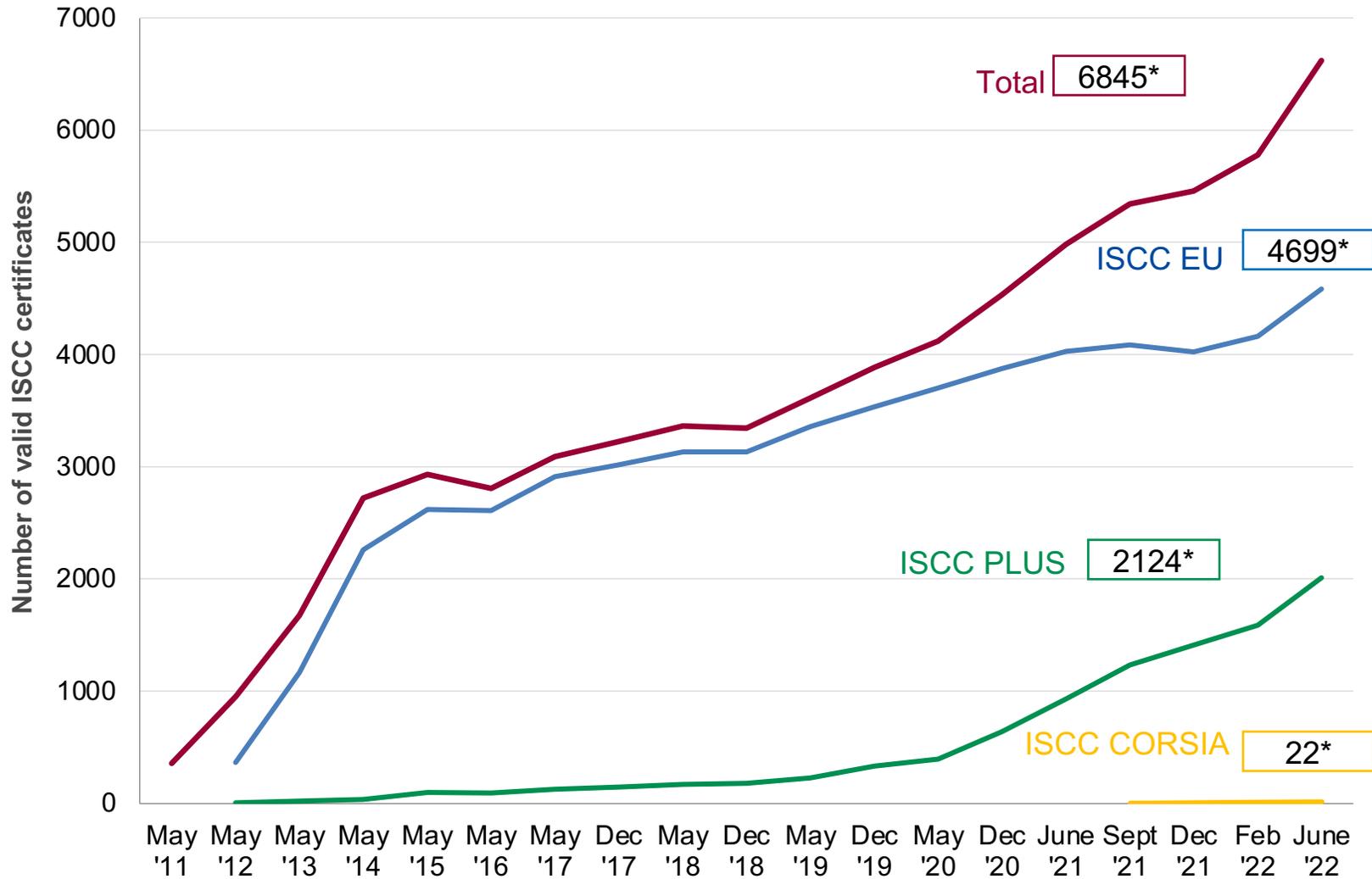




# ISCC Regional Stakeholder Meeting Latin America

## Latest Developments of ISCC

# Within all ISCC schemes, the number of certificates increased by more than 33% in the last 12 months



## Development of valid certificates per ISCC scheme\*\*

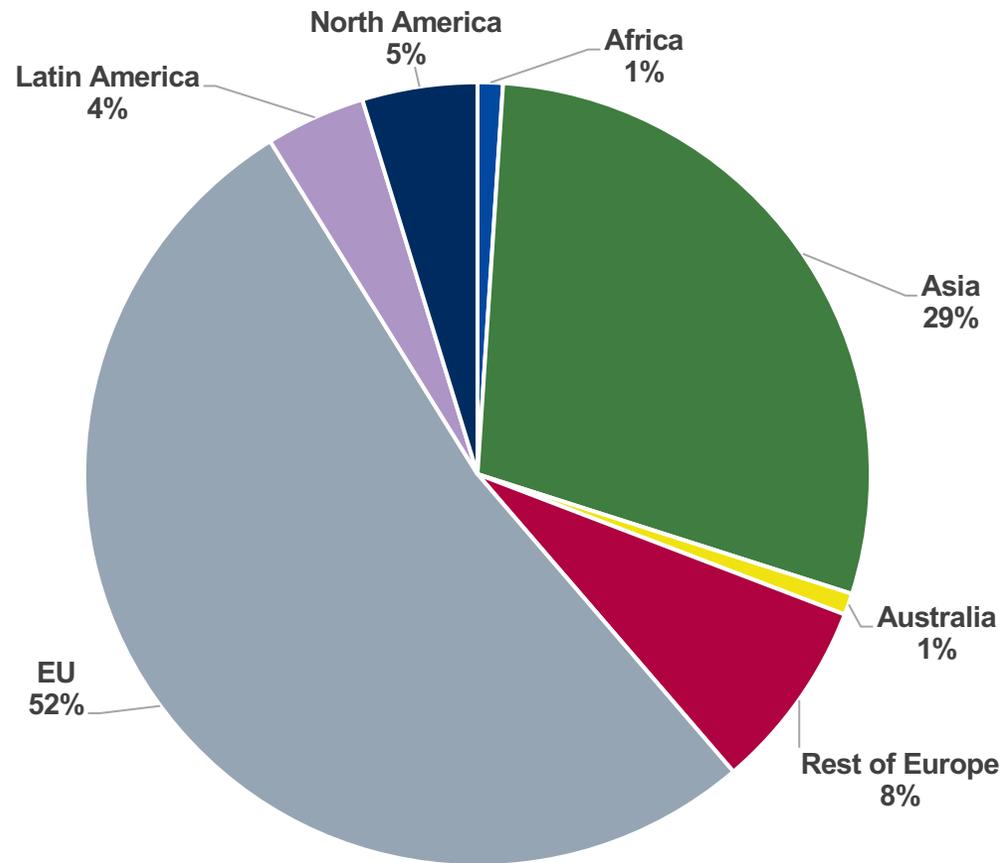
All ISCC schemes	+ 33 %
ISCC EU	+14%
ISCC PLUS	+117%

\*Numbers as per June 2022

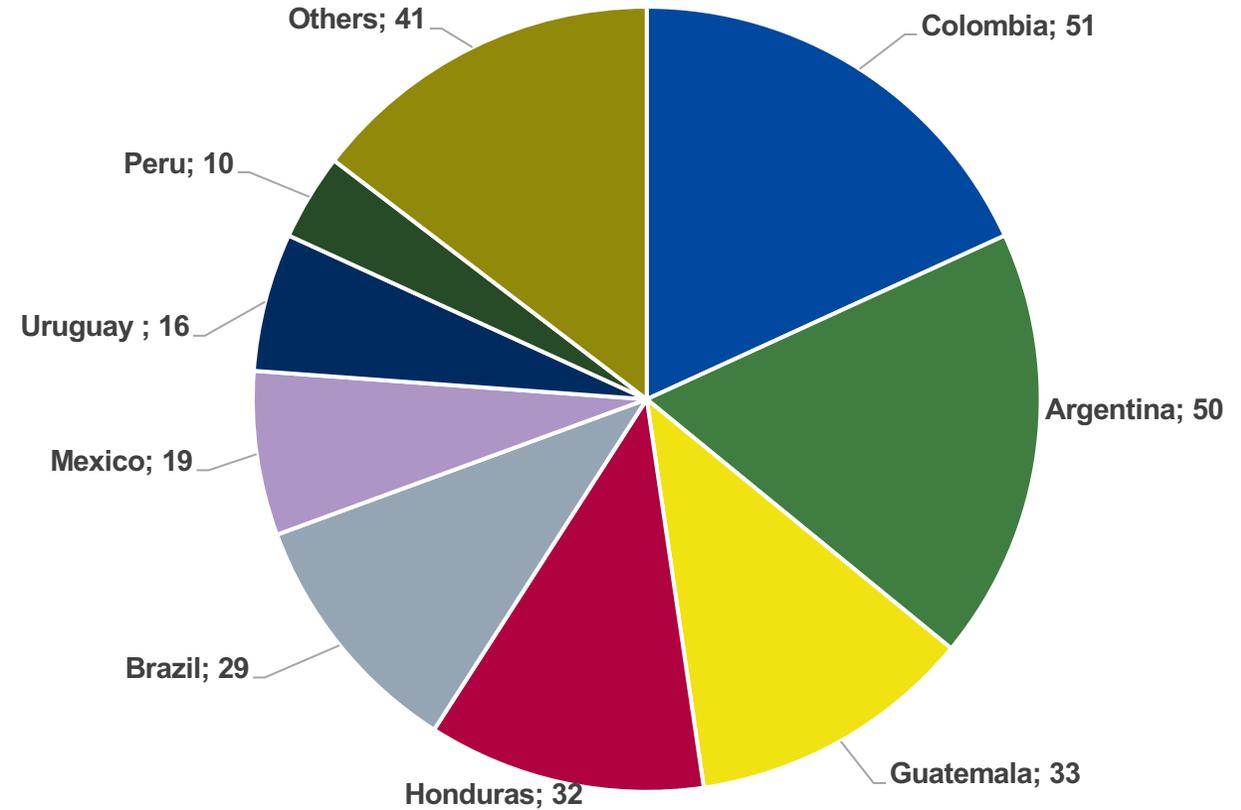
\*\*In comparison to June 2021

# The ISCC certificate coverage varies across different regions and countries

## Valid certificates by region\*



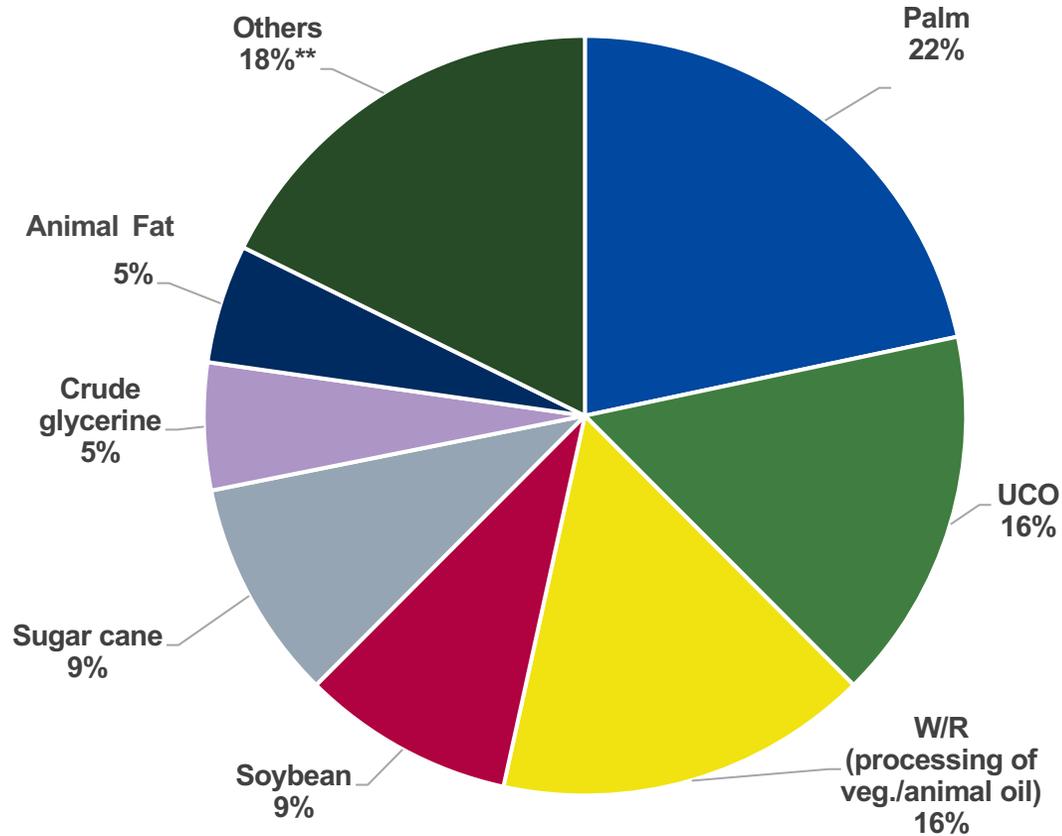
## Valid certificates in Latin America\* In absolute numbers



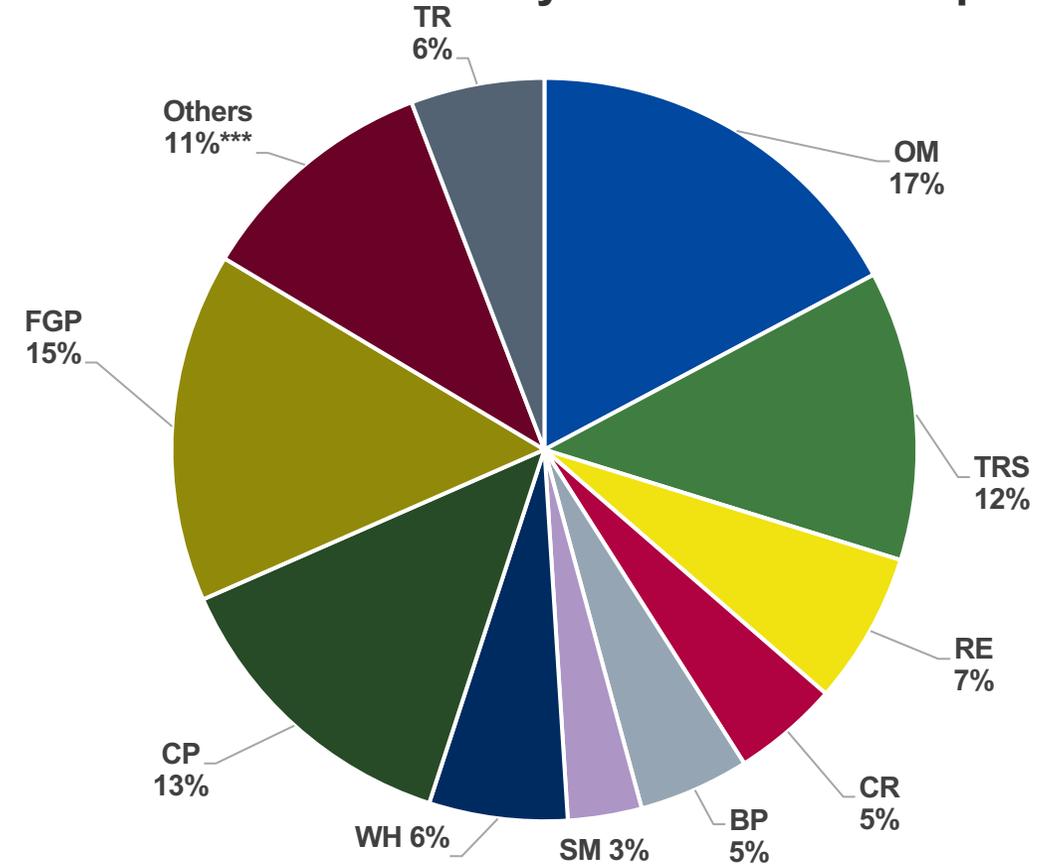
\*Numbers as of June 2022

# In Latin America palm is the most common feedstock and oil mill the most common scope under ISCC

## 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 June 2022

# RED II updates – Official recognition of ISCC EU and outlook on upcoming legislation

## Recognition under RED II

- The European Commission (EC) has **officially recognized ISCC EU under the RED II** on 13 April 2022
  - Already in July 2021, the EC confirmed that ISCC EU was **technically compliant with the RED II** (i.e. passed the preliminary assessment for the formal recognition under RED II)

## Implementing Act on Voluntary Schemes

- Implementing Regulation on rules to verify **sustainability and GHG emissions saving criteria and low indirect land-use change risk criteria\***
- Where necessary, ISCC will **implement required adjustments** in the ISCC EU System Documents
- Regulation specifies rules for voluntary schemes regarding:
  - Scheme governance
  - Audit processes and auditor qualifications
  - Mass balancing, GHG emissions, co-processing, waste and residues
  - Low ILUC risk certification

## Upcoming legislation for certification approaches

- Further **legislation expected** soon:
  - Renewable Fuels of Non-Biological Origin (RFNBO), e.g. hydrogen
  - Recycled carbon fuels, e.g. liquid and gaseous fuels produced from liquid or solid waste streams of non-renewable origin (e.g. waste plastics)
- ISCC EU will provide certification approaches under ISCC EU and will submit to EC for recognition once the legislation is available

\*Publication of legally binding text pending. Text available at [https://energy.ec.europa.eu/topics/renewable-energy/bioenergy/voluntary-schemes\\_en#approved-voluntary-schemes-and-national-certification-schemes](https://energy.ec.europa.eu/topics/renewable-energy/bioenergy/voluntary-schemes_en#approved-voluntary-schemes-and-national-certification-schemes)

# RED II includes concept of high and low iLUC-risk biofuels\* – ISCC Certification of low iLUC-risk feedstock will be possible

**Indirect land use change (iLUC):** Displacement of crops for food and feed by crops for the production of biofuels increasing the pressure to extend agricultural land into non-cropland and possibly into areas with high carbon stock (e.g. forests, wetlands and peatlands)

## High iLUC-risk biofuels:

- Produced from feedstock with significant expansion of the production into land with high-carbon stock
- RED II sets limit to consumption level in MS in 2019
- From 31 December 2023 gradual reduction of those biofuels to 0% by 2030
- Crops currently categorized as high iLUC-risk feedstock\*\*: Palm

## Low iLUC-risk biofuels:

- Must comply with sustainability and GHG saving requirements in Article 29 the RED II
- Must be “*produced from additional feedstock obtained through additionality measures*”:
  - cultivating unused land
  - achieving yield increase
  - through cultivation by smallholders

## ■ ISCC certification of low iLUC-risk crops will be possible

- Official RED II recognition of ISCC EU already covers the scope
- Certification guidelines must be adjusted based on requirements from the Implementing Act and from outcomes of low iLUC pilot projects

\*Also applicable for bioliquids and biomass fuels

\*\* See Delegated Regulation (EU) 2019/807 on the determination of high indirect land-use change-risk feedstock

# The RED II introduces RFNBOs and RCFs. Recognition of ISCC EU will only be possible after publication of the Delegated Act\*

## Renewable fuels of non-biological origin (RFNBOs)

- Fuels other than biofuels or biogas, the energy content of which is derived from renewable sources other than biomass
- The **electricity** used for the fuel production should be of **renewable origin** to ensure that RFNBOs contribute to the reduction of GHG emissions
- **GHG emissions savings** from the use of RFNBOs shall be **at least 70 %** from 1 January 2021

## Recycled carbon fuels (RCFs)

- Liquid or gaseous fuels that are produced
  - from liquid or solid waste streams of non-renewable origin which are not suitable for material recovery (...), or
  - from waste processing gas and exhaust gas of non-renewable origin which are produced as an unavoidable and unintentional consequence of the production process in industrial installations
- GHG methodology, thresholds for GHG savings and certification requirements are to be specified in delegated act (pending)

\*Publication of final version pending. Expected for summer 2022

# ISCC is developing certification solutions for sustainable Power-to-X supply chains

- Integration of **electricity as a feedstock** for the production of renewable fuels and chemicals is gaining importance
- **ISCC is in the position to certify PtX**, ensuring that key sustainability parameters are met along global supply chains

## ■ ISCC PLUS

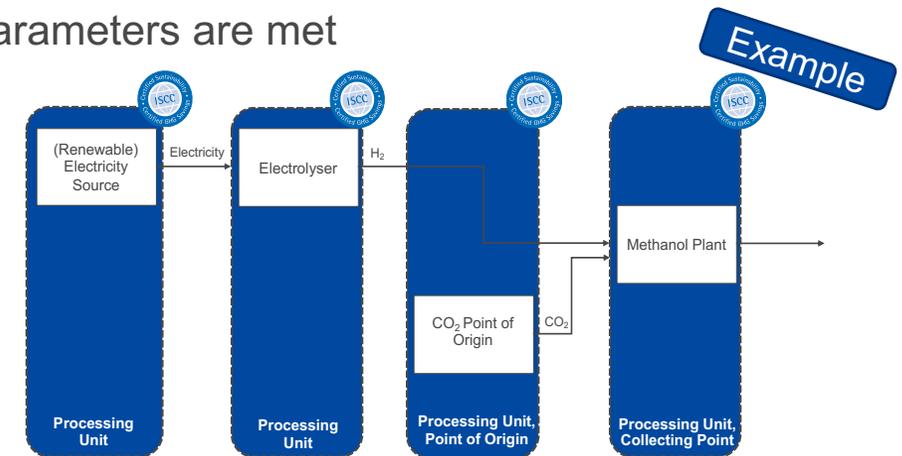
- Certification of PtX is already possible
- “Green” hydrogen, chlorine via electrolysis process
- Certification of sustainable basic chemicals (e.g. methanol, ammonia)
- First certificate issued in early 2021

## ■ ISCC CORSIA

- ISCC supports the certification of Power-to-Liquid SAF, including its future inclusion under **CORSIA** and the **ISCC CORSIA** standard

## ■ ISCC EU

- **ISCC is currently developing a certification approach** in line with the EU requirements



# ISCC certification for Sustainable Aviation Fuels (SAF) is taking off



## Interest in ISCC CORSIA certification for SAF is increasing steadily

- 22 economic operators already certified, including feedstock and SAF producers
- Two fully ISCC CORSIA certified supply chains already established
- With all ISCC standards largely harmonized, ISCC EU or PLUS certified operators are in a prime position to also become CORSIA certified

American Airlines



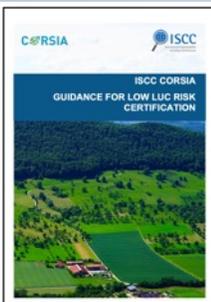
Deutsche Post DHL Group



TotalEnergies

## Major players active in the aviation sector recognize ISCC's key role in ensuring the sustainability of SAF

- Since the last Stakeholder Meeting, American Airlines and DPDHL have become members of the ISCC Association
- Major fuel producers and suppliers are already ISCC certified and show increasing interest in SAF
- Supply and use of ISCC certified SAF has made the news several times recently (e.g. a long-haul flight by Air France-KLM was powered by ISCC EU certified SAF produced by TOTALEnergies)



## ISCC has developed an approach for low land use change (LUC) risk certification

- Approach is officially recognized by ICAO under CORSIA
- Approach was field-tested in different pilots, covering different measures, feedstocks and regions
- One pilot featured a palm plantation in Northern Colombia
- Through an improved irrigation system, palm yield was expected to increase considerably

# ISCC was recognized by SBTi for SAF



**The science-based targets initiative (SBTi)** has become the industry-leading platform for ambitious corporate climate action

Currently, already **3000+ companies** are working with **SBTi**

To **report the use of biofuels as progress** against science-based targets, SBTi has established a robust set of criteria

For **SAF** in particular, **stringent sustainability criteria** have been set

**ISCC certification is explicitly recognized by SBTi** as ensuring compliance with these criteria for SAF\*

\*Please refer to: SBTi Aviation Sector Guidance, v1.0, August 2021, available via: [https://sciencebasedtargets.org/resources/files/SBTi\\_AviationGuidanceAug2021.pdf](https://sciencebasedtargets.org/resources/files/SBTi_AviationGuidanceAug2021.pdf)

# ISCC supports the maritime sector in its sustainability transition

- With growing interest in more sustainable solutions for maritime transport, ISCC is intensifying its efforts to support the sector
- **ISCC recently held its first dedicated event on sustainable marine fuels**, discussing upcoming regulation as well as lessons learned and challenges ahead for the maritime sector (with more than 200 people joining)
- Having received a clear message from stakeholders, ISCC intends to set up a **Technical Stakeholder Committee** on sustainable marine fuels
- ISCC is monitoring the developments around and **engages with regulators and key stakeholders on upcoming regulations**, including the FuelEU Maritime
- With the FuelEU Maritime regulation largely based on the REDII framework and many fuel producers and suppliers already certified, **ISCC is in a prime position to offer certification services**



# Upcoming and existing mandatory due diligence regulations at the EU level

## Draft EU Directive on corporate sustainability due diligence

### EU Commission publishes proposal for a Directive on corporate sustainability due diligence



## Proposal EU Regulation

PROPOSAL FOR A REGULATION

### Proposal for a regulation on deforestation-free products

#### Details

Publication date 17 November 2021

Author Directorate-General for Environment



## German Supply Chain Law

INTERNATIONAL

🕒 18. August 2021

### Act on Corporate Due Diligence in Supply Chains

*On 22 July 2021, the act was published in the Federal Law Gazette. This represents the first time that the responsibility of German companies to respect human rights in global supply chains has been given a legal foundation.*



Federal Ministry of Labour and Social Affairs

## EU Taxonomy Regulation

Press release | 18 June 2020 | Brussels



### Sustainable Finance: Commission welcomes the adoption by the European Parliament of the Taxonomy Regulation

# Due diligence on the national level

## Example of the German Supply Chain Law

In effect **starting from January 2023** for companies with more than 3,000 employees

### What is included into human rights risks?



# Combined audits of all ISCC schemes are possible

**ISCC EU**



**ISCC CORSIA**

**ISCC CORSIA PLUS**



**ISCC PLUS**



Multi-stakeholder organization



Quality and risk management



Integrity Program



Requirements for certification bodies



Requirements for conducting audits



Registration and certification process

# The ISCC Association is a multi-stakeholder initiative comprised of currently 206 members

