

A woman with long dark hair and a young child are standing on an airport tarmac, looking towards a large white airplane. The woman is smiling and has her arm around the child. The background shows other aircraft and airport infrastructure under a clear sky.

# Sustainable Aviation Fuel as a Today solution for aviation's emissions

SAF in SEA Region - State of Play, Challenges & Opportunities  
ISCC Regional Stakeholder Meeting - Southeast Asia  
Lee Ee Pin, Key Account Manager, APAC  
25th October, 2023

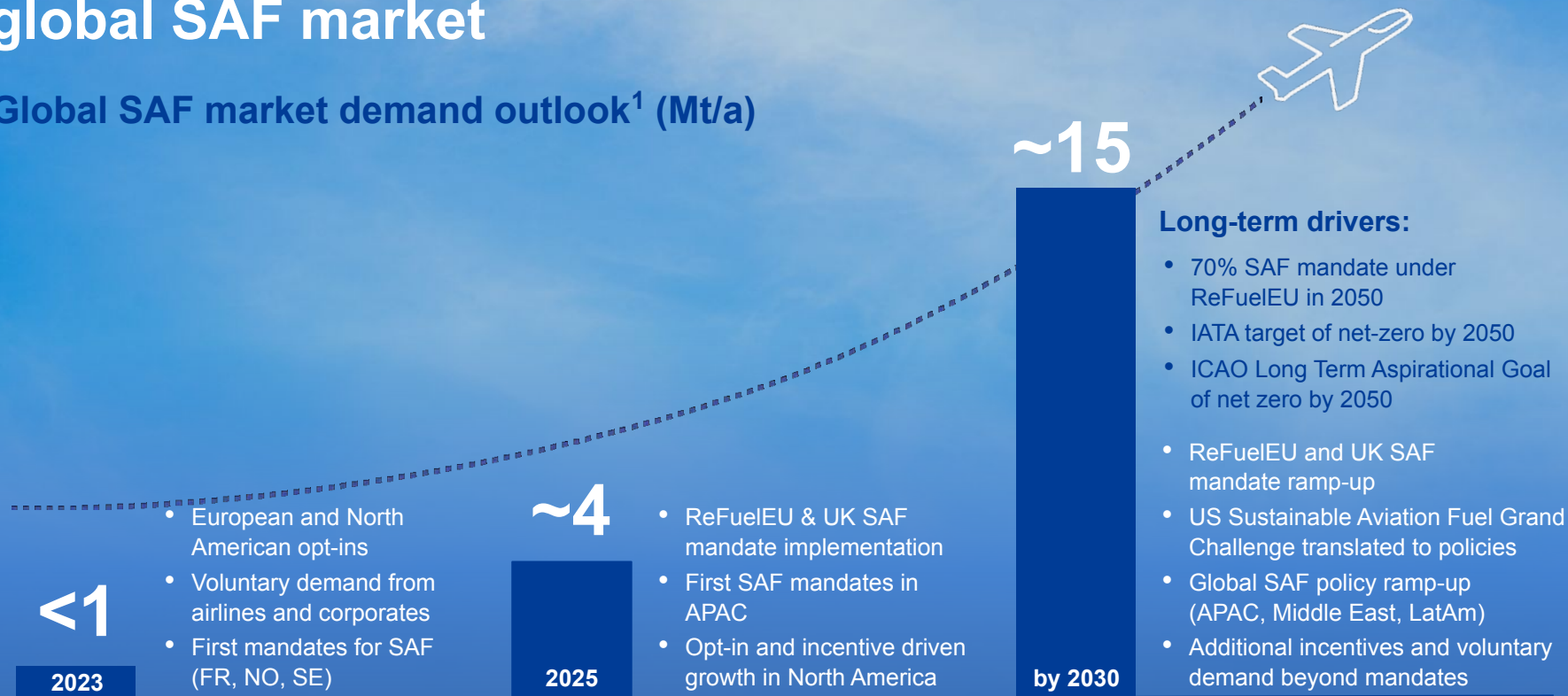


**Our purpose  
is to create a  
healthier planet  
for our children**

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# Regulations are driving the accelerating growth of the global SAF market

## Global SAF market demand outlook<sup>1</sup> (Mt/a)



1) Including opt-in into road mandates and voluntary demand. Source: Neste estimates.



# Global supply chain capabilities and channel partners enable managing growth and serving diverse customer segments

Global supply chain has been expanded...

...to serve global customers across the key regions

Network of key airports where Neste MY SAF is available<sup>1</sup>

7

2021

>25

2023

Distribution and blending hubs

2

2021

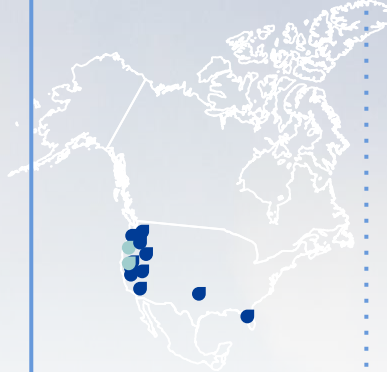
5

2023

Pipeline deliveries

**US:** Colonial and Buckeye Pipeline, SFPP  
**Europe:** CEPS, CIM, Exolum UK

North America



Europe



APAC



● Airport with Neste MY SAF availability<sup>1</sup>

● Distribution and blending hub

Selected customers and channel partners:



<sup>1</sup>) Including airports with over 1 million passengers where branded Neste MY Sustainable Aviation Fuel is available to airline customers, either directly from Neste or via a channel partner; Neste MY SAF is also available at several smaller and general aviation airports.

# Neste's SAF is already used by airlines around the world



# SAF production capacity is increasing significantly through investments from Neste and others

**2019**

**100 kton SAF**

Neste's total global production capacity

**2024**

**1.5 Mton SAF**

total global capacity through investments in Rotterdam and Singapore

**2026**

**2.2 Mton SAF**

total global capacity through further investments in Rotterdam

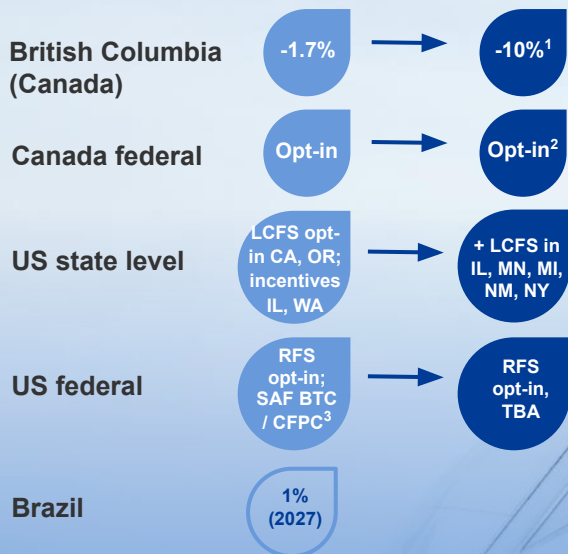
**2030**

**>3 Mton SAF**

aspiration with increasing renewable and circular capacity and product optionality

# Continuing growth of the SAF market will require policy support to create demand certainty for investments

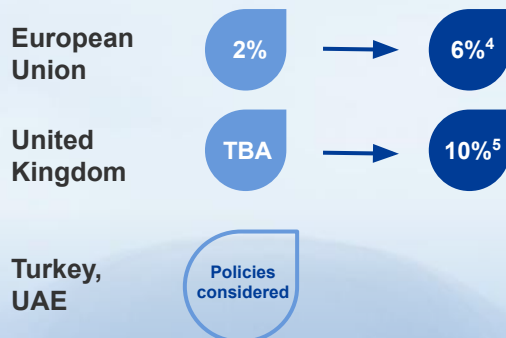
## Americas



- Market growth in the US driven by a mix of federal and state level incentives (opt-ins and tax credits)
- British Columbia plans to implement an aviation specific emission reduction target
- **First LatAm SAF mandate expected for Brazil**

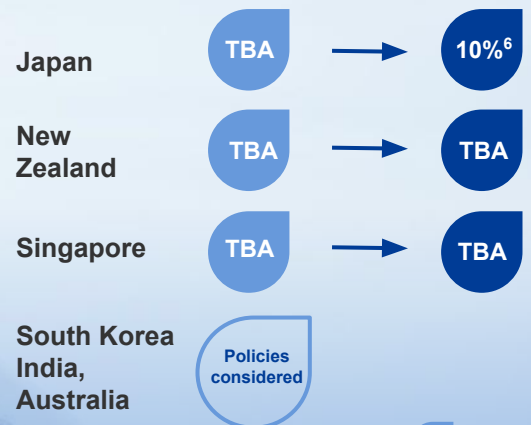
1) Intentions Paper proposal to introduce a carbon intensity reduction target for jet fuel starting in 2024, with -10% CI target in 2030; 2) Canada federal Clean Fuel Standard 3) BTC (Blenders Tax Credit) expected to change to a CFPC (Clean Fuel Production Credit) in 2025; 4) Provisional agreement on ReFuelEU Aviation with 2030 level of 6% including 1.2% RFNBO sub-mandate; 5) UK Net Zero Strategy; 6) METI proposal on May 26, 2023.

## EMEA

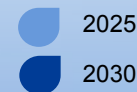


- SAF mandates in place (NOR, SWE, FRA) to be superseded by an EU-wide SAF mandate in 2025
- UK plans to follow similar timeline
- Policy discussion starting in the Middle East

## Asia Pacific



- Frontrunner countries such as Japan and New Zealand setting comparable targets and timelines for SAF adoption as Western peers
- SAF policy discussion spreading to an increasing number of countries



# Frontrunner countries in APAC are shaping policies for SAF, with ambitions that are aligned to those in Europe and North America

## SAF regulatory and market developments in selected APAC countries

### SINGAPORE

[Green Plan](#) published in 2021 established first holistic approach for Singapore's climate agenda

[International Advisory Panel](#) (set up by CAAS) proposed in Sep 2022 a structural offtake mechanism for SAF; [Blueprint for Sustainable Aviation Hub](#) to be published in 2023

[Singapore Airlines, Temasek, CAAS SAF pilot](#) launched in July 2022

[International collaborations](#) with US, UK, Japan, New Zealand and Australia on aviation sustainability

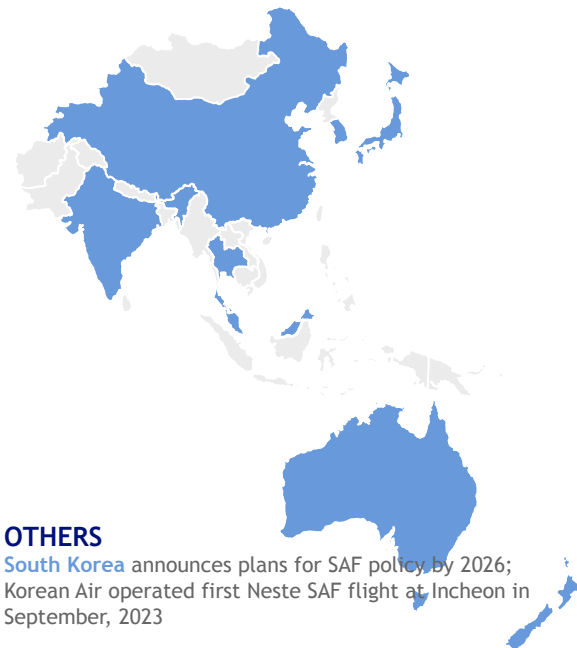
### AUSTRALIA

Government [Bioenergy Roadmap](#) published in November 2021 established SAF as key focus area (1 of 3 hard to abate sectors).

[Jet Zero Council](#) to advise government on required policies for aviation decarbonization launched at the Avalon Airshow in February 2023

[SAF Partnership](#) of Qantas Airbus to invest US\$200 million in the SAF industry in Australia

Boeing and CSIRO revealed [SAF Roadmap](#) for Australia's sustainable jet fuel future



### OTHERS

[South Korea](#) announces plans for SAF policy by 2026; Korean Air operated first Neste SAF flight at Incheon in September, 2023

[Thailand](#) civil aviation authority (CAAT) sets up a SAF working group

[India](#) exploring development of a SAF mandate by 2025

[China](#) aims to outline a SAF roadmap by end 2023

### JAPAN

Agency for Natural Resources and Energy (ANRE) has announced its plan to introduce a [10% SAF mandate in 2030 for all international flights](#).

Ministry of Land, Infrastructure, Transport and Tourism (MLIT) has set the [target of 10% for SAF in 2030](#)

[Basic Policy on Aviation Decarbonisation](#) of MLIT features SAF as one of five key elements

### MALAYSIA

Ministry of International Trade and Industry (MITI) established [Sustainable Aviation Energy Task Force](#) to advise on policy and to advance SAF production

[Malaysia Airlines](#) operated first flight using Neste MY SAF from Kuala Lumpur to Singapore in June 2022

### NEW ZEALAND

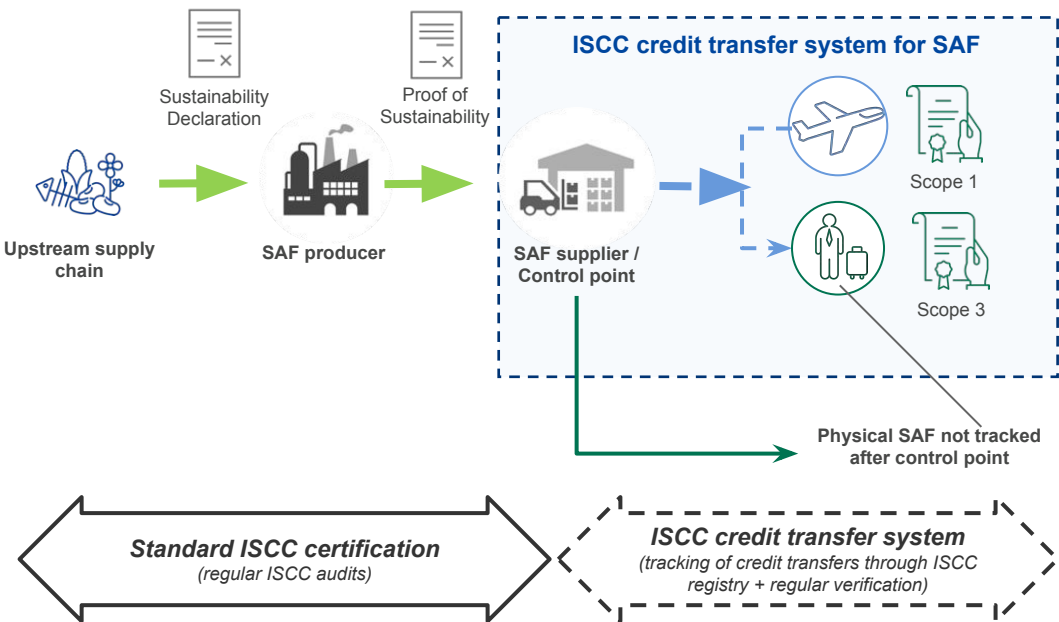
Government announced intention to implement a [dedicated SAF mandate](#), coming into force in 2025

[Sustainable Aviation Aotearoa](#) Public-Private partnership launched in November 2022

First shipment of SAF delivered to Auckland airport for [Air New Zealand](#) in September 2022



# With trusted partners, ISCC is currently developing a credit transfer system to allow full end-to-end tracking and verification of SAF claims, including for aviation end-customers



## What is the opportunity?

- Enable and access additional demand for SAF
- Enable credible tracking of SAF volumes and claims
- Positively shape an emerging SAF market

## Value-add for ISCC credit transfer system

- ✓ ISCC as leading scheme with most major suppliers certified uniquely positioned to offer end-to-end solution
- ✓ **Robust end-to-end approach** by combining credit transfer system with tried-and-true upstream ISCC certification
- ✓ SAF credit transfers are based on fuel actually **consumed in the aviation sector, thus reducing the sector's GHG emissions**
- ✓ SAF transferred and claimed as credits **fulfils stringent sustainability criteria** (i.e. is ISCC certified)
- ✓ Sustainability attributes claimed via credits can be **claimed in accordance with industry-accepted standards** (e.g. science-based targets for the voluntary market)
- ✓ Transaction and claiming process is governed by **clear and robust rules**, subject to **credible verification** and handled in the **ISCC registry** (currently in development)



**Thank you**