immediate withdrawal of the economic operator's certificate. Economic operators may re-apply for certification after 2 years from the date of the loss of validity of the certificate. This also applies to critical non-conformities detected under other, voluntary schemes.

In the case of critical non-conformities, the certifying body shall immediately inform the KZR INiG System Administrator. Depending on the magnitude of the non-conformity, the KZR INiG can impose appropriate recommendations (for example a request for additional documents, or participation of a KZR INiG auditor during the audit, etc.).

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Major non-conformities

Major non-conformities include the failure to comply with a mandatory requirement of Directive (EU) 2018/2001 as amended by Directive (EU) 2023/2413 where the non-conformity is potentially reversible, repeated, and systematic problems, or aspects that either alone, or in combination with further non-conformities, may result in a fundamental system failure.

Major non-conformities shall include, but are not limited to, the following:


- (a) systematic problems with mass balance or GHG data reported for example, incorrect documentation is identified in more than 10% of the claims included in the representative sample;
- (b) the omission of an economic operator to declare its participation in other voluntary schemes during the certification process;
- (c) failure to provide relevant information to auditors for example, mass balance data and audit reports.

In the case of major non-conformities, economic operators applying for certification shall not be issued a certificate. In the case of major non-conformities, the certifying body shall immediately inform the KZR INiG System Administrator. Major non-conformities identified during surveillance or re-certification audits, or through a voluntary scheme's internal monitoring or complaints process, shall lead to the immediate suspension of the economic operator's certificate. Where economic operators do not provide a remedy for any major non-conformities within 90 days from notification, the certificate shall be withdrawn the non-conformity is treated as critical non-conformity.

Minor non-conformities

Minor non-conformities include aspects that result in a limited impact, isolated or temporary lapses, are non-systematic and do not result in a fundamental failure if not corrected.

Lead auditor decides about period of time to correct non-compliance, but not longer than 90 days. This period can be extended after obtaining KZR INiG approval, but not exceeding 12 months from their notification and the date of next surveillance or re-certification audit. Failure to meet the deadline results in rejecting of certificate issuing. Proofs of closure on non-conformities shall be sent to the lead auditor. If the economic operator is willing to change a certification body, all non-conformities shall be closed. Otherwise, the audit cannot be performed. If the previous certification body is no longer accredited by KZR INiG, proofs shall be sent to the KZR INiG office and KZR INiG decides about further actions.

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The certificate can be issued after approval by the lead auditor's correction and corrective action.

Examples: omission of a parameter in a GHG data calculation that does not have a material impact on the GHG intensity reported.

In justified cases lead auditor may decide about surveillance audit.

Non- conformities at FGP stage


Critical or major non-conformities of places of origin (members of FGP) identified during an audit are assessed as rules defined above and are treated as FGP non-conformities. If a critical or major non-compliance is identified in the whole initial group sample, then an additional sample of group members of the same size shall also be audited. Systemic non-compliance of the majority of group members (places of origin) across the whole sample shall lead to the suspension or withdrawal of the whole group certification, as applicable.

6. Credibility and reliability of data

In order to comply with the requirements of the System, as specified in the RED III, it is necessary to provide credible and reliable data. The range of data for 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:

KZR INiG System/	Document No.	Document name
<i>KZR INiG System/</i>	<i>4</i>	<i>/Land use for biomass production – lands with high carbon stock</i>
<i>KZR INiG System/</i>	<i>5</i>	<i>/Land use for biomass production – biodiversity</i>
<i>KZR INiG System/</i>	<i>6</i>	<i>/Land use for biomass production – agricultural and environmental requirements and standards</i>
<i>KZR INiG System/</i>	<i>7</i>	<i>/Guidance for proper functioning of mass balance system</i>
<i>KZR INiG System/</i>	<i>8</i>	<i>/Guidelines for determination of lifecycle per unit values of GHG emissions for biofuels, biomass fuels and bioliquids</i>
<i>KZR INiG System/</i>	<i>11</i>	<i>/Forest biomass</i>

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


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data, auditing reports, etc. Failure to declare any of this information will constitute a major non-compliance. System participants are obliged to immediately inform KZR INiG of the withdrawal of a sustainability certificate issued by other voluntary schemes. 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 it is run according to more than one voluntary scheme.

7. Auditing

KZR INiG requires that economic operators successfully pass an initial audit before allowing them to participate in the scheme. The initial audit of a new KZR INiG participant or a re-certification of existing participant shall always be on-site and shall as a minimum provide reasonable assurance on the effectiveness of its internal processes. The concepts of “reasonable assurance engagement” and “limited assurance engagement” are to distinguish between the two types of assurance engagement a practitioner is permitted to perform. The objective of a reasonable assurance engagement is a reduction in assurance engagement risk to an acceptably low level in the circumstances of the engagement as the basis for a positive form of expression of the practitioner’s conclusion. The objective of a limited assurance engagement is a reduction in assurance engagement risk to a level that is acceptable in the circumstances of the engagement, but where that risk is greater than for a reasonable assurance engagement, as the basis for a negative form of expression of the practitioner’s conclusion. Depending on the risk analysis of the economic operator, limited assurance level can be applied on the veracity of its statements. On the basis of the results of the initial audit, those economic operators who are considered low risk may be subject to subsequent limited assurance audits. The certification decision shall be taken by a technical reviewer that was not part of the audit team. In the preparation of the initial on-site audit as well as during subsequent surveillance or re-certification audits, the auditor should make an appropriate analysis of the overall risk profile of economic operators. Based on the auditor's professional knowledge and the information submitted by the economic operator, this analysis should take into consideration not only the level of risk of the specific economic operator but also of the supply chain (e.g. for economic operators that handle materials listed in Annex IX of Directive (EU) 2018/2001 as amended by Directive (EU) 2023/2413). The audit intensity, its scope, or both, should be adapted to the level of identified overall risk in order to ensure an adequate level of trust in the veracity of the information provided by the economic operators, mitigating the risks for material misstatements.

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7.1. Farmers


For farmers 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, such as climatic or soil conditions. Group auditing for the purpose of calculating GHG emissions is only acceptable when the agricultural producers have similar production systems and types of crops. Short rotation coppices are also subject to farmers certification rules. 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, but desk audit is not applicable for farmers supplying agricultural waste and residues). 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:

- ✓ 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. In such cases, on-site assessments such as interviews with local experts or communities could provide the necessary additional information. More guidelines about verification of land status can be found on the EC website http://ec.europa.eu/energy/sites/ener/files/2011_bsc_inventory_of_data_sources_and_methodologies.pdf.

Interviews with local experts or communities should take into account, for example:

- ❖ selection of a sufficient number and variety of local people;
- ❖ confidentiality, where desired;
- ❖ proper documentation: names and contact details, notes of oral interviews, copies of correspondence and/or written documents;
- ❖ notes or other information showing how information received was tested or corroborated.

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Verification of e_{sca}

KZR INiG allows to perform group auditing of e_{sca} if appropriate conditions are met (See system KZR INiG/8). As far as auditing is concerned, the auditors, certifying the e_{sca} practice also in a group certification approach, will be obliged as part of the audit scope to initially verify and monitor during every re-certification or surveillance follow-up audit the area subject to the e_{sca} practice. The objective of the e_{sca} practice is to ensure that there is an effective carbon stock increase on the land subject to the e_{sca} certification. At the same time, earlier withdrawal of a farmer from the group of farmers previously certified would mean that there is an effective risk that the accumulated carbon stock on the parcels in question could be released back into the atmosphere, basically offsetting the effects of the e_{sca} practices from the previous years. Taking this into consideration, the carbon stock lost would not be compensated on a group level even if the same amount of hectares or even more enters the e_{sca} practice the same year. Therefore, in case of a fluctuation the economic operator shall take into account on annual basis the impact of land withdrawn from the e_{sca} certification in terms of biomass produced and respectively correct downwards the amount of the biomass resulting from the e_{sca} practice. In case the same year new eligible parcels enter the group certification for the e_{sca} practice, they should be subject to the initial baseline measurement and follow the path of 5- yearly measurements in case modelling is used.

If an audit indicates that a farmer does not follow the e_{sca} rules, the farmer is excluded from the FGP and is not allowed to deliver goods during the next period of three years. FGP is obliged to recalculate e_{sca}, according to System KZR INiG/8.


Previous e_{sca} certification from a voluntary or national scheme, recognized by the Commission, would be enough to prove application of an e_{sca} practice in the past period.

7.2. Natural and non-natural highly biodiverse grassland

1. Auditors verifying whether land is highly biodiverse grassland as referred to in Article 29(3), point (d), of Directive (EU) 2018/2001 as amended by Directive (EU) 2023/2413, shall verify whether the land is or has been highly biodiverse grassland at any moment since January 2008. In their system documents, voluntary schemes shall inform the economic operators about the type of evidence, which their certification bodies may accept to prove historical area status since January 2008.

2. Where land remains grassland or would have remained grassland in the absence of human intervention and is located in any of the geographic ranges listed in Regulation (EU) No 1307/2014, it shall be considered as natural, highly biodiverse grassland.

3. For land that is located outside the areas referred to in paragraph 2, the auditor shall assess whether the grassland maintains, or would have maintained in the absence of human intervention, the natural species composition and ecological characteristics and processes.

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Where that is the case, the land shall be considered as being, or having been, natural, highly biodiverse grassland. Where grassland has already been converted to arable land and it is not possible to assess the characteristics of the land itself through information available from the national competent authorities or satellite imagery, the auditor shall consider such land as not having been highly biodiverse grassland at the moment of conversion.

4. Where the land ceased or would have ceased in the absence of human intervention, to be grassland, is species-rich and not degraded and has been identified as being highly biodiverse by the relevant competent authority, then the land shall be considered as non-natural, highly biodiverse grassland.

5. Any land that is, or was, non-natural, highly biodiverse grassland in or after January 2008 may be used for fuels production on condition that harvesting of the raw material is necessary to preserve the status of the grassland as highly biodiverse grassland and that current management practices do not present a risk of causing biodiversity decline of the grassland.

Economic operators shall provide evidence that the harvesting of the raw material is necessary to preserve the highly biodiverse grassland status and that management practices do not present a risk of causing biodiversity decline of the grassland.

Where economic operators are unable to provide the evidence referred to in the second subparagraph, they shall provide evidence that they have been granted permission by the relevant competent authority, or designated agency, to harvest the raw material in order to preserve the highly biodiverse grassland status.


The technical assessment of the land shall be conducted by a qualified specialist who is external and independent of the activity being audited free and free from conflict of interest, and who may be part of the audit team. The assessment and its result shall be reviewed as part of the audit.

7.3. Lumber mills

Lumber mills are places of origin and can be audited individually or as part of a group - regardless of location. A sample of the lumber mills need to be audited on-site at initial certification but can be audited remotely for recertification audits. Re-certification also means certification by other certification body, but still under the KZR INiG scheme.

Desk audit is possible if:

- ✓ desk audit ensures the same level of assurance as on-site audit;
- ✓ lumber mill is registered by national authority; and

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- ✓ reliable documents are available. Reliable means documents issued by governmental agencies or documents provided to governmental agencies, in order to confirm origin of biomass, in accordance with national legislation;
- ✓ the auditor is able to determine that the sawdust (or other residues) arising from the lumber mill are consistent with the size of the facility and production of the main product(s) (i.e. that residues are not deliberately being produced at the expense of the main product).

7.4. First Gathering Points (FGP)

Following rules apply for all group types (gathering wastes and residues, crops, forest biomass, agricultural waste and residues, sawdust, etc.). The economic operator who gathers raw materials from places of origin takes up the duties defined for FGP, regardless having other scope of certification.

Places of origin of raw materials can be audited individually or as part of a group. Places of origin supplying raw materials to a first gathering point, or farmers who are members of farming organisations and cooperatives, can be considered as a group. The same applies for owner of short rotation coppices.


Audit of the FGP is mandatory, the headquarter is audited onsite once a year.

A certificate is issued to FGP or to the headquarter of the organisation. Before issuing a certificate, an auditor must ensure that verification of the individual places of origin was carried out and completed.

Economic operators included in a group audit shall designate a group manager (see KZR INiG System/1 point 7.2.). First gathering points, producer organisations or cooperatives, may also act as group managers, representing the economic operators included in the group audit.

Sample selection

The minimum number of places of origin to be subjected to a random inspection is the square root of places of origin (\sqrt{x} , where x is the number of places of origin), rounded to the nearest integer. That number shall be increased in the event of a higher level of risk. The KZR INiG System establishes criteria for determining the general level of risk in the areas and the consequences of that level of risk for the auditing approach (see KZR INiG System/10 point 6. Risk evaluation). The sample must be representative of the whole group and determined using a combination of risk and random selection (random selection must be used to select a minimum of 25% of the sample). The PoOs selected for audit should vary from year to year.

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Detection of non-conformity

In case of detecting a serious violation of KZR INiG rules by the place of origin, the PoO can no longer supply sustainable raw materials to the First Gathering Point (FGP). This shall be reflected in a FGP's mass balance and necessary corrections made. If, after correction, the mass balance is accounted negative, then major non-conformity is found.

When any non-conformity is detected in case of more than 3.0 % of suppliers, the risk factor increased by one level (e.g. low risk is increased to medium risk, medium risk is increased to high risk). As a result, a sample of audited PoOs is increased accordingly. If a basic risk was assessed as high, numbers of audited PoOs are doubled.

If systemic non-conformity of suppliers is identified, then this shall be treated as a critical non-conformity of the FGP.

First waste/residue gathering 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 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.

Residues can include:

- agricultural, aquacultural, fisheries and forestry residues, and
- residues originating from an industry.


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.

The whole chain of custody needs to be covered by verification starting from its origin (i.e., the economic operator where the waste or residue material arises).

The auditor must determine whether a material is a waste or residue at the point in the supply chain the material originates.

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. In particular, an auditor is obliged to verify

¹Including materials that have to be withdrawn from the market for health or safety reasons.

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conversion factors applied, especially in the case of residues to ensure that the process is not being modified to produce more waste or residue material.

In the case of using wastes and residues as a feedstock, the auditor is obliged to verify the origin of this feedstock.

All first waste/residue gathering, and utilization points need to be audited individually. Rules of carrying out an audit and issuing of certificate for the First waste/residue gathering/utilization point are the same as rules for other system participants, taking into account the details below.


During an audit at the first waste/residue gathering/gathering and utilization point, the correctness of the entrepreneur's mass balance system is verified, and also the origin of the feedstock and the correctness of the GHG emissions calculation, if applicable.

Gathering points shall submit a list of all points of origin that have signed a self-declaration and their indicative (monthly or annual) volume of waste or residue that they can supply to the auditor prior to the audit of the collecting point. Evidence or documents for all individual deliveries shall be available at the collection point and verified by the auditor, including waste disposal agreement, delivery slips and self-declarations. The auditor shall verify the existence of at least the square root of the points of origin on the list. The verification can be undertaken remotely, unless there is doubt concerning the existence of the point of origin. During the audit of the First waste/residue collection/gathering and utilization point, verification of place of origin is also carried out. Places of origin supplying five or more tons per month of waste or residue listed in part A and B of Annex IX of the RED III, shall be subject to an on-site audit. The on-site audit may be based on a sample where a group auditing approach is taken. Sample is calculated as the square root of the number of the waste/residues suppliers providing over five ton per month (rounded up to the nearest whole number), and is multiplied by the factor defined in section 8. The sample shall be selected by taking into account the following:

- the volume of supplies,
- variety of feedstock,
- variety of enterprises producing the wastes/residues.

Auditors have the right to carry out on-site audits at the origin of the waste/residues (e.g. restaurants), if required, regardless of the volume of material supplied.

During the on-site verification process at the place of origin of the waste/residues, the waste/residues supplier has a duty to confirm the findings of the verification process.

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The results of an audit (i.e., findings, non-conformities, statement confirming compliance with the KZR INiG System, remarks) must always be confirmed by the waste/residues supplier.

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.

In the case of auditing the waste/residues generated in households, the auditor, based on documents or, if necessary, inspection on-site, shall verify the origin of the feedstock.

The auditing documents shall include records concerning risk analysis and assessment, and also sample selection method.

An economic operator owning more than one waste/residue gathering or indirect gathering point, shall be treated as a multi-site 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 five tons per month, rounded up to the nearest whole number.

Auditors assess not only documents connected with wastes/residues batch, but also assess it by visual inspection and assessing of physical and chemical properties.


Mandatory surveillance on-site audit by the certification body six months after the first (initial) certification (audit). For gathering points and traders that deal with both waste and residues and with virgin materials (e.g., vegetable oils), an additional surveillance on-site audit is conducted three months after the first certification audit (covering the first mass balance period).

The frequency and intensity of the auditing procedure needs to reflect the level of risk.

In case of recertification, if the risk is high, a surveillance audit shall be performed up to four months starting from the date of issuing of certificate. After that audit new risk analysis shall be carried out. If medium risk level is identified, the surveillance audit shall be performed up to seven months. Size of sample of audited documents increases respectively.

If there are reasonable doubts about the nature of the declared waste and residues, the auditor is authorised to take samples and to have them analysed by an independent laboratory.

The following additional requirements apply for the verification of the supply chain of biofuels and bioliquids made from waste and residue:

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- ❖ auditors shall verify the existence of, and volume supplied from at least the square root of the places of origin on the list. The verification may be undertaken remotely, unless there is doubt concerning the existence of the place of origin, or if other criteria are met;
- ❖ auditors shall check deliveries of sustainable material to downstream recipients by verifying the copies of the sustainability declaration issued by the collecting point to recipients of those deliveries, based on a random and risk-based sample;
- ❖ a mandatory surveillance audit by the certification body six months after the first (initial) certification. For gathering points and traders that deal with both waste and residue and with virgin materials (e.g., vegetable oils), an additional surveillance audit is conducted three months after the first certification audit (covering the first mass balance period). Where a gathering point has multiple storage sites, the auditor shall audit the mass balance of every storage site.

7.5. Multi-site economic operators


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 sharing a common management system, the following rules can be applied. The headquarters is audited onsite 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.

If the central office has implemented Enterprise Resource Planning (ERP) System and the System covers all locations and documents confirming legalization of measuring devices is available, the audit of particular sites can be performed remotely. However, the existence of sites shall be verified. The above rule does not apply to processing site where biomass is processed. In such case, each plant shall be audited on-site.

Major non-conformity identified at any site causes revocation of the certificate for the whole company.

Adding/removal site(s) during certification validity period

If an economic operator intends to add a warehouse(s) or resign from sustainable activity in any location, he is obliged to inform KZR INiG about this. After verification KZR INiG submits this information to the CB. The CB decides if on site audit is needed or remote verification is performed. If the location is covered by the same management system, reliable documents are available, there is no doubt that the site exists, there is no new feedstock, then

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remote verification can be performed. If the site gathers materials from places of origin rules of verification of FGP apply.

Removal of locations

If the EO intends to resign from using a location, it is required to verify a mass balance. It may be performed as desk audit if all needed documents are available at the office.


NOTE

Please see the definition of a site. Location where only office activity is performed is not treated as a site according to the KZR INiG System requirement and cannot be listed on the certificate.

7.6. Biogas/biomethane plants

All auditing rules assigned to processing plant are to be applied for biogas/biomethane plant. Additionally following rules apply also:

- ✓ Auditor verifies physical connection between biogas/biomethane plant and natural gas grid based on both local vision and documents;
- ✓ Amounts injected into natural gas grid must be in line with the amounts stated in PoS, taking into account gas losses and registered in the UDB;
- ✓ Both for gas losses and liquefaction, if an actual GHG value is used, there needs to be a plausibility check by technical expert during the audit.
- ✓ Auditor verifies if the recipient(s) is (are) certified to an EC-recognised voluntary scheme. The auditor verifies: consistency of PoS issued by the biogas/biomethane plant and the recipient via UDB, physical connection to natural gas grid, invoices issued by gas supplier.
- ✓ During the recipient's audit, the auditor additionally verifies the quantity of biogas/biomethane declared in relation to total amounts of gas used (withdrawn from the natural gas grid) based on mass balance performed with the support of the Union Database.
- ✓ If GHG saving is calculated (Heat/Power plants), the correctness of calculated efficiency is verified;
- ✓ Auditing takes into account national legislation in the context of accounting for national's renewable target;

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- ✓ If certification includes biogas (e.g. biomethane, biohydrogen) transition via natural gas grid or liquefaction/regasification plant, and economic operator declares to use actual GHG emission value, then gas losses and calculations of GHG emission for liquefaction/regasification stage shall be approved by a technical expert, unless the auditor can prove knowledge and experience in this area

7.7. GHG emissions


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. This includes input data and any relevant evidence, information on the emission factors and standard values applied and their reference sources, GHG emission calculations and evidence relating to the application of GHG emission saving credits (e_{ccr} , e_{ccs} , e_{sca}).

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. Economic operators may only make actual GHG values claims after their capability to conduct actual value calculations has been verified by an audit.

The auditor shall record the emissions occurring at the audited site in the audit report. For the processing of final biofuels, the auditor shall record the emissions after allocation and the achieved savings. Where the emissions deviate significantly from the typical values (i.e. greater than 10%) or calculated actual values of emissions savings are abnormally high (greater than 30% deviation from default values), the audit report must also include reasons that can explain the deviation. What is more, the CB is obliged to send e-mail with the subject “Urgent [company name] the emissions deviate significantly from typical values” to the following address” system.kzr@inig.pl”. The body of the e-mail shall contain a description of the issue.

Auditors shall 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. That verification requires access to the following information:

- (a) the purpose for which the captured CO₂ is used;
- (b) the origin of the CO₂ that is replaced;
- (c) the origin of the CO₂ that is captured;
- (d) information on emissions due to capturing and processing of CO₂.

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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. The evidence must enable auditors to verify whether the requirements of Directive 2018/2001 as amended by Directive (EU) 2023/2413 are met including that emissions are actually avoided. For the purposes of point (b), economic operators using captured CO₂ may state how the CO₂ that is replaced was previously generated and declare, in writing, that emissions equivalent to that quantity are avoided as a consequence of the replacement. That evidence shall be considered sufficient to verify compliance with the requirements of Directive (EU) 2018/2001 as amended by Directive (EU) 2023/2413 and the avoidance of emissions.

Special care should be taken in case of verification of using default values. An auditor should verify if the process technology and feedstock, raw material match their description and scope. In particular an auditor is obliged to verify energy carrier used for processing, transport distance, if applicable.

7.8. Mass balance

Economic operators provide auditors with all mass balance data in advance of the audit. It is in particular:


- list of inputs and outputs;
- list of suppliers and recipients;
- mass balance settlement for a period(s) indicted by the auditor;
- number of transactions carried out in the period indicted by the auditor.

Based on above information the auditor assess time needed to perform on-site verification. It is reflected in the audit plan. Where a collection point has multiple storage sites, the auditor shall audit the mass balance of every storage site. It should be reflected in the check list i.e. the block devoted to verification of mass balance shall be fulfill for each site separately.

For an initial certification audit before participation in a scheme, the auditor shall check the existence and functioning of the mass balance system.

During subsequent audits, the auditor shall check at least the following elements:

- ✓ List of all sites that are under the scope of certification. Each site shall have its own mass balance records;
- ✓ List of all inputs per site, including description of materials and details of all suppliers;
- ✓ List of all outputs per site, including description of materials and details of all customers;

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- ✓ Conversion factors applied, in particular in the case of installations processing waste or residues to ensure that the process is not modified to produce more waste or residue material;
- ✓ any discrepancies between book keeping system and inputs, outputs and balances. Please note that the auditor shall be allowed to verify data in relation to the entire accounting system;
- ✓ allocation of sustainability characteristics;
- ✓ equivalence of the sustainability data and the physical stock at the end of the mass balance period.

The mass balance records must contain information on both the inputs and the outputs of sustainable and unsustainable material (including where relevant fossil fuels) handled by the sites. Auditors verify a sample of the calculations (inputs, outputs, conversion factors, and any balances carried forward). All data should be checked against the bookkeeping system.

Mass balance timeframe should be transparent, documented, consistent, and an appropriate period of time.

Inputs and outputs should be accompanied, where relevant, by a set of sustainability characteristics. Auditors should check that sustainability characteristics have been allocated appropriately. At the end of the mass balance period, the sustainability data carried forward should be equivalent to the physical stock.


If during the audit the auditor identifies discrepancy between the amount of biomass transferred as sustainable and amount of biomass reported to KZR INiG, the auditor informs immediately KZR INiG in a way provided by the scheme.

7.9. Union database

Auditors need to verify that the entries in the Union Database of the certified economic operator correspond with the figures that are part of the economic operator's book keeping and net mass balance data or other encoded information on their entities or sites. Any deviations between data that has been registered in the Union Database and the respective data from the economic operator's documentation shall be immediately flagged in the audit report and to KZR INiG. Such discrepancies can lead to major non-conformities identified in the audit report and trigger a suspension of the certificate of the economic operator.

7.10. RFNBO

All requirements defined in the context of auditing shall be applied taking into account specific aspects of RFNBO supply chain.

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Formal audit for certification needs to be done after the installation to producing hydrogen is done, at least after the production installation is completed. However, if an economic operator is registered in KZR INiG, it is possible to do a document-based pre-certification audit. Pre-certification assesses whether a project is designed in a way that should normally allow to pass the audit at a later stage. Such evidence may facilitate obtaining financing of projects. Reports and other relevant documents (e.g. checklist) from pre-certification audits shall be sent to KZR INiG. Please note that the official audits must be based on actual data from the facility.

Hence installation production electricity is a place of origin an auditor verifies square root of amounts of these places. If risk is determined as medium, number of places of origin shall be multiplied by 1,2, if risk is high the number shall be multiplied by 1,5. Audits are performed on-site in order to verify records from metering system. The main task is to verify cohesion of PPA agreements, amounts of electricity inputs and amounts of electricity taken from the grid (taking into account transmission losses).

Auditor shall have access to the whole financial accounting system to assess whether the renewable electricity source delivers electricity to more than one recipient. If they are more than one recipient, the auditor is obliged to verify remaining PPAs agreements and amount of renewable electricity sold, even if the recipients are not certified by KZR INiG. It is to ensure that particular amount of renewable electricity is sold ones.


In case of direct line an auditor shall verify connection between an installation producing electricity and electrolyser by visual inspection and verification of documents.

Verification of GHG emission includes both correctness of calculations and input data. In case of input data auditors verify using of standards values listed in 2023/1185 Part B and Part C Regulations, especially after updating the values.

7.11. RCF

Waste carbon sources/ installation capturing CO₂ from air are treated as places of origin and go under group auditing rules. The square root of places of origin is a subject of verification. If risk is determined as medium, number of places of origin shall be multiplied by 1,2, if risk is high the number shall be multiplied by 1,5.

As a main principle, an audit is conducted on-site. However, if there are proofs confirming reliability of source, desk audit can be performed. In each case it is required to receive permission from KZR INiG.

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Verification of GHG emission includes both correctness of calculations and input data. In case of input data auditors verify using of standards values listed in 2023/1185 Part B and Part C Regulations, especially after updating the values.

8. 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 include 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.

Risk evaluation shall take into account the credibility of the certified entity. If the certified entity has been placed on other certification systems' 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 System/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 the declared volumes.

In the case of an audit of an agricultural producer, it is mandatory to use the risk factors stipulated by the KZR INiG System².


For medium- or high-risk cases, the chosen representative sample (see *KZR INiG System/9*) must be multiplied by the risk factor given in the table below.

8.1. For EU countries

Table 1. Risk factors for EU countries. FGP– agriculture (including agricultural wastes/residues)

Risk	Description	Multiplication factor
Low	<ul style="list-style-type: none"> - farms are located within EU - lack of known land-use conflict - no expansion of an area for raw materials cultivation - complete and current documentation - available Self-declaration of agricultural producer 	1
Medium	<ul style="list-style-type: none"> - farms are not located close to sensitive environmental areas (woodlands, peatlands, wetlands, highly biodiverse lands) - little expansion of an area for raw materials cultivation 	1,5

²Based on *These factors are formulated in correspondence to the Guidance document for the evaluation of the equivalence of organic producer group certification schemes applied in developing countries*, 6 November 2006.

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	<ul style="list-style-type: none"> - minor deficiencies in administrative documentation gathered by First gathering point - Self-declarations of agricultural producer not complete or not current - previous audit(s) revealed very few non-conformities 	
High	<ul style="list-style-type: none"> - farms are located close to sensitive environmental areas (woodlands, peatlands, wetlands, highly biodiverse lands) - known information on land-use conflicts - planned expansion of area for raw materials cultivation - no required documentation (e.g. lack of Self-declaration of agricultural producer can lead to problems with guaranteeing compliance with KZR INiG requirements) - corrective action has not been undertaken after finding non-conformities in a previous audit 	2

When auditing First waste/residue gathering places, it is mandatory to use the risk factors specified by the KZR INiG System.


Table 2. Risk factors for EU countries. First waste/residue gathering points (excluding forestry and agriculture)

Risk	Description	Multiplication factor
Low	<ul style="list-style-type: none"> – Waste/residues are received from a fixed group of suppliers (the same suppliers, regarding those supplying more than five tons per month) – records are kept in a clear, transparent way, with full traceability – previous audit(s) revealed no non-conformities – the entrepreneur is not on other systems' warning lists 	1
Medium	<ul style="list-style-type: none"> – waste/residues are not received from a fixed group of suppliers (with regard to suppliers of more than five tons per month) – records are kept in a clear, transparent way, with full traceability – previous audit(s) revealed only minor non-conformities – the entrepreneur is not on other systems' warning lists 	1,3
High	<ul style="list-style-type: none"> – waste/residues are not received from a fixed group of suppliers (with regard to those supplying more than five tons per month) – there are minor deficiencies in documentation connected with receiving waste/residues. – previous audit(s) revealed major non-conformities 	1,8

8.2. For non-EU countries

Farms, first gathering point, first waste/residue gathering point/Economic operator gathering and processing waste and residues

If the First gathering point receives raw materials from a number of agricultural producers, and / or receives waste/residues from a number of places of origin, the minimum number of

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farms and/ or waste/residue places of origin to be audited is determined on the basis of a risk analysis and depends on the political, legal and economic factors occurring in the country. The risk analysis is carried out based on the criteria listed in the table below.


Table 3. Risk factors for non-EU countries. FGP (excluding forestry and agriculture)

Risk	Description	Multiplication factor
Low	<ul style="list-style-type: none"> - The entity operates in a country associated with the EU - The country in which the entity operates belongs to the International Labour Organisation and has implemented the Conventions and Recommendations of that organisation, - The auditor is unaware of any violations of the laws on good agricultural practices and workplace practices in the country of operation of the entity - Farms do not border protected areas, peatlands, wetlands, forests, grassland, high biodiversity areas, or land with high carbon stock - Previous audit(s) revealed no non-conformities 	1
Medium	<ul style="list-style-type: none"> - The entity operates in a state not associated with the EU, - The country in which the entity operates belongs to the International Labour Organisation - Few cases of violation of the laws on good agricultural practices and workplace practices in the country of operation of the entity are known to the auditor - Farms do not border protected areas, peatlands, wetlands, forests, grassland, high biodiversity areas, or land with high carbon stock - Previous audit(s) revealed no non-conformities 	1,8
High	<ul style="list-style-type: none"> - The entity operates in a state not associated with the EU, - The country in which the entity operates does not belong to the International Labour Organisation - Numerous/frequent violations of the laws on good agricultural practices and workplace practices in the country of operation of the entity are known to the auditor - Farms border protected areas, peatlands, wetlands, forests, grassland, high biodiversity areas, or land with high carbon stock - Previous audit(s) revealed minor non-conformities 	2,1

The minimum number of farms to be audited in such cases is the square root of x (where x is the number of farms), multiplied by the appropriate multiplication factor indicated in the table above.

The result (the minimum number of audited farms) is obtained by rounding the calculated value to the nearest whole number.

Audit of headquarter of first gathering point is mandatory.

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Guidance for auditors and the conduct of audits of farm and economic entities operating outside the EU

For verifying compliance with the requirements for the use of land for biomass production, the same requirements as those in the EU shall be adopted. The verification shall be carried out in accordance with the requirements specified in the following documents of the KZR INiG System: *Land use for raw materials production –lands with high carbon stock* (KZR INiG System/ 4); *Land use for raw materials production – biodiversity* (KZR INiG system/5);and *Land use for raw materials production – agricultural and environmental requirements and standards*(KZR INiG/6).

For verifying the correctness of the mass balance used by the producer / manufacturer, the requirements are the same as those specified in the document *Guidance for proper functioning of mass balance system* (KZR INiG System/7).


For verifying emissions calculations or the use of default values, the requirements are those specified in the document *Guidelines for the determination of the lifecycle per unit values of GHG emissions for biofuels, bioliquids* (KZR INiG System 8).

The additional measures described below should also be taken.

Verification of the application of good agricultural practices

This shall include verification procedures for the management and control of environmental impacts of agricultural production. The auditor shall analyse documents regarding quality management, training of employees and subcontractors, plans and methods for soil remediation and minimizing erosion; and then documents on the purchase and use of pesticides, herbicides and pesticides, their warehousing and storage, measurement, mixing, immediate preparation for spraying, as well as a list of persons responsible for their use and those persons' qualifications and, lastly, documents on the purchase, calibration, inspection and maintenance of equipment used on the farm, including machinery and spraying equipment. The auditor shall also review and assess documents regarding the purchase and use of seeds, the use of organic substances (e.g., natural fertilizers), measures for the prevention and monitoring of plant pests, and the potential to combat them.

The auditor shall confirm the credibility of documents, by making an on-site visit at the locations indicated by the relevant documents, to check the procedures used, e.g., storage of fertilizers and plant protection products in warehouses; shelters; places for preparing spraying solutions, etc. Auditors shall also check how packaging is dealt with after application of spraying solutions and / or other substances considered dangerous or harmful to humans and / or the environment. Conclusive in this regard may be, for example, the presence of, "wild" garbage dumps on or near the farm.

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If farm animals are used, the auditor must verify that they have good living conditions, are healthy and properly fed, and have veterinary care.

Auditors should also confirm the veracity of the data in the analysed documents by talking to the appropriate employees. Specific questions on the use of good agricultural practices are listed in the checklist.


Verification of the application of good practices in the workplace for entities in countries outside the EU

This should cover two main areas: the conditions under which workers are employed; and the conditions occurring in the workplace. The term "workplace conditions" must be understood as labor relations and occupational health and safety. The scope of verification should depend on the degree of risk of undesirable occurrences in the workplace. The risk analysis shall be carried out by the auditor before he/she conducts the on-site audit. Risk is assessed based on the following table:

Table. 4 Risk analysis. Good practices in the workplace

Risk	Description
Low	<ul style="list-style-type: none"> - The entity operates in a country associated with the EU, - The country in which the entity operates belongs to the International Labour Organisation and has implemented the Conventions and Recommendations of that organization - The auditor is unaware of any violations of the laws of good practices in the workplace, in the country of operation of the entity
Medium	<ul style="list-style-type: none"> - The entity operates in a country not associated with the EU, - The country in which the entity operates belongs to the International Labour Organization - Few cases of violation of the laws of good workplace practices in the country of operation of the entity are known to the auditor
High	<ul style="list-style-type: none"> - The entity operates in a country not associated with the EU, - The country in which the entity operates does not belong to the International Labour Organisation - Numerous/frequent violations of the laws of good workplace practices in the country of operation of the entity are known to the auditor

In every case, the auditor shall analyse the documents and procedures relating to employment (employment contract, payroll, list of safety training, safety instructions, fire, etc.) and verify their content through on-site visits to workplaces and by conducting interviews with employees. In cases of medium or high risk of undesirable occurrences in the workplace, extended interviews with employees shall be conducted. The interview should take place in a way that ensures privacy. The auditor should also ask the entity and employees for a written declaration confirming that the entity is not using illicit practices. In special cases (high risk), when there is suspicion of intimidation of workers or of forcing them to conceal the truth, the

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auditor can interview employees retired or removed from work. A detailed list of questions on the application of good practices in the workplace is given in the checklist.

Verification of the application of good social practices for entities in countries outside the EU

Verification in the field of good social practice includes examining audited entities' social interaction and mutual relations with local communities and other stakeholders. Good social practice also means: compliance with national and local laws; implementation of commitments, agreements, contracts, and agreements; maintaining good relations with all parties concerned with the production process, or that are affected directly or indirectly; maintaining good relationships with all related groups, both professional and social, in particular minority groups based on ethnicity, religion, political beliefs, national origin, sexual orientation, etc. Before the audit, the risk of adverse events in the country of operation of the audited entity should be analysed. This risk is assessed according to the following table:

Table. 5 Risk analysis. Good social practices

Risk	Description
Low	<ul style="list-style-type: none"> - The country in which the audited entity operates has a stable political and legal system guaranteeing peaceful succession of governance - The country in which the entity operates has implemented legislation to effectively prosecute cases of tax fraud, accounting fraud, corruption, cheating of customers, etc.; and rights against persecution of individuals or groups because of ethnicity, religion, political views, professed values, etc. are respected - No cases of unpunished persecution of individuals or social groups because of their ethnicity, religion, political views, professed values, etc., in the country of operation of the entity are known to the auditor - Any disputes arising from non-compliance in the field of social relations are fairly dealt with and resolved by the courts of the country in which the audited entity operates
Medium	<ul style="list-style-type: none"> - The country in which the audited entity operates has a stable political and legal system guaranteeing peaceful succession of governance, but operating on its territory are powerful political groups and / or political parties aimed at changing the regime - The country in which the entity operates has implemented legislation to enable the prosecution of cases of tax fraud, accounting fraud, corruption, cheating of customers, etc., but rights against persecution of individuals or groups because of ethnicity, religion, political views, professed values, etc. are not fully respected - Isolated cases of unpunished persecution of individuals or social groups because of their ethnicity, religion, political views, professed values, etc., in the country of operation of the entity are known to the auditor - Disputes arising from non-compliance in the field of social relations are not always reliably processed and settled by the courts of the country in which the audited entity operates
	<ul style="list-style-type: none"> - The country in which the audited entity operates has an unstable political system

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High	<ul style="list-style-type: none"> - The country in which the entity operates does not have an effective legal system that could successfully prosecute cases of tax fraud, accounting fraud, corruption, cheating of customers, etc., and there are no laws to prevent the persecution of individuals or groups because of their ethnicity, religion, political views, professed values, etc. - Widespread instances of unpunished persecution of individuals or social groups because of their ethnic, religious, political, professed values, etc., in the country of operations of the entity, are known to the auditor - Disputes arising from non-conformity in the field of social relations are not fairly dealt with and resolved by the courts of the country in which operates the audited entity, - In the country in which operates the audited entity, acts of violence (armed groups, criminal groups, etc.) of a political, religious, ownership, professed values, nature etc. occur.
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In every case, the auditor shall carry out an analysis of the following documents: agreements, contracts, liabilities, receipts, deeds.

In the case of medium-or high risk, the auditor should carry out additional discussions with employees regarding compliance with good social practices and should consult other entities engaged in commercial relationships with the entity being audited and / or consult local communities, trade unions, contractors, subcontractors, authorities, etc., in order to verify the correctness of data derived from the audited entity. The auditor should also ask the entity and its employees for a written declaration confirming that the entity is not using illicit practices. In special cases (high risk), the auditor should consult international organizations (non-governmental, religious, charities, human rights, etc.), but only if they have reliable data on the audited entity and its activities. A detailed list of questions on the application of good social practices is specified in the checklist.


9. References

- ⁱ *EN ISO 14040, Environmental management -- Life cycle assessment -- Principles and framework.*
- ⁱⁱ *ISO 14064-3, Greenhouse gases – Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals.*
- ⁱⁱⁱ *ISO 14065, Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition.*

10. Annexes list

1. Annex 1 – Confidentiality Declaration Form

2. Annex 2 – Checklist Attached separately

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Confidentiality Declaration Form

Place, date:

.....
Name and surname of the person making the declaration

.....
Place of employment

.....
Residence

I hereby agree to:

- a) observe rules defined by the certification body, including rules of confidentiality and independence from commercial or other interests;
- b) protect and maintain all information obtained during activities related to the compliance assessment process, including, among others:
 - production technologies used,
 - structural and techno-organizational solutions;
- c) ensure independence of my actions in order to avoid infringement of important interests of auditees.


Furthermore, I declare that I am not involved in any activity that might conflict with the independence and reliability of actions concerning the compliance assessment and certification process or quality management systems, and I hereby undertake/ promise not to become involved in such activities, particularly in consulting on/ about quality management systems being certified.

Moreover, I hereby undertake/promise to declare any former or current connections with organizations that I am assigned to assess in the future.

.....
(Signature of Manager of the certification body)

.....
(signature of the person making the declaration)

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11. Changes compared to the previous edition

Date	Section	Previous requirement	Current requirement
05.05.2025	Whole document	Directive 2018/2001	Directive (EU) 2018/2001. as amended by Directive (EU) 2023/2413
05.05.2025	Whole document	RED II	RED III
05.05.2025	3.	-	Added: KZR INiG System/12/Renewable Fuels of non-biological origin and recycled carbon fuels
05.05.2025	5.1.	✓ are external : auditor cannot provide work for the certified entity; An exception is possible for the audit of point (a) of Article 29(6) and point (a) of Article 29(7) of the RED II, in which case first or second party auditing may be used up to the first gathering point (FGP);	✓ are external : auditor cannot provide work for the certified entity; An exception is possible for the audit of Article 29(3), points (a), (b), (d) and (e), Article 29(4), point (a), Article 29(5), point (a) of Article 29(6) and point (a) of Article 29(7) of the RED III, in which case first or second party auditing may be used up to the first gathering point (FGP);
05.05.2025	5.1.1.	-	In the table added requirements for: Verification of GHG emissions of recycled carbon fuels and renewable fuels of non-biological origin), RFNBO, RCF.
05.05.2025	5.4.1.	Major non-conformities [...] In the case of major non-conformities, economic operators applying for certification shall not be issued a certificate. [...] non-conformity.	Major non-conformities [...] In the case of major non-conformities, economic operators applying for certification shall not be issued a certificate. In the case of major non-conformities, the certifying body shall immediately inform the KZR INiG System Administrator. [...] non-conformity.
05.05.2025	7.4.	Gathering points shall submit [...] Places of origin supplying five or more tonnes per month of waste or residue listed in part A and B of Annex IX of the RED recast, shall be subject to an on-site audit.	Gathering points shall submit [...] Places of origin supplying five or more tons per month of waste or residue listed in part A and B of Annex IX of the RED III, shall be subject to an on-site audit.
05.05.2025	7.4.	Special case of waste gathering point is an enterprise collecting municipal wastes. In this case no self-declaration and no verification of PoOs is needed. The auditor shall verify the amounts of municipal wastes forwarded to the recipient(s) based on estimated size of area of waste collection and an official statistical data regarding amounts of wastes per capita.	Removed.
05.05.2025	7.5.	If the central [...] be verified.	If the central [...] shall be verified. The above rule does not apply to processing site where biomass is processed. In such case, each plant shall be audited on-site.
05.05.2025	7.5.	Adding/removal site(s) during certification validity period If an economic operator [...] about this. After verification KZR INiG submits this information to the CB. The CB decides [...]	Adding/removal site(s) during certification validity period If an economic operator [...] about this. After verification KZR INiG submits this information to the CB. The CB decides [...]
05.05.2025	7.10.	-	Added: 7.10. RFNBO All requirements defined in the context of auditing shall be applied taking into account specific aspects of RFNBO supply chain. [...] 7.11.
05.05.2025	7.11.	-	Added: 7.11. RCF Waste carbon sources/installations [...]

KZR INiG System /10	Cracow, May 2025	Directive 2018/2001 as amended by Directive 2023/2413
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