

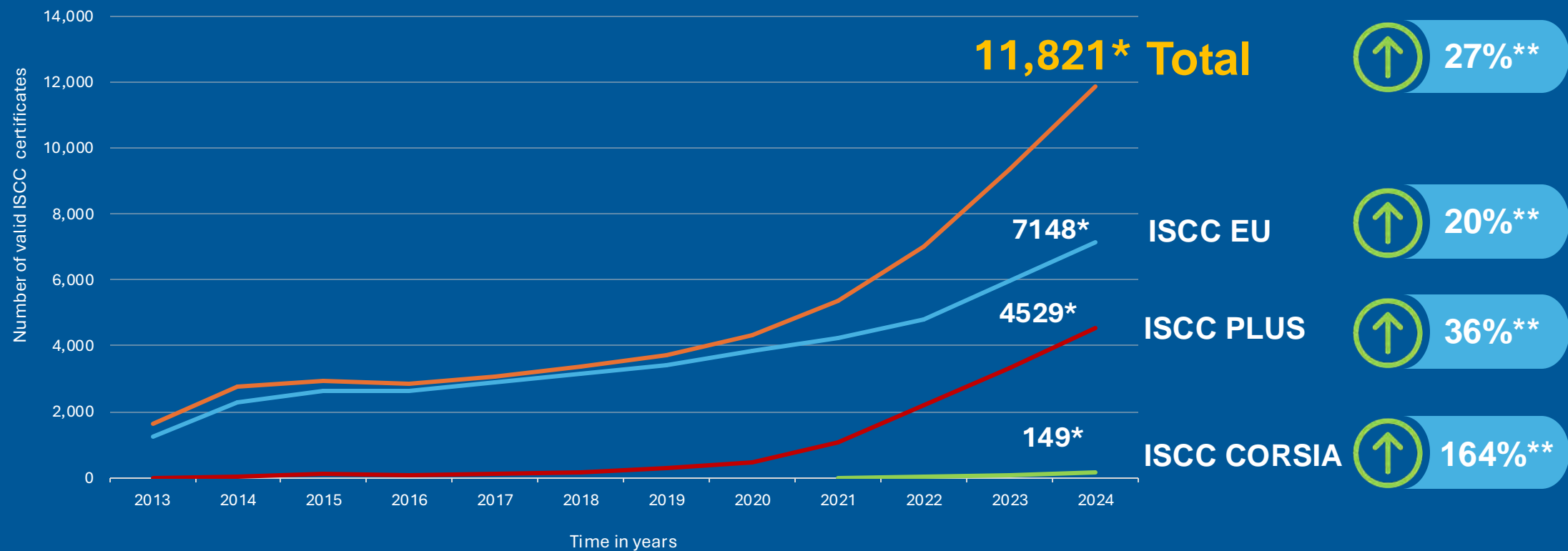


ISCC Regional Stakeholder Meeting Latin America

Challenges and New Market Developments

Dr Norbert Schmitz, ISCC System GmbH
ISCC Regional Stakeholder Meeting, Latin America
13 August 2024

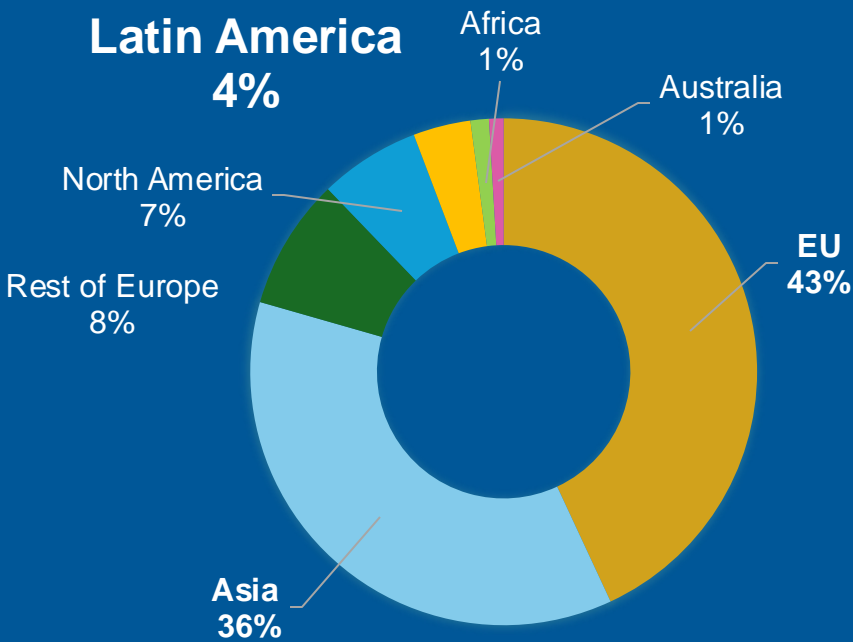
ISCC operates three certification systems. Overall growth of valid certificates 27% in the last twelve months



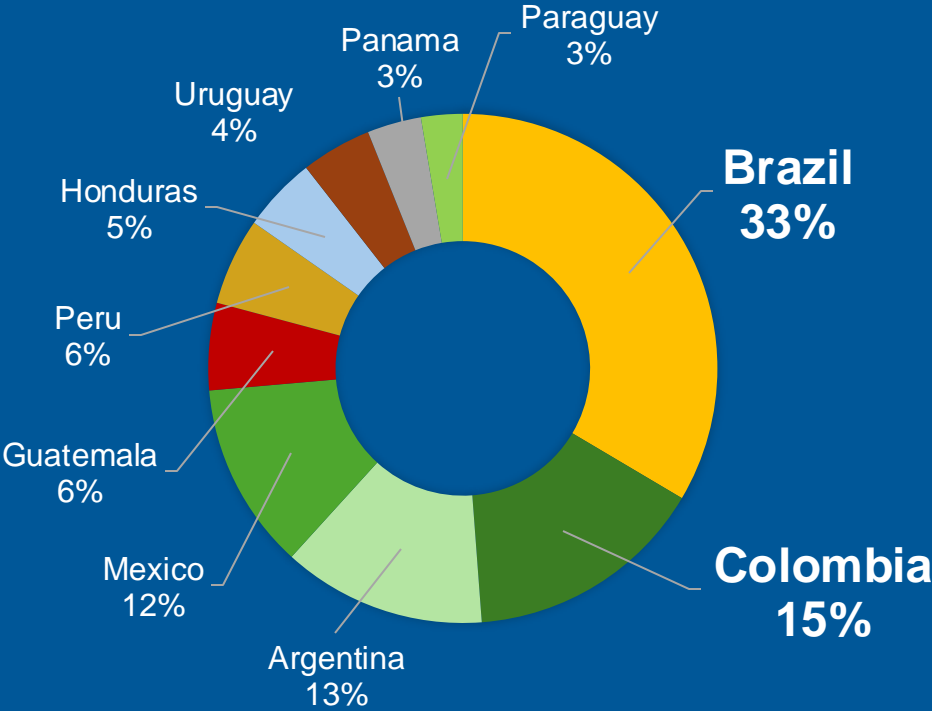
*Data as of July 2024
**In comparison to July 2023

ISCC certification insights: Brazil and Colombia leading the way in Latin American's certificate numbers

Global distribution of valid certificates by region*

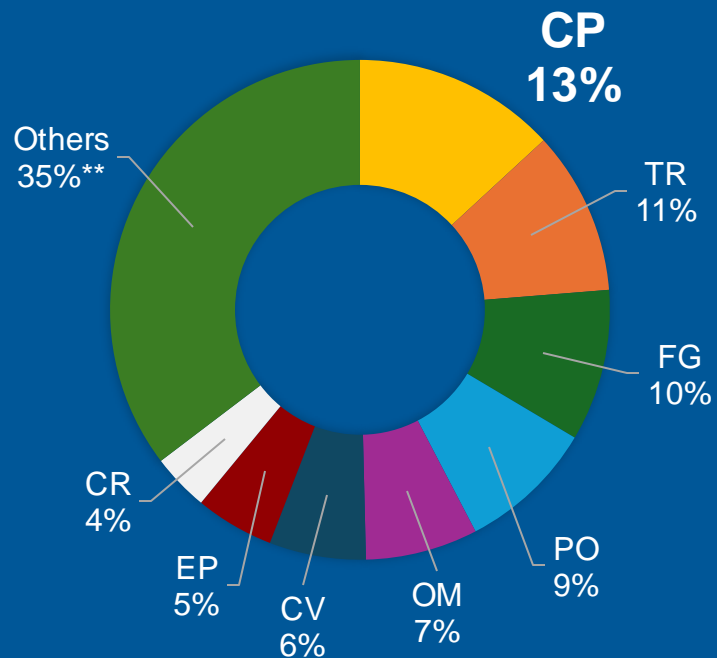


Valid certificates in Latin America: Regional overview in numbers *

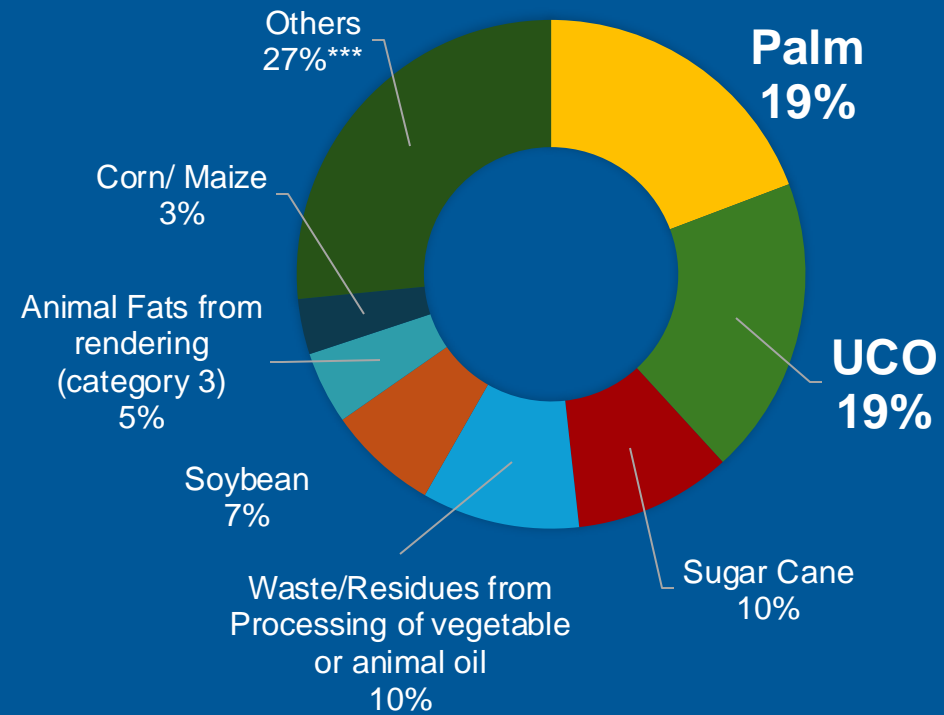


Certification scope and feedstock: Palm and UCO take the lead

Distribution of valid certificates by certification scope*



Valid certificates by feedstock*



Essential updates on ISCC EU: Key developments that matter to Latin America



- **Recognition of updated ISCC EU documents* by EC**
(adjustments based on Implementing Regulation (EU) 2022/996 cover scheme governance, audit process & auditor qualification, mass balancing, GHG emissions)
- **Certification approach for RFNBOs and RCFs**
was updated according to delegated regulations on RFNBOs – Recognition by EC pending
- **Guidance on co-processing**
was updated according to delegated regulation – will be published once confirmed by EC
- **ISCC approach for forest biomass**
under RED II was confirmed by EC – Official recognition by EC will follow shortly
- Set up of **stakeholder working group “Waste and Residues”**
to provide additional guidance for priority waste/residues feedstocks

ISCC EU 202-6

Renewable Fuels of Non-Biological Origin (RFNBOs) and Recycled Carbon Fuels (RCFs)

ISCC EU 205-1

Renewable Fuels of Non-Biological Origin (RFNBO) and Recycled Carbon Fuels (RCF)

Greenhouse Gas Emissions

No.	Task Title	Due Date	Task Status
1	Identify the project objectives and scope	2023-01-15	Completed
2	Develop a project charter	2023-01-20	In Progress
3	Identify the project stakeholders	2023-01-25	Not Started
4	Develop a project management plan	2023-02-05	Not Started
5	Identify the project risks	2023-02-10	Not Started
6	Develop a communication plan	2023-02-15	Not Started
7	Identify the project resources	2023-02-20	Not Started
8	Develop a project budget	2023-02-25	Not Started
9	Identify the project risks	2023-03-05	Not Started
10	Develop a project management plan	2023-03-10	Not Started
11	Identify the project risks	2023-03-15	Not Started
12	Develop a project management plan	2023-03-20	Not Started
13	Identify the project risks	2023-03-25	Not Started
14	Develop a project management plan	2023-04-05	Not Started
15	Identify the project risks	2023-04-10	Not Started
16	Develop a project management plan	2023-04-15	Not Started
17	Identify the project risks	2023-04-20	Not Started
18	Develop a project management plan	2023-04-25	Not Started
19	Identify the project risks	2023-05-05	Not Started
20	Develop a project management plan	2023-05-10	Not Started
21	Identify the project risks	2023-05-15	Not Started
22	Develop a project management plan	2023-05-20	Not Started
23	Identify the project risks	2023-05-25	Not Started
24	Develop a project management plan	2023-06-05	Not Started
25	Identify the project risks	2023-06-10	Not Started
26	Develop a project management plan	2023-06-15	Not Started
27	Identify the project risks	2023-06-20	Not Started
28	Develop a project management plan	2023-06-25	Not Started
29	Identify the project risks	2023-07-05	Not Started
30	Develop a project management plan	2023-07-10	Not Started
31	Identify the project risks	2023-07-15	Not Started
32	Develop a project management plan	2023-07-20	Not Started
33	Identify the project risks	2023-07-25	Not Started
34	Develop a project management plan	2023-08-05	Not Started
35	Identify the project risks	2023-08-10	Not Started
36	Develop a project management plan	2023-08-15	Not Started
37	Identify the project risks	2023-08-20	Not Started
38	Develop a project management plan	2023-08-25	Not Started
39	Identify the project risks	2023-09-05	Not Started
40	Develop a project management plan	2023-09-10	Not Started
41	Identify the project risks	2023-09-15	Not Started
42	Develop a project management plan	2023-09-20	Not Started
43	Identify the project risks	2023-09-25	Not Started
44	Develop a project management plan	2023-10-05	Not Started
45	Identify the project risks	2023-10-10	Not Started
46	Develop a project management plan	2023-10-15	Not Started
47	Identify the project risks	2023-10-20	Not Started
48	Develop a project management plan	2023-10-25	Not Started
49	Identify the project risks	2023-11-05	Not Started
50	Develop a project management plan	2023-11-10	Not Started
51	Identify the project risks	2023-11-15	Not Started
52	Develop a project management plan	2023-11-20	Not Started
53	Identify the project risks	2023-11-25	Not Started
54	Develop a project management plan	2023-12-05	Not Started
55	Identify the project risks	2023-12-10	Not Started
56	Develop a project management plan	2023-12-15	Not Started
57	Identify the project risks	2023-12-20	Not Started
58	Develop a project management plan	2024-01-05	Not Started
59	Identify the project risks	2024-01-10	Not Started
60	Develop a project management plan	2024-01-15	Not Started
61	Identify the project risks	2024-01-20	Not Started
62	Develop a project management plan	2024-01-25	Not Started
63	Identify the project risks	2024-02-05	Not Started
64	Develop a project management plan	2024-02-10	Not Started
65	Identify the project risks	2024-02-15	Not Started
66	Develop a project management plan	2024-02-20	Not Started
67	Identify the project risks	2024-02-25	Not Started
68	Develop a project management plan	2024-03-05	Not Started
69	Identify the project risks	2024-03-10	Not Started
70	Develop a project management plan	2024-03-15	Not Started
71	Identify the project risks	2024-03-20	Not Started
72	Develop a project management plan	2024-03-25	Not Started
73	Identify the project risks	2024-04-05	Not Started
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76	Develop a project management plan	2024-04-20	Not Started
77	Identify the project risks	2024-04-25	Not Started
78	Develop a project management plan	2024-05-05	Not Started
79	Identify the project risks	2024-05-10	Not Started
80	Develop a project management plan	2024-05-15	Not Started
81	Identify the project risks	2024-05-20	Not Started

- The legal requirements of the RED and complementary delegated legislation on RFNBOs
- Requirements to determine if electricity can be considered being renewable
- Specific GHG methodology for RFNBOs
- The entire supply chain from the production of renewable electricity, production of hydrogen and derivatives (e.g. methanol or ammonia), transport and distribution to the final market

Technical Stakeholder Committee RFNBOs: First meeting in January 2024, the next meeting will be announced shortly

Update of Annex IX of RED II on advanced feedstock

- On 14 March 2024 the European Commission adopted an update of Annex IX of the RED II*
- Since then, the legislation has been published in the Official Journal of the EC and is now in force
- Member States have until 14 September 2025 to provide laws, regulations and administrative provisions to comply with **directive**

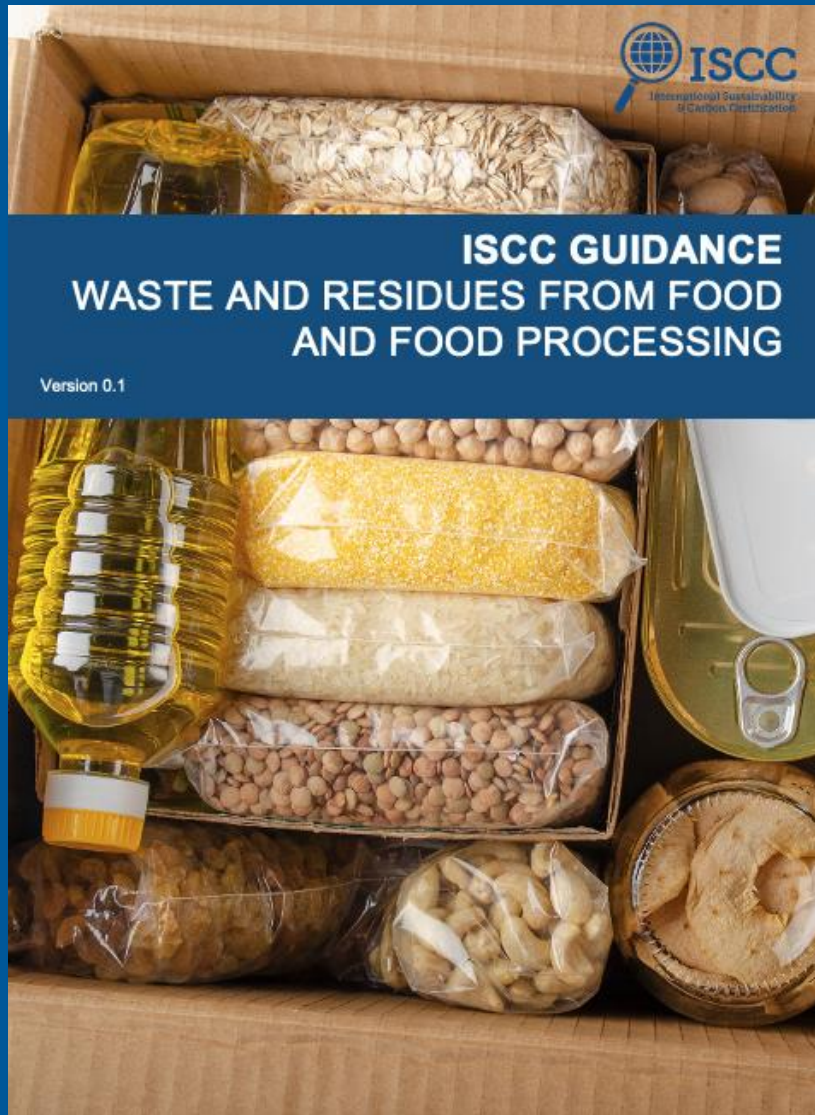
Added materials include:

- Crops grown on severely degraded land, except food/feed crops
- Intermediate crops are allowed if they don't increase land demand and maintain soil organic matter

→ ISCC will implement the additional feedstocks in due time

→ Guidance on definitions for degraded land and intermediate crops will follow

**Delegated Regulation (EU) 2024/1405 amending Annex IX to Directive (EU) 2018/2001 of the European Parliament and of the Council as regards adding feedstock for the production of biofuels and biogas*



Stakeholder Working Group „Waste and Residues“

- ISCC is currently operating a stakeholder working group on waste, covering a selection of waste and residue feedstocks listed in Annex IX of the Directive (EU) 2018/2001
- Aim: Improve the understanding and implementation of guidance documentation, and audit procedures to ensure compliance with regulations for priority feedstocks* (e.g., food waste, soapstock)
- The first guidance on used cooking oil (UCO) and brown grease will soon be made available to stakeholders for public consultation

Outlook RED III (revision of RED II) – Must be transposed into national law by EU Member States until May 2025

		RED II in force	RED III (Directive EU 2023/2413)
Overall RED saving target		At least 32%	At least 42.5% (joint effort to reach 45%)
	Transport target	At least 14%	At least 14.5% GHG savings or 29% renewable energy for all transport modes, including aviation and shipping
Renewable Energy for transport	Crop based feedstocks	7% cap (2020 consumption level, MS may reduce 7% to zero)	No changes
	Targets for Annex IX, Part A (advanced fuels)	0.2 % (2022), 1 % (2025), 3.5 % (2030)	At least 1% in 2025 and 5.5% in 2030 (shared with RFNBOs), with potential for increase if more feedstock is available
	Target for Annex IX, Part B	Limit of 1.7% (modifiable by MS with Commission approval)	No change
	RFNBOs	No target included	At least 1% in 2030 (renewable hydrogen for petrol and diesel counts towards the transport target)
	Sustainability criteria	Land and land-use related requirements for agricultural and forest biomass	Follow the cascading system to be respected, prioritizing biomass for material use over energy use

ISCC PLUS Updates relevant for LATAM



Follow potential opportunities for **recognition** e.g. Environment and Climate Change Canada (ECCC) for the Clean Fuel Regulation (CFR)



Follow up with legislative development e.g. green claims directive, Packaging and Packaging Waste Regulation (PPWR)



Development of new **material** list structure & process & markets



Continuous development of **carbon footprint certification** and the **Regenerative Agriculture Add-On**



Continue global **multi-stakeholder** process and working groups

Rising demand for Sustainable Aviation Fuels (SAF)



The SAF market's **overall trajectory continues to point towards mid- and long-term growth**

Regulatory schemes, particularly in the EU and the US, provide regulatory support and certainty, supported by demand from the voluntary market

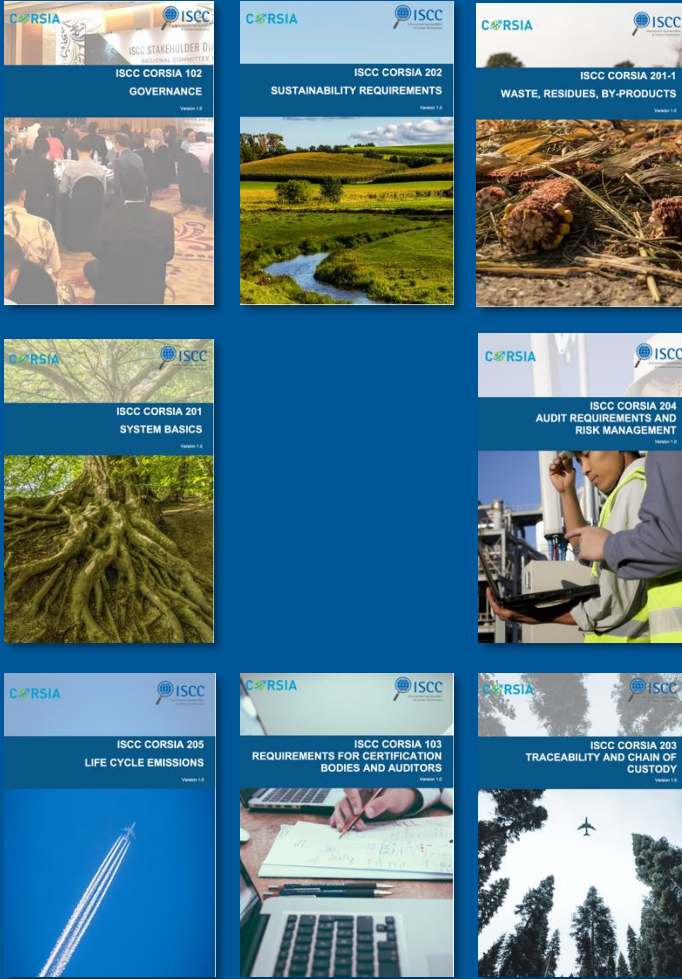
ISCC experiences **steady growth** in number of SAF certifications.

Currently **220+ certificates in SAF supply chains** across all three ISCC systems, among which **165 certificates under ISCC CORSIA alone**

ISCC is continuously refining its certification solutions for major SAF markets (e.g., the EU and CORSIA, but also voluntary Scope 3 markets).

ISCC certification can cover new innovative fuels, pathways and practices (e.g., low land use change risk approaches, carbon capture and storage and PtL-SAF)

ISCC spotlight on LATAM – Developments and challenges in SAF certification



- In the last year, **14 operators in LATAM**, including 12 in Brazil and 2 in Colombia, **achieved ISCC CORSIA certification**
- This year, the **first ISCC CORSIA low land use risk certification** was successfully completed in LATAM
- **ICAO is advancing methodologies for soil carbon accumulation and CCS relevant to LATAM operators.** ISCC is prepared to include these in CORSIA certification when available
- Annex IX update will allow **intermediate crops and those on degraded lands as SAF feedstocks**, opening new opportunities for LATAM operators.



Marine Fuels: A Market Opportunity for feedstock and fuels producers in LATAM

- First ISCC certified SMF in the market (mostly FAME, HVO and biomethanol)
- Successful second meeting of the ISCC Technical Stakeholder Committee on SMF, with over 330 participants from all major stakeholder groups
- Key regulatory frameworks for the maritime sector, including the IMO and EU level, consider third-party certification schemes to ensure SMF sustainability and eligibility
- IMO is developing a fuel certification framework, ISCC actively participating to be recognised once possible
- Unlike the EU, the IMO will likely consider crop feedstocks for marine fuel, offering LATAM suppliers new business under future policies

ISCC's commitment to strengthening certification with a focus on auditing and preventing feedstock fraud

- Auditor Trainings
- Certification Body Meetings
- Auditor Guidance
 - Working Group on on w/r definition and specifications
 - Reviewing and assessing suitability of laboratory analysis



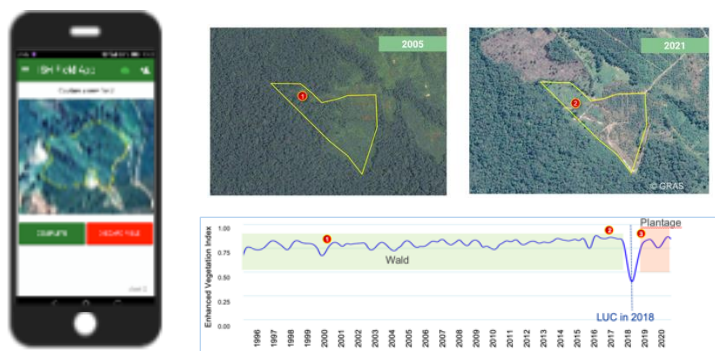
Online company data and credibility checks

- Orbis database (Moody Analytics)
- ISCC Whistleblower Tool
- ISCC Integrity Programme
 - 74 on-site Integrity Assessments globally
- Integrated IT infrastructure and end-to-end solutions

Communication – Training - System requirements and procedures - Monitoring

Meet EUDR requirements with ISCC's support for Latin American producers

ISCC offers an **EUDR Add-On** for palm oil, rubber and soy with the following components:



- Collection of product information and geolocation data
- Conduct deforestation analysis based on remote sensing data
- Assessment on legality



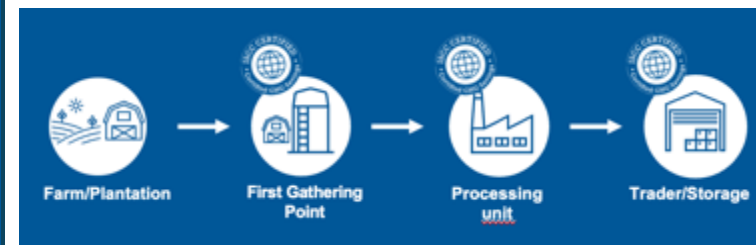
Collection of geolocation data & Analysis of deforestation



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



Risk assessment



- Transmission of relevant information along the supply chain via digital traceability platform
- Option to export data for Due Diligence Statement



Digital Traceability Platform

➔ Interested? Join our webinar on **9th of September!**



Thank you!

ISCC System GmbH

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