Stakeholder report

on external input provided by stakeholders
for assessment of the

certification scheme SBP

(request for advice from July 2018)

against the Dutch sustainability criteria
for solid biomass for energy applications

by the

Advisory Commission on Sustainability
of Biomass for Energy Applications

December 2018

Contents

1 Scope of this report

1.1 Introduction

This stakeholder report focusses on the external input as provided by stakeholders and on the commissions' response to that input. This report is part of the advice of the advisory commission on sustainability of biomass for energy applications (ADBE) to the minister of Economic Affairs and Climate Policy (EZK) on the application for approval by certification scheme "Sustainable Biomass Programme" (SBP). Another part of the advice to the minister is the public assessment report on the assessment of SBP. In that public assessment report a general introduction is given, as well as a description of the commission's assessment procedure.

1.2 External input for the certification scheme SBP

On July 23, 2018 the advisory commission received a request for advice on SBP from the Dutch Ministry of EZK. Via its website and via a news message distributed by email the ADBE announced that external input could be submitted within four weeks (July 23 to August 20).

External input was received from the following stakeholders:

1. Natural Resources Defense Council (NRDC), Southern Environmental Law Center (SELC), Dogwood Alliance (DA) and Partnership for Policy Integrity (PFPI), further referred to as "NRDC, SELC, DA and PFPI".
2. The US National Wildlife Federation, further referred to as "NWF";

In the tables in this report, their input will be marked with colours against a light yellow background:

1. Input by the NRDC, SELC, DA and PFPI
2. Input by NWF

The tables in this report will also include the reaction of the ADBE to the external input, this will be marked red against a light-blue background:

Reaction by the advisory commission is marked by red-coloured text

In the chapters that follow only those sustainability criteria and management criteria are listed for which external stakeholders have provided external input. The "toetsingsprotocol" (available on the ADBE webpage "Toetsingsprocedure", in Dutch) as well as chapter 4 of the public assessment report give the full list of sustainability and management criteria.

1.3 Readers guide

The next four chapters in this report give the external input provided by the stakeholders plus a response by the ADBE. External input towards the sustainability criteria is given in chapters 2 and chapter 3, on general and more detailed external input, respectively. Chapter 4 lists the documents that were consulted by the commission when taking the external input into account. An annex lists the abbreviations that are used throughout this report.

2 General input towards sustainability criteria

The ADBE's form for submitting external input gives in section B the possibility to make more general comments on sustainability criteria. Such general comments provided by the stakeholders are listed in the table below. Please note that this input can only be considered by the commission as part of the assessment in case this input applies to one or a number of individual sustainability criteria.

Overarching subject (sustainability criteria)	External input	Commission's reaction to the external input
GHG emissions, carbon sinks, carbon debt and land use change (sustainability criteria 1.1 and 3.1 - 5.1)	NRDC supports the comments submitted by the National Wildlife Federation (NWF). We would like to emphasize the point that, although SBP has incorporated the SDE+ language into their own standard, critical performance indicators necessary to verifying compliance are completely lacking. Essentially, just because the requirements appear on paper, the Commission can in no way be assured these requirements are actually being met. Futhermore, under the Group scheme, as noted below, the Group Manager responsible for making final decisions about eligibility and performance, has a direct financial interest in the outcome, which creates a serious conflict of interest. This further increases the risk that decisions regarding conformance will be subjective and unsubstantiated. At face value, this strikes us as an intentional and disingenuous attempt to circumvent the Commission's requirements. The National Wildlife Federation has reviewed SBP's updated documents, including "Instruction Document 2D: SBP Requirements for Group Schemes" which seeks to bring SBP standards into compliance with SDE+. We see this as a significant improvement over SBP's prior standards, and we want to recognize both SBP for taking these steps forward and the ADBE for ushering this improvement. SBP, however, has adopted language nearly verbatim to SDE+ standards in what seems to be a shortcut to creating a robust standard. In doing so, they overlooked several elements that compromise their relevance to the SDE+ criteria. Most importantly: 1) SBP did not set performance indicators for how it will meet its new criteria. Performance indicators are critical for defining and measuring the methodology by which an actor will complete a criterion. SBP refers to performance indicatos as Locally Applicable Verifiers. 2) SBP is deferring to the biomass producer (BP) to set up their own Locally Applicable Verifiers (LAV) for how they will meet the SBP criteria. This is akin to telling a child to "eat healthy" then letting the child decide what "healthy" means—even if it is junk food. 3) If the BP designs their own LAVs, how will ADBE know if the LAVs are satisfactory? SBP does not require third-party verification of the LAVs or even SBP approval. Will the ADBE review each set of LAVs? 4) Even if the BP sets robust performance indicators, SBP still does not have a reliable means of verification. Instead, SBP dictactes that "The BP shall evaluate each Group	The commissions' reaction to this input is given as a reaction to the five points submitted by NWF. In this way also the input by NRDC is responded to: 1) The commission cannot agree to this comment. As the legal Dutch sustainability criteria are criteria only, without indicators, the commission will also assess schemes that have not (yet) set performance indicators on how the criteria are to be met. From auditors we understand that – if they must perform a conformity assessment on sustainability criteria that do not yet contain performance indicators – they will develop such indicators themselves. 2) After the addition of SBP instruction document 3I there are two ways in which the conformity of group members with the Dutch legal criteria (as copied into SBP instruction document 3D) will be checked: (a) the group leader (the biomass producer) will develop Locally Applicable Verifiers (LAV) and will use these to evaluate the group members against the criteria (Chapter 4 of Instruction document 2D) and (b) an external auditor shall assess conformity with the criteria (Chapter 2 of Instruction Document 3I). The commission agrees to the stakeholders that independent third party auditing is an essential element of demonstrating compliance to sustainability criteria, and concludes that – through the addition of SBP Instruction Document 3I – SBP includes independent third party conformity assessment at group member level.

	Member against all indicators of the SDE+ sustainability requirements for the relevant feedstock Category using the LAVs" (Instruction Document 2D, Section 4.2). This appears to be a self-assessment rather than a third party verification. Can SBP credibly certify that criteria are being met under these parameters? 5) SBP only applies SDE+ criteria to category 1 and 2 biomass. For category 3 and 4 biomass, SBP neglects many important criteria, including indirect land use change (5.1), biodiversity (criteria 7.1, 7.2), conversion (7.3), water (8.2), and ecological cycles (8.3). These are all relevant to biomass from forest residues and could cause great damage if not enforced. SBP's shortcomings in performance indicators would not meet standards for sustainability schemes set by the ISEAL Alliance. The ISEAL page Benchmarking Sustainability Standards Systems describes this clearly, "Benchmarking is a critical activity within ISEAL, helping us to ensure that sustainability standards are credible, effective and bringing about the change they claim to deliver". The ISEAL Assurance code particularly relates to the importance of verifying that criteria in the code are met: Clause 5.1.2: "providers to follow a consistent, documented methodology that specifies requirements for each type of assessment of clients, is sufficient to determine client conformance with the requirements, and is commensurate with the claims being made by assurance system actors. The assessment methodology shall include procedures for at least the following activities: Assessment of conformance with the standard; Review and decision; Issuance of a certificate, where this is part of the scheme; Periodic re-assessment." We do not see evidence that SBP has a documented methodology that 1) "specifies requirements for each type of assessment of clients", 2) "is sufficient to demonstrate client conformance with the requirements", and 3) "is commensurate with the claims being made by the assurance system actors". If SBP claims they can meet the criteria set by the SDE+, they should be able to follow these specifics from ISEAL to demonstrate how their methodology acheives the requirements set forth in the SDE+ standards. The type of evidence that ISEAL prescribes to demonstrate how a system can provide a clear methodology for clients to meet standards includes specifying: • "frequency and intensity of assessment; • sampling protocol for assessment; • knowledge and skills required in an auditor or assessment team (if assessment team is used); • minimum set of issues that need to be checked in every assessment; • a means of calculating the time needed for an assessment; • sources of evidence to be assessed; • minimum content of assessment reports; and • timelines for submission of completed reports, following assessments." To summarize, SBP does not include performance indicators/LAVs for its criteria, does not have a credible means of verifying that the BP's self-designed performance indicators are satisfactory, and does not have a credible means of verifying that the performance indicators are met. As we will articulate in the form, this poses significant problems for meeting many of the SDE+ criteria. Sources 2.3 and 2.4	3) The ADBE will not review LAVs in case it approves criteria. Neither will the ADBE review performance indicators to be developed by auditors. According to document 3I the CB will do the independent third party conformity assessment at group member level. 4) Group certification does allow that the group leader is certified and group members are not independently (third-party) certified. This principle is included in the Dutch legal criteria 11.1-11.2 and in 13.1-13.3. Also the group certification possibilities under other certification schemes follow this principle. The commission agrees with the stakeholders that independent third-party evaluation of the group members ("at the FMU level" in case the group is about demonstrating compliance with SFM criteria) is an important element of group certification. The commission has concluded that – after the addition of instruction document 3I – SBP meets this requirement from Table 2, Annex D of the Dutch regulation, which is copied in the row below this one. The LAVs are used for an evaluation (internal in the group) by the group leader. Instruction document 2D 1.9 requires that the Group manager shall conduct an annual audit of a sample of the Group members The Dutch legal sustainability criteria do not define in any detail how this internal group evaluation has to be performed. 5) For category 3 and 4 biomass, the sustainability criteria under principles P3 – P10 do not apply (see Table 1 from Annex D from the Dutch regulation, which is copied in the row below this one). Whether SBP's scheme documents would or would not meet standards for sustainability schemes set by the ISEAL Alliance is not relevant for the commission, as the commission assesses whether the content of the scheme documents results in compliance to the Dutch legal sustainability and management criteria.

The two tables below are copied (and translated into English) from the Dutch legal regulation “conformiteitsbeordeling vaste biomassa voor energietoepassingen”.

Table 1. Biomass category’s with the applicable sustainability requirements

Sustainability requirements / **Category**	Greenhouse gas emission	Soil management	Carbon and land use change	Sustainable forest management	Chain of custody
1. Woody biomass from forest management units	1.1		3.1-3.3, 4.1-4.3, 5.1	6.1-6.3, 7.1-7.5, 8.1-8.8, 9.1-9.2, 10.1-10.5, 11.1-11.2	12.1-12.6, 13.1-13.3
2. Woody biomass from forest management units less than 500 ha	1.1		3.1-3.3, 4.1-4.3	6.1-6.3, 7.1-7.5, 8.1-8.8, 9.1-9.2, 10.1-10.5, 11.1-11.2	12.1-12.6, 13.1-13.3
3. Residues from nature and landscape management	1.1	2.1			12.1-12.6, 13.1-13.3
4. Agricultural residues	1.1	2.1			12.1-12.6, 13.1-13.3
5. Biogenic residues and waste	1.1				12.1-12.6, 13.1-13.3

Table 2. Distinction between the source and the first link in the chain of custody per biomass category

Category	**Source**	**First link chain of custody**
1. Woody biomass from forest management units	Forest management unit	Forest management unit
2. Woody biomass from forest management units less than 500 ha	Forest management unit or predefined supply base of which the forest management unit <500 ha forms a part	Forest management unit or biomass producer
3. Residues from nature and landscape management	Predefined supply base	First collection point
4. Agricultural residues	Predefined supply base	First collection point
5. Biogenic residues and waste	Company that generates the residues or waste	First collection point

Management by a group or regional	SBP's Instruction Document 2D "SBP Requirements for Group Schemes" states that	In the case of SBP group scheme certification based on ID2D, the Group Manager is an SBP certified Biomass Producer and a group member is a forest owner or forest manager who

association (sustainability criteria 11.1 and 11.2)	the Group Manager - the entity responsible for managing and evaluating Group Members - is a SBP certified Biomass Producer themselves. This arrangement represents a serious conflict of interest and raises significant questions regarding the actual independence of the entity that is responsible for making decisions about Group Member eligibility and performance. Credible certification schemes must require a higher degree of independence in this role to ensure standards are actually being met.	participates in the group scheme. As the members are all forest managers the group meets the Dutch definition for "group or regional association" which reads "a legal entity involving several forest managers who cooperate in a certain area, or companies that work together in a certain segment of the Chain of Custody". The commission has noted that (a) the Dutch legal criteria do not include requirements for the group leader other than that it must be an independent legal entity, and (b) it is not uncommon in group certification systems from other certification schemes that the group leader takes a similar role as the biomass producer in SBP. The commission points to the following examples from FSC where the group leader is – just like in SBP – a company buying and processing biomass from its group members: • UPM Tilhill Forestry Limited which is part of the UPM-Kymmene Group (https://info.fsc.org/details.php?id=a0240000005sV4UAAU&type=certificate). • UPM-Kymmene Corporation (http://fsc.force.com/servlet/servlet.FileDownload?file=00P4000000WWUGjEAP) • Stora Enso Eesti AS (https://info.fsc.org/details.php?id=a0240000005sVzuAAE&type=certificate) The commission is of opinion that a pellet mill owner leading a group of forest owners and forest managers that supply the biomass to his pellet mill, can form a potential conflict of interest. However, Dutch legislation allows a pellet mill owner to take this role. The commission is also of opinion that the risk (formed by the potential conflict of interest) is limited through independent auditors performing conformity assessments at group member level.

3 External input on sustainability criteria

Principle 1: The use of biomass leads to a substantial reduction in greenhouse gas emissions calculated across the entire chain in comparison with the use of fossil fuels

Sustainability criterion from Dutch legislation		External input provided by stakeholders	Commission's reaction to the external input
1.1 a	The reduction in CO_2-eq emissions is calculated to be a minimum of 70% per year on average based on the EU reference value. The average emissions have a maximum of 56 g CO_2-eq/MJ for electricity and 24 g CO_2-eq/MJ for heat.	*Please note that it is impossible to demonstrate compliance with this part a of the sustainability requirement by using a certification scheme, as compliance can only be demonstrated afterwards (looking back at all consignments of biomass used during a year) and by looking at consignments that were possibly delivered using multiple certification schemes.* *As a result, you are not asked to give external input for criterion 1.1a.* *Please also note that approval can only be given for criterion 1.1 (the sum of 1.1a and 1.1b) and that, as a result, it is not possible to fully comply with requirement 1.1 using certification.*	
1.1 b	No consignment of biomass shall result in emissions above 74 g CO_2-eq/MJ for electricity and 32 g CO_2-eq/MJ for heat. The calculated maximum CO_2-eq emission levels are based on the most recent European Commission publication on sustainability criteria for biomass and on the reference values provided for fossil fuels.	NRDC supports the comments submitted by NWF. Source 1.5 It is important to note that category 1 + 2 biomass have a significantly different carbon impact than category 3 + 4 biomass. Although we recognize that the Commission has determined that a certification cannot fully comply with this criterion, we feel it is important to emphasize that different types of biomass have very different impacts on the climate. Some types can be very damaging, while others can offer carbon benefits in a time-frame that's relevant to halting climate change. A recent analysis calculated the net emissions impact of different types of biomass and found that black liquor has relatively low emissions within 10 years of being combusted, pellets from forest residues have medium- to high emissions, and biomass from whole trees has high emissions even 40 years after they are combusted (Booth, 2018). Source 2.7	NWF and NRDC, SELC, DA and PFPI emphasize that different types of biomass have very different impacts on the climate. The advisory commission however has to assess whether a certification scheme requires GHG calculations to be made in line with the GHG calculation methodology as published in most recent European Commission publications according to the Dutch legal regulation. Dutch sustainability criterion 1.1 consists of three parts: • The reduction in CO_2-eq emissions is calculated to be a minimum of 70% per year on average based on the EU reference value. The average emissions have a maximum of 56 g CO_2-eq/MJ for electricity and 24 g CO_2-eq/MJ for heat. To the opinion of the commission it is impossible to demonstrate compliance with this part a of the sustainability requirement by using a certification scheme, as compliance can only be demonstrated afterwards (looking back at all consignments of biomass used during a year) and by looking at consignments that were possibly delivered using multiple certification schemes. SBP does therefore not cover this part of the criterion. • No consignment of biomass shall result in emissions above 74 g CO_2-eq/MJ for electricity and 32 g CO_2-eq/MJ for heat. SBP does not specify maximum GHG emissions nor minimum percentage emission reduction levels for individual batches of biomass, and therefore does not cover this part of the criterion. • Part (b) second requirement: The calculated maximum CO_2-eq emission levels are based on the most recent European Commission publication on sustainability criteria for biomass and on the reference values provided for fossil fuels. This part of the criterion is covered by SBP through Instruction

			document 6A section 2.2. The commission concludes that Dutch sustainability criterion 1.1 is partly addressed by SBP.

Principle 3: Production of raw biomass does not result in the destruction of carbon sinks

Sustainability criterion from Dutch legislation		External input provided by stakeholders	Commission's reaction to the external input
3.1	Biomass is not sourced from permanently drained land that was classified as peat land on 1 January 2008, unless it can be demonstrated that the production and harvesting of the biomass does not result in water depletion of a previously undrained soil.	NRDC supports the comments submitted by NWF. This criterion should be applied to category 3 and 4 biomass, not just category 1 and 2 biomass. Category 3 biomass should also not be harvested from these sensitive lands.	For category 3 and 4 biomass, sustainability criterion 3.1 does not apply (see Table 1 from Annex D from the Dutch regulation, which is copied on page 6 of this report). Category 3 biomass is defined as: **Residues from nature and landscape management** Biomass residues (branches, tops, trees) produced in the course of managing urban and rural green spaces and nature areas, other than forests designated for the preservation, restoration or enhancement of specific natural, recreational or aesthetic functions. These also include biomass residues produced during routine maintenance of public green spaces and parks. Category 4 biomass is defined as: **Agricultural residues** Residues obtained directly from agricultural business. Short rotation crops are excluded, with the exception of the residues thereof.
3.2	Biomass is not sourced from land that was converted from wetland to an alternative, dryer ecosystem after 1 January 2008.	NRDC supports the comments submitted by NWF. This criterion should be applied to category 3 and 4 biomass, not just category 1 and 2 biomass. Category 3 biomass should also not be harvested from these sensitive lands.	For category 3 and 4 biomass, sustainability criterion 3.2 does not apply (see Table 1 from Annex D from the Dutch regulation, which is copied on page 6 of this report).
3.3	Biomass is not sourced from wood plantations that were created by means of conversion of natural forests after 31 December 1997, unless the forest manager is not directly or indirectly responsible for the conversion. Biomass originating from wood plantations that were created after 1997 by means of conversion of degraded natural forests or degraded land is exempt from this requirement on condition that it is ecologically and economically justified to do so and that the forest manager is not	NRDC supports the comments submitted by NWF. In the preliminary assessment of SBP from 2017, the Commission found that "the definition of production plantation forest is narrower under SBP as compared to the definition under the Dutch sustainability criteria". SBP has not changed their definition. This criterion should be applied to category 3 and 4 biomass, not just category 1 and 2 biomass. Category 3 biomass could also drive land use decisions that lead to conversion (see comment in 5.1).	Please note that SBP did include – in its new Instruction Document 2D – both the sustainability criteria as well as definitions from the Dutch legal regulation. SBP clarified that – by making an addition to requirement 6.1 in the updated version of Instruction Document 2D – that these definitions take preference over the SBP definitions in case Instruction Document 2D is applied. For category 3 and 4 biomass, sustainability criterion 3.3 does not apply (see Table 1 from Annex D from the Dutch regulation, which is copied on page 6 of this report). Compliance with this criterion depends on the group management system. The commission concludes that SBP group management meets the requirements from the Dutch legislation on group management.

	directly or indirectly responsible for the degradation.		

Principle 4: The use of biomass does not result in a long-term carbon debt

Sustainability criterion from Dutch legislation		External input provided by stakeholders	Commission's reaction to the external input
4.1	The forest management unit where the wood is sourced is managed with the aim of retaining or increasing carbon stocks in the medium or long term.	NRDC supports the comments submitted by NWF. SBP does not define performance indicators that verify that it is retaining "carbon stocks in the medium to long term". So how can SBP certify this that their biomass will meet this criterion? Does medium to long term mean whenever forest regrows naturally? Does it mean the biomass carbon debt is payed off before we reach our Paris target of 2C by 2050? Or after?	The commission remarks that as the legal Dutch sustainability criteria are criteria only (so without indicators), the commission will also have to assess schemes that have not (yet) set performance indicators on how the criteria are to be met. The terms "medium term" and "long term" have not been defined (quantified) in the Dutch legal regulation. Compliance with this criterion depends on the group management system. The commission concludes that SBP group management meets requirements from the Dutch legislation on group management.

Principle 5: Biomass production does not result in Indirect Land Use Change (ILUC)

Sustainability criterion from Dutch legislation		External input provided by stakeholders	Commission's reaction to the external input
5.1	Biomass sourced from bioenergy plantation systems that were planted after 1 January 2008 has a demonstrably low ILUC risk. Biomass from forest management units smaller than 500 hectares is exempt from this requirement.	SBP has no mechanisms in place to demonstrate low ILUC risk and therefore, does not meet this requirement. We are encouraged that SBP is using the Low Indirect Impact Biofuels approach described in the Verification Protocol. We support this approach. However, as described in section B.2 part 4, SBP does not require independent verification that its criteria have been met. We do not see evidence that SBP will be able to verify the LIIB approach. This criterion should be applied to category 3 and 4 biomass, not just category 1 and 2 biomass. Category 3 biomass does very much relate to ILUC. See, for example, the Biomass Supply and Carbon Accounting paper that finds increased levels of biomass harvests, even from residues, could displace the pulp and paper market and incentivize land owners to convert their lands from natural forest to plantations. This would not be compliant with the LIIB methodology. Source: 2.1	The commission remarks that as the legal Dutch sustainability criteria are criteria only (so without indicators), the commission will also have to assess schemes that have not (yet) set performance indicators on how the criteria are to be met. For category 3 and 4 biomass, sustainability criterion 5.1 does not apply (see Table 1 from Annex D from the Dutch regulation, which is copied on page 6 of this report). Compliance with this criterion depends on the group management system. The commission concludes that SBP group management meets requirements from the Dutch legislation on group management. Furthermore the commission is of opinion that as ILUC is a relatively new subject, indicators and/or a method to demonstrate compliance with this criterion should rather be developed or referred to by the certification scheme itself than by the group manager. This way better guidance can be given to the biomass producer / forest manager how the criteria can be met. However this is no reason for the commission to conclude that SBP does not comply with the criterion.

Principle 6: Relevant international, national, regional and local laws and regulations are complied with

Sustainability criterion from Dutch legislation		External input provided by stakeholders	Commission's reaction to the external input
6.1	The forest manager holds the legal right to use the forest.	NRDC supports the comments submitted by NWF. In the preliminary assessment of SBP from 2017, the Commission found that "the general wording of the SBP indicators brings with it a specific risk, which is that the Biomass producer implements the control systems and procedures and performs the verification whether requirement 'X' is met, but does not take corrective actions when the verification leads to the conclusion that requirement 'X' is not met". We have the same concerns about SBP and the lack of performance indicators. SBP adopted SDE+ language, but did not go on to define how those criteria will be met. This leaves the criteria unlikely to be enforced and will be challenging to demonstrate that they have been accomplished. Comments on performance indicators pertain to sections 4.1, 5.1, 7.1, 8.1, 8.2, 8.3. See more in-depth comments in section B2.	The commission remarks that as the legal Dutch sustainability criteria are criteria only (so without indicators), the commission will also have to assess schemes that have not (yet) set performance indicators on how the criteria are to be met. Compliance with this criterion depends on the group management system. The commission concludes that SBP group management meets requirements from the Dutch legislation on group management.

Principle 7: Biodiversity is maintained and where possible enhanced

Sustainability criterion from Dutch legislation		External input provided by stakeholders	Commission's reaction to the external input
7.1	Sites with a high conservation value and representative areas of the forest types that are found in the forest management unit have been identified and are protected and where possible enhanced. The sites may contain one or more of the following values: diversity of species, ecosystems and habitats, ecosystem services, ecosystems at landscape level and cultural values.	NRDC supports the comments submitted by NWF. Furthermore, evidence gathered from on-the-ground Independent investigations demonstrate that certain SBP certified producers are not, in practice, meeting this requirement. Since 2013, media and local groups have investigated and provided critical insight into the supply chains for pellets exported by SBP-certified Enviva, the largest wood pellet manufacturer in the United States and key supplier to top European utilities, such as Drax Power in the United Kingdom and Dong Energy in Denmark. These investigations expose the unsustainable logging practices being used to provide biomass to Enviva (i.e., clear cuts of wetland forests). Wetland forests in the southern U.S. are some of the most biodiverse forest ecosystems in the North America and provide critical habitat to a host of threatened and endangered species. Sources: 1.1, 1.3 and 1.4 In the preliminary assessment of SBP from 2017, the	The commission remarks that as the legal Dutch sustainability criteria are criteria only (so without indicators), the commission will also have to assess schemes that have not (yet) set performance indicators on how the criteria are to be met. For category 3 and 4 biomass, sustainability criterion 7.1 does not apply (see Table 1 from Annex D from the Dutch regulation, which is copied on page 6 of this report). Compliance with this criterion depends on the group management system. The commission concludes that SBP group management meets requirements from the Dutch legislation on group management.

		Commission found that "Within SBP Standard 1 indicators 2.1.1 and 2.1.2 the term 'HCV' is not defined." We agree and do not find that SBP has changed this. Although they have incorporated the term "high conservation values" into their standards, they have not defined the term. SBP doesn't have performance indicators for this criterion. This means that, although they call for a forest to be protected, SBP doesn't define how a forest is protected. What does "protected" mean for SBP? See note in section B.2 about SBP not setting performance indicators, not validating the self-determined performance indicators that the biomass producers set, and not verifying the accomplishment of those indicators. This criterion should be applied to category 3 and 4 biomass, not just category 1 and 2 biomass. Category 3 biomass does very much relate to high conservation values and representative areas. The Forest Guild points out that "Many of the potential wildlife and biodiversity impacts stem from leaving too little dead wood on-site. The biomass guidelines reviewed here agree on the importance of avoiding sensitive sites for wildlife. These include areas of high biodiversity or high conservation value such as wetlands, caves, and breeding areas. Obviously, areas inhabited by threatened or endangered animals and plants receive special consideration. However, as the Minnesota guidelines point out, biomass harvesting may still be appropriate if management plans include specific strategies for maintaining habitat for rare species and/or to restore degraded ecosystems." Source 2.2	
7.2	Measures have been taken to protect endangered plant and animal species and, if applicable, to increase the populations and enhance the habitats of these species.	See comments and citations in 7.1. This criterion should be applied to category 3 and 4 biomass, not just category 1 and 2 biomass.	See our answers under criterion 7.1
7.3	The conversion of forests within the forest management unit to other forms of land use, including wood plantations, is not permitted unless: - the area concerned is small which means the total converted area over the years is no greater than 5% of the area of the forest management unit on benchmark date 1 January 2008; and - it clearly leads to long-term advantages for nature	NRDC supports comments submitted by NWF. This criterion should be applied to category 3 and 4 biomass, not just category 1 and 2 biomass. The biomass harvesting guidelines from the Forest Guild make clear that land use is important to consider when dealing with biomass "Do not convert natural forests into tree plantations or pasture; natural forests provide more wildlife food and habitat." This comes into play with not only category 1 and 2 biomass, but also category 3 since forestry residues can create a financial incentive to convert forests to an inferior habitat type.	For category 3 and 4 biomass, sustainability criterion 7.3 does not apply (see Table 1 from Annex D from the Dutch regulation, which is copied on page 6 of this report). Please note that forest residues are classified as category 1 or category 2 biomass (depending on the size of the FMU from which they are collected). Category 3 biomass is defined as: **Residues from nature and landscape management** Biomass residues (branches, tops, trees) produced in the course of managing urban and rural green spaces and nature areas, other than forests designated for the preservation, restoration or

	conservation; and - there is no damage or threat of damage to sites with a high conservation value.	Source 2.2	enhancement of specific natural, recreational or aesthetic functions. These also include biomass residues produced during routine maintenance of public green spaces and parks.
7.4	In the case of wood plantations, there is a preference for native species, and a relevant percentage of the plantation must be able to revert to natural forest at a later stage.	NRDC supports comments submitted by NWF. This criterion should be applied to category 3 biomass, not just category 1 and 2 biomass.	For category 3 and 4 biomass, sustainability criterion 7.4 does not apply (see Table 1 from Annex D from the Dutch regulation, which is copied on page 6 of this report).
7.5	Exploitation of non-timber forest products, including products from hunting and fishing, is regulated, monitored and controlled, among others to safeguard the maintenance of the biodiversity in the forests.	NRDC supports comments submitted by NWF. This criterion should be applied to category 3 biomass, not just category 1 and 2 biomass.	For category 3 and 4 biomass, sustainability criterion 7.5 does not apply (see Table 1 from Annex D from the Dutch regulation, which is copied on page 6 of this report).

Principle 8: The regulating effect and the quality, health and vitality of the forest are maintained and where possible enhanced

Sustainability criterion from Dutch legislation		External input provided by stakeholders	Commission's reaction to the external input
8.1	The soil quality of the forest management unit is maintained and if necessary improved, with special attention to coasts, river banks, erosion-sensitive areas and sloping landscapes.	NRDC supports comments submitted by NWF. SBP doesn't have performance indicators for this criterion. Even though SBP's standard prescribes that the forest management unit is maintained, SBP doesn't define what this looks like or entails. What does "maintained" mean for SBP? In the preliminary assessment of SBP from 2017, the Commission found that "maintaining/improving the soil quality at regional level demands for special attention to coast, river banks, erosion-sensitive areas and sloping landscapes. This is not mentioned in the SBP indicators." We agree and do not feel that SBP has identified what constitutes "special attention" to coasts, river banks, erosion-sensitive areas and sloping landscapes. How will the commission know if this has been met? Another way SBP's lack of indicators falls short is with measures like soil compaction. As described by the Forest Guild, collecting forest residues soon after a harvest could significantly impair the soil "Re-entering a site where timber was recently harvested can increase site impacts such as soil compaction and harm post-harvest regeneration." Source 2.2	The commission remarks that as the legal Dutch sustainability criteria are criteria only (so without indicators), the commission will also have to assess schemes that have not (yet) set performance indicators on how the criteria are to be met. Compliance with this criterion depends on the group management system. The commission concludes that SBP group management meets requirements from the Dutch legislation on group management.

8.2	The water balance and quality of both groundwater and surface water in the forest management unit and downstream outside the forest management unit are at least maintained and where necessary improved.	NRDC supports comments submitted by NWF. SBP doesn't have performance indicators for this criterion. This means that SBP doesn't define how the water balance and quality are maintained. What does "maintained" mean for SBP? This criterion should be applied to category 3 and 4 biomass, not just category 1 and 2 biomass. The Pinchot Institute for Conservation explains how forest residues have an important relationship with water quality "…ensuring that sufficient [coarse woody debris] CWD remains following harvest can help maintain water quality by inhibiting potential runoff. Deadwood improves water quality and serves as an essential habitat feature in both terrestrial and aquatic landscapes, and thus it is important to maintain preexisting CWD and snags in riparian areas (areas adjacent to streams) and in wetlands." Source 2.5	The commission remarks that as the legal Dutch sustainability criteria are criteria only (so without indicators), the commission will also have to assess schemes that have not (yet) set performance indicators on how the criteria are to be met. For category 3 and 4 biomass, sustainability criterion 8.2 does not apply (see Table 1 from Annex D from the Dutch regulation, which is copied on page 6 of this report).
8.3	Important ecological cycles present in the forest management unit are preserved, including carbon and nutrient cycles.	NRDC supports comments submitted by NWF. SBP doesn't have performance indicators for this criterion, as described in section 2B. This means that SBP doesn't define how a forest is protected. What does "preserved" mean for SBP? This criterion should be applied to category 3 and 4 biomass, not just category 1 and 2 biomass. For instance, the certification scheme should have a measure for protecting aquatic habitat, since even forest residues are important for offering shade that maintains livable water temperatures and the stream complexity that gives animals habitat through snags and branches in the water (Rees, 2017). Source 2.6	The commission remarks that as the legal Dutch sustainability criteria are criteria only (so without indicators), the commission will also have to assess schemes that have not (yet) set performance indicators on how the criteria are to be met. For category 3 and 4 biomass, sustainability criterion 8.3 does not apply (see Table 1 from Annex D from the Dutch regulation, which is copied on page 6 of this report).
8.4	Unnecessary damage to ecosystems is prevented by applying reduced impact logging and the most suitable road construction methods and techniques for local conditions.	NRDC supports comments submitted by NWF. Furthemore, please refer to our comments in 7.1 above. This criterion should be applied to category 3 biomass, not just category 1 and 2 biomass. For instance, the Forest Guild emphasizes how ecological cycles could be disrupted if forest harvests impair regeneration capacity "Removal of tree tops and branches may also remove seeds or cones, which may reduce the amount of natural regeneration." Source 2.2	For category 3 biomass, sustainability criterion 8.4 does not apply (see Table 1 from Annex D from the Dutch regulation, which is copied on page 6 of this report).

Principle 11: Forest management by a group or regional association offers sufficient safeguards for sustainable forest management

Sustainability criterion from Dutch legislation		External input provided by stakeholders	Commission's reaction to the external input
11.1	A group or regional association is led and supervised by an independent legal entity.	See comments above. SBP's Instruction Document 2D "SBP Requirements for Group Schemes" states that the Group Manager - the entity responsible for managing and evaluating Group Members - is a SBP certified Biomass Producer themselves. This arrangement represents a serious conflict of interest and raises significant questions regarding the actual independence of the entity that is responsible for making decisions about Group Member eligibility and performance. Credible certification schemes must require a higher degree of independence in this role to ensure standards are actually being met.	A "group or regional association" is defined as (translated definition from Dutch legal regulation) "a legal entity involving several forest managers who cooperate in a certain area, or companies that work together in a certain segment of the Chain of Custody". Principle 11 itself reads "Principle 11: Forest management by a group or regional association offers sufficient safeguards for sustainable forest management", which makes clear that a group as referred to under criterion 11.1 is a group of several forest managers. The commission makes the following observations: • In the case of SBP group scheme certification based on ID2D, the Group Manager is an SBP certified Biomass Producer and a group member is a forest owner or forest manager who participates in the group scheme. The group meets the Dutch definition, as the members are all forest managers or forest owners. The commission is of opinion that the Dutch legislation does not include the requirement that the group leader represents also an FMU. • The commission is of opinion that a pellet mill owner leading a group of forest owners and forest managers that supply the biomass to his pellet mill, can form a potential conflict of interest. However, Dutch legislation allows a pellet mill owner to take this role. The commission is also of opinion that the risk (formed by the potential conflict of interest) is limited through independent auditors performing conformity assessments at Group Members (FMU) level. • Still the Group Manager needs sufficient knowledge and expertise to ensure that the Dutch requirements for sustainable forest management are met by the group. Instruction document 2D contains two paragraphs that are directed towards this requirement. Paragraph 1.12 stipulates that "The Group Manager shall define the competence requirements for personnel managing the group scheme, including those required for developing the LAV's and conducting the annual audit of Group Members" and paragraph 1.13 requests that the "Group Manager shall ensure that personnel is competent for the tasks they perform". • According to ID2D the Group Manager shall be an SBP certified Biomass Producer holding a valid SBP certificate which includes Standard 2 in its scope (responses by mail indicate that this should also include standards 4 and 5). The Dutch sustainability criterion 11.1 requires that a group or regional association is lead and supervised by an independent legal entity. SBP (through ID2D 1.1a) requires that the group manager is a legal and independent entity, and is responsible for the group as a whole. • The commission understands that the SBP claim "SBP-compliant biomass" will be used both for biomass delivered by a company

			certified for SBP standard 1, as well as for companies certified for both SBP Standard 1 and for SBP instruction document 2D. The group certification as defined in instruction document 2D is an optional, extra set of requirements that can be added to the claim "SBP-compliant biomass". In instruction document 2D SBP requires that "2.5 The Group Manager shall register in the DTS when biomass is produced from feedstock supplied via a Group Scheme meeting the requirements of this SBP Instruction Document, 2D". As a result, an end user (and his/her auditor that is to prepare a conformity year statement) will know – when biomass is received with the claim "SBP-compliant biomass" – that SBP instruction document 2D was used. • Instruction Document 2D point 4.1 requires biomass producers to prepare Locally Applicable Verifiers (LAVs) for each indicator of the SDE+ sustainability requirements by applying the SBP requirements in Instruction Note 1A. The requirements in this instruction note refer to SBP standard 1 (see also general point 0.2). The LAVs are used for an evaluation (internal in the group) by the group leader. The independent (third party) external auditor, when performing a conformity assessment at sampled group members, will make an evaluation against the Dutch legal criteria (as copied into indicators into section 5 of SBP instruction document 2D). In case the LAVs are to the opinion of the auditor not sufficient, then the auditor can add additional Means of verification. The commission concludes, based on the observations given above, that SBP fully addresses Dutch sustainability criterion 11.1.
11.2	A group or regional association meets the requirements of sustainable forest management (requirements 6.1 through 10.5). The separate forest management activities of the individual members of the group or regional association shall also meet these requirements if applicable for the management of the forest concerned.	See comments above.	SBP instruction document 2D contains a requirement that individual forest owners shall meet the criteria of sustainable forest management (including the "SDE+ Sustainability requirements" and the "SDE+ Chain of Custody requirements"), and SBP instruction document 3I defines how the annual audit by an external conformity assessment body must be performed, including taking samples of group members and performing conformity assessment activities at FMU level. As a result, the commission concludes that Dutch sustainability criterion 11.2 is fully addressed by SBP.

Principle 13: In case of a group management system for the chain of custody the same requirements apply to the group as a whole as to individual businesses.

Sustainability criterion from Dutch legislation		External input provided by stakeholders	Commission's reaction to the external input
13.1	A group is led by a legal entity that is responsible for the group as a whole. This entity uses a management system as well as technical and human resources that enable it to	See comments in section 11.1 above.	ID2D clause 1.1 stipulates that the Group Manager shall be an independent legal entity or an individual acting as a legal entity. ID2D clause 1.12 and 1.13 stipulate that the Group Manager shall define the competence requirements for personnel managing the Group Scheme and shall ensure that personnel are competent.

	supervise the participating locations within the scope of the system. The entity conducts an annual audit of a sample of the affiliated group members.		The Group Manager shall use a management system as well as technical and human resources that enable him/her to supervise the participating locations within the scope of the Group System (1.8). There are no further specifications on how such a management system should look like. According to ID2D clause 1.9, the Group Manager shall conduct an annual audit of a sample of the Group Members. In addition, an annual audit by an independent external auditor is required. SBP instruction document 3I contains instructions on how this independent annual audit shall be performed, including requirements on taking a sample of FMU's to be assessed by the independent auditor and requirements for what to do in case of non-conformity. The commission concludes that Dutch sustainability criterion 13.1 is fully addressed by SBP.

4 Documents used for considering the external input

The following documents have been used when considering the external input.

4.1 Documents submitted by NRDC, SELC, DA and PFPI

1.1. Evans, A., Perschel, R., Kittler, B. 2009. Revised Assessment of Biomass Harvesting and Retention Guidelines. http://www.forestguild.org/publications/research/2009/biomass_guidelines.pdf
1.2. Pinchot Institute for Conservation, Rees, B. 2017. The Synapses Are Firing. http://conservefish.org/2017/01/05/the-synapses-are-firing/
1.3. Booklet compiling years of on-the-ground investigations into biomass harvesting to source Enviva in the U.S. Southeast: https://www.nrdc.org/sites/default/files/european-imports-wood-pellets-greenenergy-devastating-us-forests.pdf
1.4. Link to UK Channel 4 News Dispatches clip: https://www.facebook.com/Channel4News/videos/10155880285306939/
1.5. Booth, M. 2018. Not carbon neutral: Assessing the net emissions impact of residues burned for bioenergy. Environmental Research Letters. http://iopscience.iop.org/article/10.1088/1748-9326/aaac88

4.2 Documents submitted by NWF

2.1. Colnes, A., Doshi, K., Emick, H., Evans, A., Peerschel, R., Robards, D., Saah, D., Sherman, A. 2012. Biomass Supply and Carbon Accounting for Southeast Forests. http://international.nwf.org/publication-items/biomass-supply-carbon-accounting-for-se-forests-2012/?_ga=2.268049482.533105006.1534536324-301880898.1504618442
2.2. Evans, A., Perschel, R., Kittler, B. 2009. Revised Assessment of Biomass Harvesting and Retention Guidelines. http://www.forestguild.org/publications/research/2009/biomass_guidelines.pdf
2.3. ISEAL Alliance. 2018. Assuring Compliance with Social and Environmental Standards: ISEAL Code of Good Practice. Version 2.0. https://www.isealalliance.org/sites/default/files/resource/2018-02/ISEAL_Assurance_Code_Version_2.0.pdf
2.4. ISEAL Alliance. 2018. Benchmarking Sustainability Standards Systems. https://www.isealalliance.org/sustainability-news/benchmarking-sustainability-standards-systems
2.5. Pinchot Institute for Conservation, Rees, B. 2017. The Synapses Are Firing. http://conservefish.org/2017/01/05/the-synapses-are-firing/
2.6. WWF, EPFL, Ecofys. 2013. The Low Indirect Impact Biofuels (LIIB) Methodology. https://www.ecofys.com/files/files/ecofys-epfl-wwf-2013-credible-robust-certification-of-low-iluc-biofuels.pdf
2.7. Booth, M. 2018. Not carbon neutral: Assessing the net emissions impact of residues burned for bioenergy. Environmental Research Letters. http://iopscience.iop.org/article/10.1088/1748-9326/aaac88

Annex – Abbreviations

ADBE	Advisory Commission Sustainability Biomass for Energy Applications
BP	Biomass Producer
DA	Dogwood Alliance
DTS	Data Transfer System
EU	European Union
EZK	"Ministry of EZK" is the Dutch Minister of Economic Affairs and Climate Policy
FMU	Forest Management Unit
FSC	Forest Stewardship Council
GHG	GreenHouse Gas
ILUC	Indirect land use change
ISEAL alliance	International Social and Environmental Accreditation and Labelling alliance
LAV	Locally Applicable Verifier
LIIB	Low Indirect Impact Biofuel
NRDC	Natural Resources Defense Council
NWF	US National Wildlife Federation
PFPI	Partnership for Policy Integrity
SBP	Sustainable Biomass Programme
SELC	Southern Environmental Law Center