

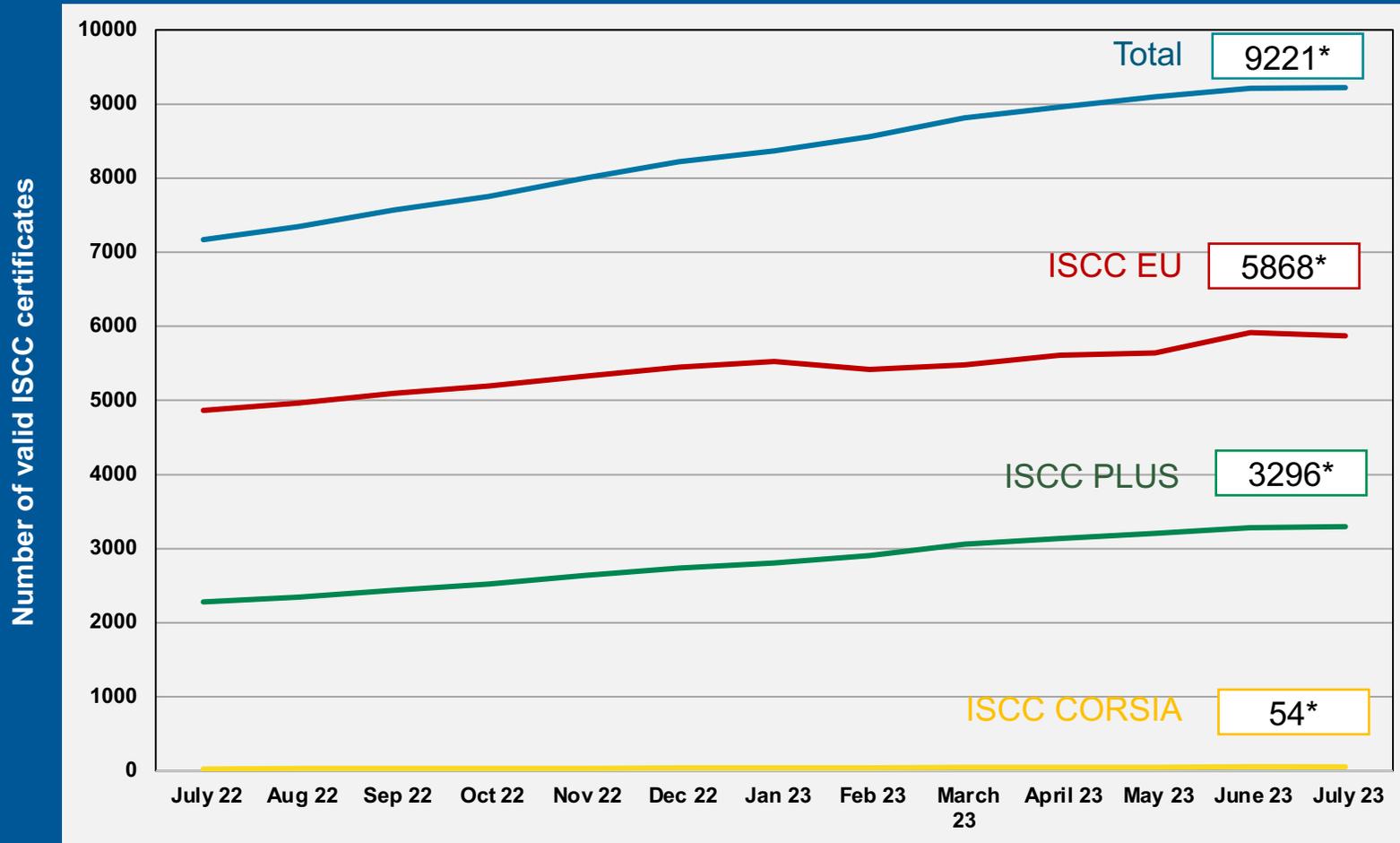


ISCC Regional Stakeholder Meeting Latin America

Update on Latest ISCC Developments

Dr Norbert Schmitz, ISCC System GmbH
ISCC Regional Stakeholder Dialogue Latin America, Bogotá,
Colombia, 30 August 2023

Thanks to the continuous support of our clients: The number of valid ISCC certificates increased by nearly 30% in the last 12 months



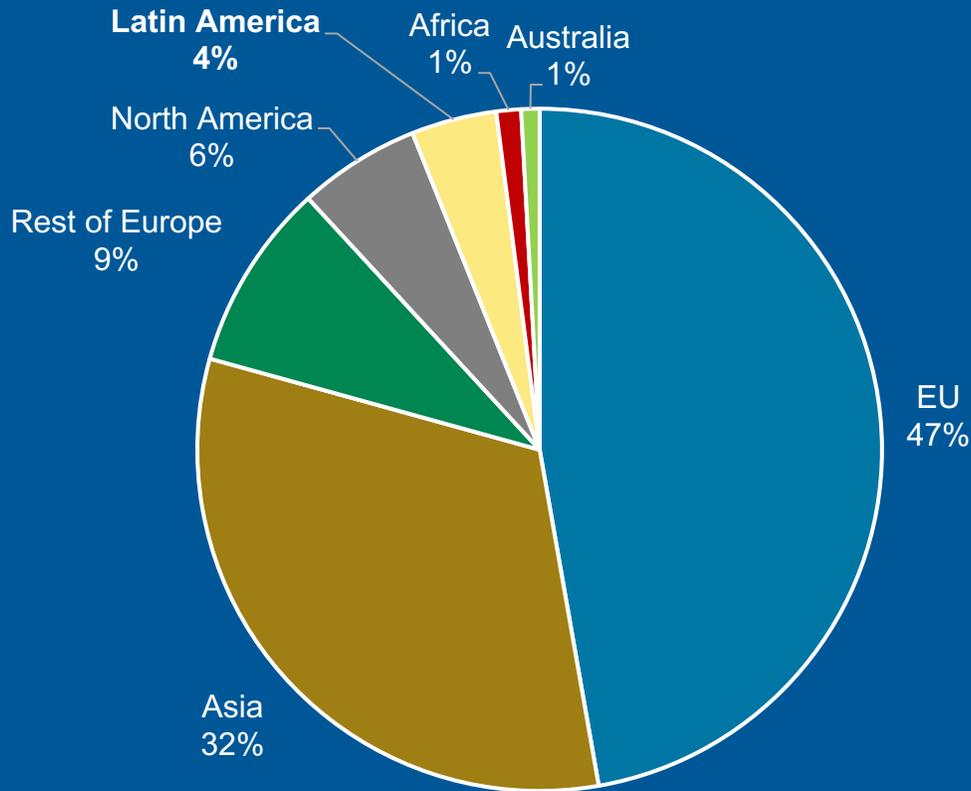
Development of valid certificates per ISCC scheme**

All ISCC schemes	+ 29 %
ISCC EU	+21%
ISCC PLUS	+45%
ISCC CORSIA	+125%

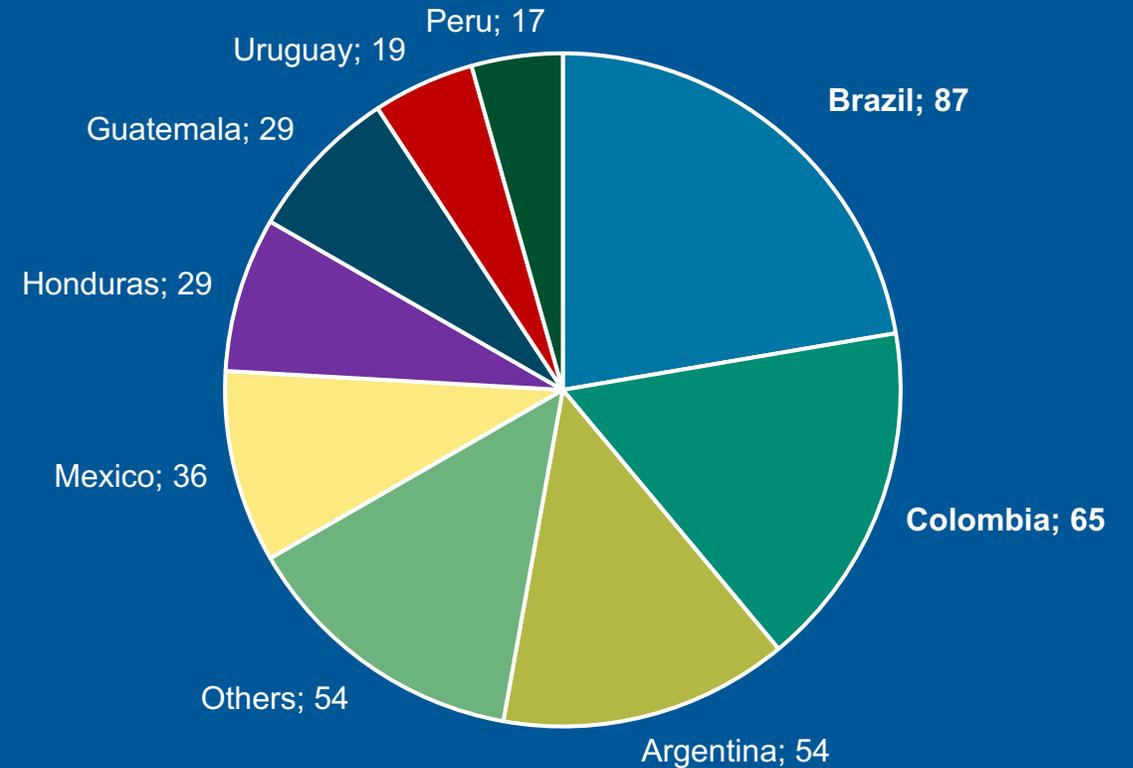
*Numbers as per July 2023
 **In comparison to July 2022

Brasil and Colombia have the highest numbers of valid ISCC certificates in Latin America

Valid certificates by region*

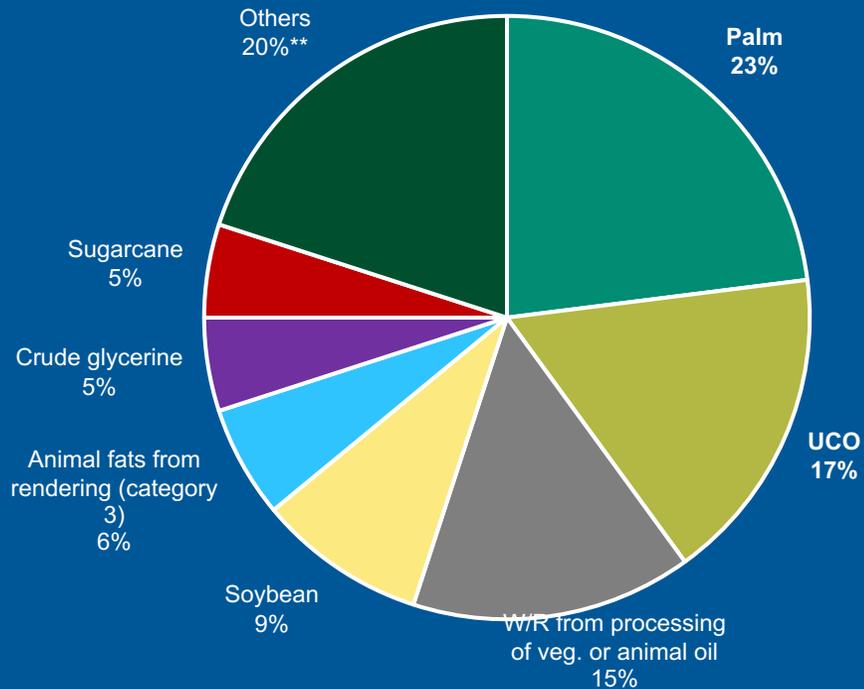


Valid Certificates in Latin America*
In absolute numbers

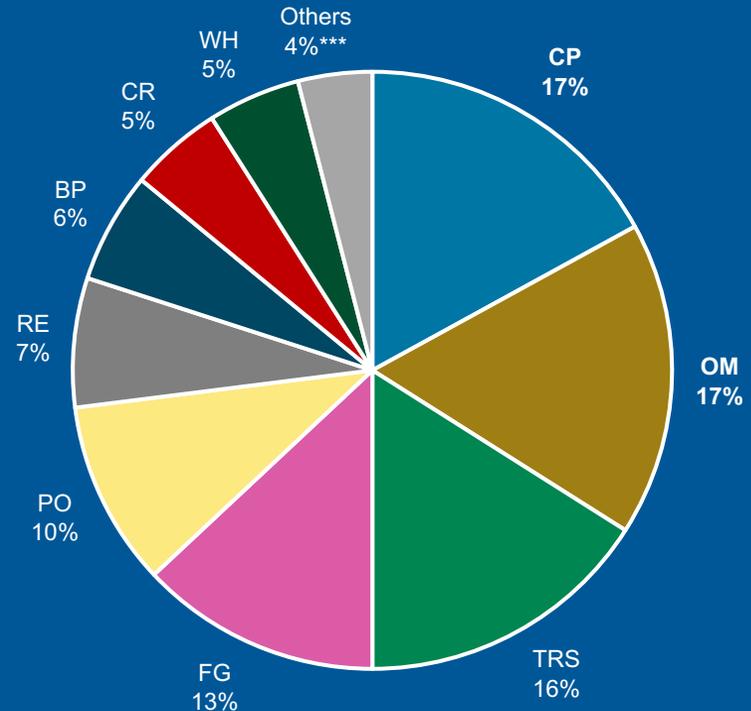


Palm is the most common feedstock and oil mill is the most common certification scope under ISCC in Latin America

Valid Certificates by Feedstock*



Valid Certificates by Certification Scope*



*One certificate may cover several feedstocks and scopes

**Others <10 certificates include Brown Grease, Corn, Food waste, POME, Sunflower, PFAD, PKS, SBE, TER, Sewage sludge, Bagasse, CTO, Rape/canola

***Others <10 certificates include Central Office, Other Conversion Units, Ethanol Plants, Farm/Plantation, HVO Plants, Treatment Plant for Waste/Residues

*Numbers as of July 2023

Update of ISCC EU Documents and upcoming legislation build a dynamic framework of certification

Update of ISCC EU Documents

- Update required to implement requirements of the Implementing Regulation on requirements for voluntary schemes¹
- ISCC Documents are currently being revised by the European Commission
- Updates include specifications on requirements for mass balance, GHG emission and iLUC certification
- ISCC will share the documents as soon as they have been confirmed by EC

New/ upcoming legislation

- Delegated acts on rules for the production and GHG emissions of RFNBOs (renewable fuels of non-biological origin) and RCFs (recycled carbon fuels)²
- Delegated act on co-processing (published in August 2023)³
- *Delegated act on update of Annex IX RED II (final version pending)*
- *Revision of RED II (RED III) (final version pending, see next presentation)*

¹ Implementing Regulation (EU) 2022/996 on rules to verify sustainability and GHG emissions saving criteria and low indirect land-use change risk criteria

² See next slide

³ Delegated Regulation (EU) 2023/1640 on the methodology to determine the share of biofuel and biogas for transport, produced from biomass being processed with fossil fuels in a common process

ISCC EU has set up a certification approach for RFNBO certification – Certification will be possible after recognition by EC

ISCC developed a certification approach for Renewable Fuels of Non-Biological Origin (RFNBOs) based on delegated regulation*

Approach was successfully tested in pilot audits that were initiated by the Dutch authorities EZK and RVO**

ISCC submitted the RFNBO System Documents to the EC for recognition

ISCC EU RFNBO certification audits will be possible, once recognition is in place

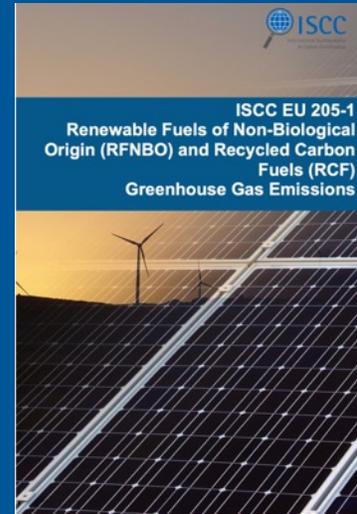
The first ISCC **RFNBO Training** took place in May 2023

Next date: 18 January 2024 (register online at www.iscc-system.org/academy)

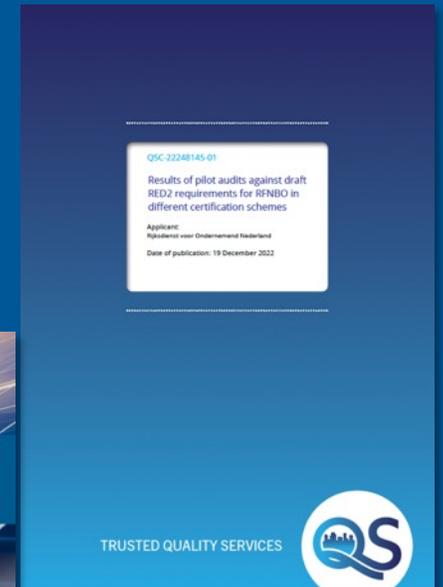
The ISCC **Stakeholder Committee** for RFNBOs is under discussion and will be announced beginning of 2024

* (EU)2023/1184 delegated regulation on establishing a Union methodology setting out detailed rules for the production of RFNBOs and (EU)2023/1185 delegated regulation on establishing a minimum threshold for GHG savings of recycled carbon fuels and by specifying a methodology for assessing GHG savings from RFNBOs and from recycled carbon fuels.

** Dutch Ministry of Economic Affairs and Climate Policy (EZK) and Netherlands Enterprise Agency (RVO)

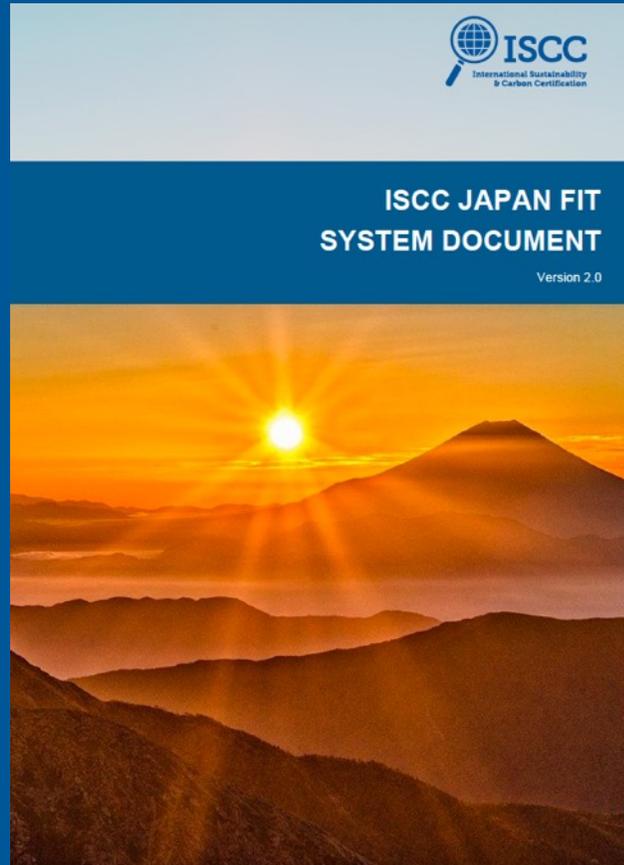


ISCC EU 202-6
Renewable Fuels of Non-Biological Origin (RFNBOs) and Recycled Carbon Fuels (RCFs)



Final results of pilot audits by independent certification body

ISCC Japan FIT – certification for renewable feedstocks destined for power generation in Japan



ISCC Japan FIT - What is covered

- Under the Japan FIT Japanese power plants have incentives to produce power from renewable sources
- The Japan Ministry for Economy, Trade and Industry (METI) recognised ISCC Japan FIT in April 2022
- Eligible feedstocks for ISCC Japan FIT certification include:
 - Palm oil
 - Shells (PKS, coconut, cashew, almond, pistachio, walnut, peanut, sunflower seeds)
 - Empty palm fruit bunches
 - Sugar cane stems and leaves
 - Cashew nut shell liquid

ISCC supports the application of a Union Database (UDB) for biofuels and bioliquids

- The RED II envisions the application of a “Union database” (UDB) for biofuels and bioliquids (see Art. 28(2) Directive (EU) 2018/2001 – RED II) The database aims to ensure the tracing of liquid and gaseous transport fuels that are eligible for being counted towards the share of renewable energy in the transport sector in any Member State
- ISCC is working intensively on the goal to provide the necessary data for onboarding and making transactions in the UDB possible. ISCC regularly informs about the development process and the timeline of the UDB. This is done via the ISCC System Updates
- ISCC is in the process of onboarding its system users, by collecting missing data in the requested format. Currently, approx. 50% of active Economic Operators (EOs) are in the UDB
- ISCC is also working on integrating access points providers for System-to-System communication. Two access point providers were taken onboard with ISCC constantly supporting the communication between them and the UDB team
- ISCC continues to support the UDB team in any possible way and is fully committed to making the UDB a success

Biodiesel from China: Fraud Allegations and measures implemented

- Allegations in the market since early 2023 regarding potentially fraudulent behaviour and unusual trade volumes in the field of biodiesel made from waste and residues coming from China to the EU market
- ISCC has reacted immediately with several measures and by initiating unannounced integrity audits at both randomly selected biodiesel and HVO plants in China, as well as at economic operators, which have been reported to ISCC by authorities and other stakeholders. Certificates have been withdrawn or temporarily suspended
- ISCC is in contact with the authorities of the European Commission and the German Federal Office for Agriculture and Food (Bundesanstalt für Landwirtschaft und Ernährung (BLE)). The BLE filed charges against some economic operators at the public prosecutor's office in Bonn, Germany. ISCC is providing all required information to these authorities
- ISCC takes its responsibility very seriously as a voluntary scheme. ISCC has continuously strengthened its auditing procedures over the last few years to control and mitigate relabeling of feedstock. It will continue to tighten the requirements for residue and waste-based biofuels
- While a certification system can detect and sanction cases of non-compliance, it is not a law enforcement authority that can legally identify and sanction fraudulent activities. Nevertheless, ISCC contributes as much as possible to make its certification procedures even more watertight

Additional requirement for Waste and Residue Supply Chains have been communicated and are effective

Some of the **requirements that became effective from 1st August 2023*** for for the **certification of wastes and residues** supply chains under ISCC EU (e.g., waste/residues from the processing of animal or vegetable oils/soapstock, food waste, POME oil, brown grease/grease trap fat):

- The risk level must always be high for audits for all System Users that handle waste/residues from processing of animal or vegetable oils/soapstock, and food waste among others. All certificates will require a material annex per scope (except traders/storage)
- A Collecting Point can only be certified under ISCC if an up-to-date list of Point of Origins is available, at least one Point of Origin is listed with a valid Self-Declaration and deliveries from at least one Point of Origin
 - If during the mandatory surveillance audit six months after the initial certification no deliveries from at least one point of origin can be documented, the scope collecting point must be removed from the certificate.
 - If a recertification audit identifies that in the previous certification period, no material was collected, the scope Collecting Point must be removed from the certificate.
- The individual certification as Point of Origin for Palm Oil Mills and Refineries that want to supply waste and residues material under ISCC is mandatory

Keep in mind: Wrong declaration of material is considered a critical non-conformity and leads to the immediate withdrawal of a certificate!

*For further information about the requirements: [ISCC Updates](#)

Outlook: ISCC provides support to comply with EUDR requirements

ISCC supports companies by developing an EUDR Add-On with the following components:

- Collection of product/producer information and polygon data
- Conduct deforestation analysis based on remote sensing data
- Proof of legality

Collection of farmer data and geo-coordinates & analysis of deforestation

Farmer	Analyzed area	Land Use Change	Overlap with No def. Area	Overlap with High def. Area	GRAS Risk Level
Example Farmer 100	7.2 ha	-	-	-	Low
Example Farmer 201	7.2 ha	-	-	-	Low
Example Farmer 10	7.2 ha	-	-	-	Low
Example Farmer 100	7.2 ha	-	-	-	Low
Example Farmer 10	7.2 ha	-	-	-	Low
Example Farmer 5	7.2 ha	1.2 ha	-	-	Medium
Example Farmer 100	7.2 ha	1.2 ha	-	-	Medium
Example Farmer 100	7.2 ha	-	1.5 ha	-	Medium
Example Farmer 100	7.2 ha	-	-	1.5 ha	Medium
Example Farmer 200	7.2 ha	2.2 ha	-	-	High
Example Farmer 10	7.2 ha	2.2 ha	-	-	High
Example Farmer 10	7.2 ha	2.2 ha	-	1.7 ha	High

- Consideration of all relevant environmental and human rights criteria of the EU regulation
- Identification of high risk hot spots

Risk Assessment

- Information can be forwarded through traceability platforms
- And used for the due diligence statement

Digital Traceability Database



Thank you!

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