

1. Background

The Sustainable Biomass Partnership (SBP) is an industry-led initiative formed in 2013 by major European utilities that use woody biomass, mostly in the form of wood pellets, in large thermal power plants.

SBP's vision is the development of an economically, environmentally and socially sustainable solid biomass supply-chain that contributes to a low-carbon economy and SBP's initial focus has been on ensuring that tools are in place to provide assurance that woody biomass is sourced from legal and sustainable sources.

SBP recognises fully the credibility of existing and well-proven forest certification schemes, the Forest Stewardship Council (FSC) and the Programme for Endorsement of Forest Certification (PEFC) schemes, and does not wish to compete with or replicate them. Unfortunately there is limited uptake of certification in some key forest-source areas and the schemes themselves do not yet cover all the key requirements of biomass users. SBP is working to develop solutions, short-term and long-term, to address both these issues and has held discussions with both schemes on how some of these challenges might be overcome. SBP's immediate priority has been to develop standards and processes allowing companies in the biomass sector to demonstrate compliance with legal, regulatory and sustainability requirements relating to woody biomass.

Therefore, SBP developed a suite of draft standards which together make up a Biomass Assurance (BAF) which provides a clear statement of principles, standards and processes necessary to demonstrate such compliance. Wherever possible, use was made of the standards and processes developed by the Forest Stewardship Council (FSC) and the Programme for Endorsement of Forest Certification (PEFC) schemes and already applied to other forest product streams.

The members of SBP recognise the importance and value of involving external stakeholders, experts and specialists in the process of developing and improving the SBP standards. A fact-based dialogue can help to establish a strong foundation for the ongoing development of SBP's new Biomass Assurance Framework and for this reason SBP carried out a stakeholder consultation.

This document sets out how the consultation was undertaken, the issues raised by stakeholders and the decisions taken by SBP in response:

- Section 2 details the consultation process and next steps
- Section 3 sets out the major issues raised in the consultation and how SBP is responding
- Section 4 summarises the principal changes to the standards
- Appendix 1 provides some of the more detailed stakeholder input and SBP's responses.

Further information on the SBP is available on www.sustainablebiomasspartnership.org

2. The Consultation

The stakeholder consultation took place from 27th March to 25th April 2014.

The subject of the consultation was the suite of five draft standards which together make up the SBP's Biomass Assurance Framework:

- SBP Standard #1. Sustainable Feedstock Standard
- SBP Standard #2. The Evaluation of Feedstock against the SFS
- SBP Standard #3. Certification Systems Standard
- SBP Standard #4. Chain of Custody Standard
- SBP Standard #5. Energy and Carbon Data Collection Standard

In addition, there was a short consultation paper and a summary document – *Key Concepts in the BAF Consultation Draft* – providing an overview of the Biomass Assurance Framework as a whole.

Copies of the documentation were posted on the SBP website and an electronic feedback template was also provided to interested stakeholders.

2.1 Stakeholder Input:

SBP appreciates external stakeholders' high level of engagement with the consultation process.

In addition to the feedback SBP received from its own Sounding Board, 25 external stakeholders submitted their feedback.

These stakeholders can be categorised into three groups of stakeholders:

- Economic (18 responses)
- Government/Regulators (2 responses)
- NGOs (9 responses).

The majority of feedback – around two-thirds of the responses – relates to Standard #1 which sets out the definition of 'Legality' and 'Sustainability' in the Biomass Assurance Framework. Of the remainder, approximately half relates to standard #2 which sets out how to evaluate compliance with these definitions.

The comments and input ranged from high level concepts relating to the SBP approach down to specific wording and structuring of the documents. A proportion of comments received were outside the scope of the consultation relating, for example, to the policy of subsidising bio-fuel generation in Europe.

The consolidated feedback comprises 90 pages of comments.

2.2 How SBP considered the Stakeholder Input:

All the input and comments received from stakeholders has been scrutinised and discussed by SBP's Assurance Framework Development Group (AFDG). This has resulted in concrete changes and new elements in the updated version of the Biomass Assurance Framework standards as set out in Section 3.

A revised draft of the standards was approved by the SBP Board on 30th June 2014 as a Beta version and released as Version 0.0 in July 2014 for test certifications and implementation by Certification Bodies (CBs) and Biomass Producers (BPs). The learnings from this phase will feed into the preparation of the next version of the standards.

2.3 Next steps:

The aim is that following further refinement a Version 1.0 will be published early in 2015.

As part of a continuous improvement approach, Version 1.0 will then be subject to further refinement over the following 18-24 months and a Version 2.0 will be completed by the end of 2016.

3. Major issues and SBP responses

The Assurance Framework Development Group's aim was to evaluate, discuss and provide a response to the comments and input received. This has led to a number of changes in the approach of the certification as well as adjustments to specific wording to clarify ambiguities, misunderstandings and uncertainties.

In general, the comments from economic stakeholders mostly relate to the application of the standards whereas the comments from NGOs mostly relate to the definition and demonstration of sustainability including complex issues such as 'cascading' and 'carbon debt'.

Below, the main issues raised by stakeholders are set out together with SBP's response. In Appendix 1, more detailed comments are given.

3.1 Issue: The standards are 'too vague' and cannot be applied easily at a local level

SBP response:

- SBP acknowledges this point. SBP standards are global so cannot get into the detail of national-level indicators.
- Risk assessment is to be undertaken at a local level and audited by a CB.
- The BP will be required to develop locally adapted indicators prior to certification.
- SBP is committed to complete a revision and publication of a Version 1 of the SBP standards by early 2015 and a Version 2 by the end of 2016. These revisions will be driven by a commitment to continuously improve the standards as SBP is conscious that only through using the standards will it be possible to identify all the issues needing to be addressed.

3.2 Issue: The standards do not fully address 'sustainability'

SBP response:

- SBP acknowledges the challenge due to the absence of an internationally-set definition of 'sustainability'. The primary objective of BAF Version 0 is to document the compliance of regulatory requirements in European countries and so SBP has adopted a regulatory definition of sustainability using the UK's CPET Category B criteria as this is considered to be the most comprehensive and practicable starting point. Likewise SBP standards have been benchmarked against emerging Dutch standards.
- Going forward, SBP will take a dialogue-based approach to this issue and is open to include other national criteria where these are not already covered.

3.3 Issue: The biomass production plant is the wrong level for certification – it should be at forest level

SBP response:

- SBP shares the same objective as those stakeholders who provided comment on this issue that biomass production must take place in a sustainable way, taking into account the environment, biodiversity, social and economic conditions.
- SBP acknowledges that widely recognised and credible SFM standards already exist but unfortunately these schemes have not succeeded in achieving adequate take-up in some key

source areas, especially those source areas based on small forest owners. To address this issue SBP does not seek to replicate FSC/PEFC standards but to tackle the problem in a different way which makes use of a risk-based approach centred on the biomass production plant and verified by third party CBs.

- SBP's aim is to align SBP's system and processes with those of FSC and PEFC as much as possible and to ensure that the whole value chain for biomass for energy production – including the producers of, for example, wood pellets – is in compliance with sustainability criteria.

3.3 Issue: The 'cascading value' issue is not addressed

SBP response:

- SBP acknowledges the importance of optimising the use of timber in a way that the lowest qualities are used for bioenergy. It is however beyond the scope of this standard.
- SBP believes the risk of high value feedstock being used for biomass production is very low as forests typically supply a variety of end users and the market will direct material to the higher value end uses.
- SBP standards provide for the collection of data on the source of feedstock entering a biomass producer's supply chain and aggregated data will be made available.
- Perversely, the regulatory environment often makes it difficult for biomass producers to use tertiary or secondary material as feedstock.

3.4 Issue: 'Carbon debt', in-forest carbon stock and carbon accounting are not addressed

SBP response:

- SBP acknowledges that biomass used for energy production will not all have the equivalent impact on the carbon balance, and therefore the climate benefits achieved by using biomass to replace fossil fuels will vary according to circumstance. However SBP is aware that there is a lack of consensus on how to assess carbon stock, carbon balance, indirect land-use change (ILUC), etc. which is the reason that no biomass standards currently address this issue. Despite the absence of validated methods, as a first step the SBP standards seek to address this issue through data collection from the BPs and this is an indication of SBP's intent.
- SBP will monitor the development of methods to assess and document the carbon balance, carbon stock, ILUC, etc. and SBP will contribute through dialogue and knowledge sharing to this research and work.
- In connection with the revision and publication of the Version 2 standard by end of 2016, SBP is committed to considering the possibilities for enlarging data collection and including methods to address this issue in a broader extent.

3.6 Issue: Risk assessment – this should be at a national/regional level not at a company's catchment level

SBP response:

- SBP acknowledges this issue and agrees that risk assessments are best undertaken at a national/regional level by a third party.

- Therefore, SBP will recognise credible assessments such as those by FSC when they are available and SBP-recognised assessments should be used by BPs. The assessment must involve a stakeholder process, a public summary and be audited by a CB.
- In addition, SBP is currently piloting SBP regional risk assessments which incorporate an existing credible risk assessment so that both use the same risk mitigation requirements. Such risk assessments would be undertaken by a third party authority and stakeholders such as experts, NGOs, etc. must be included in this process.
- For areas where national/regional risk assessments are not available, SBP has established an alternative company-based approach – Supply Base Evaluation. This evaluation requires a risk assessment, field-checking, a stakeholder process and production of a public summary as well as auditing by a CB.

3.7 Issue: How will a biomass producer be sure that feedstock is not drawn from forests with high conservation values?

SBP response:

- SBP acknowledges this complex issue and is currently piloting SBP regional risk assessments which incorporate an existing credible third-party risk assessment protocol so that SBP would be using widely accepted risk assessment and mitigation requirements.

3.8 Issue: Once SBP-certified, there is no incentive for a biomass producer to improve and progress to sourcing only FSC/PEFC certified feedstock

SBP response:

- The development of the SBP standards was initiated because there is insufficient uptake of existing SFM standards (FSC and PEFC) in some source areas especially those where there are many small forest owners. That said, SBP aims to closely align the SBP system with FSC/PEFC and actively encourages biomass producers to use FSC/PEFC mechanisms to demonstrate compliance e.g. SBP has no chain-of-custody but relies on existing CoC standards such as FSC/PEFC.
- SBP believes that companies in the supply chain will have an incentive to get FSC/PEFC certified so as to simplify their certification process and reduce auditing costs. Therefore, making a stepwise transition from SBP to FSC/PEFC as straightforward as possible is an objective of SBP.
- SBP believes that other timber product markets (sawmillers, panel board and pulp & paper) have much greater market leverage than the biomass market so can play a critical role in catalysing wider take-up of FSC/PEFC certification.

3.9 Issue: SBP members – will there be requirements or targets for increased use of FSC/PEFC certified feedstock?

SBP response:

- A key objective of the SBP standards is to tackle the problem that existing SFM standards have not succeeded in achieving adequate take-up in some key source areas. At the same time SBP supports greater uptake of credible SFM standards such as FSC and PEFC.

- SBP acknowledges the importance of FSC and PEFC and SBP supports its members and other energy companies which implement individual % targets for these SFM standards.
- SBP cannot make a commitment to % targets for use of FSC/PEFC certified feedstock for member companies but SBP can commit to exploring what practical actions it might take to support greater uptake. For example, consideration is being given to establishing a fund to provide practical/financial support to regional/national projects promoting sustainable forest management and for increasing uptake of FSC/PEFC certification.

3.10 Issue: SBP labels/claims for SBP biomass need to be defined

SBP response:

- SBP has decided that no on-product labels are permitted.
- The SBP standard is defined as a business-to-business tool and therefore it is not SBP's objective to develop an on-label product.
- A single off-product claim is defined in the standards.

3.11 Issue: Controlled Feedstock should not be allowed into the supply chain

SBP response:

- SBP acknowledges this issue and confirms that SBP will only accept controlled feedstock from the FSC and PEFC systems.

3.12 Issue: How will the SBP standard and CBs be accredited?

SBP response:

- SBP is in detailed discussions with National Accreditation Bodies and is proceeding to apply for accreditation; unfortunately the authorisation procedures are lengthy.
- SBP's objective is to meet the requirements necessary to enable SBP certification to be delivered in each country in which SBP members are operating.
- Initially, until accreditation is confirmed, SBP will only approve CBs which are accredited in line with FSC or PEFC requirements and also meet additional SBP requirements.

4. Summary of the principal changes to the SBP Standards following the consultation

The principal changes made in each standard are shown below. In addition to formatting and structural changes a number of minor but important changes were made including the renaming of standards to more precisely describe their scope.

SBP Standard #1. Feedstock Compliance Standard.

- Rephrasing of indicators to facilitate auditing of the verification system implemented by the BP.
- Restructuring to reduce duplication and improve coherence.
- Clarification this is not a standard against which feedstock is evaluated. Standard #1 applies to the BP and is audited by the CB.
- Introduction of the concept that BP needs to develop the standard to make it locally relevant to the BP through modifying the Means of Verification and Guidance locally. SBP endorse regional risk assessment which may be used by multiple mills.

SBP Standard #2. SBP Standard for the verification of SBP compliant feedstock

- Controlled feedstock now can only be supplied under a certification claim.
- Secondary feedstock must be supplied from trees within the SBE that are low risk for all indicators (previously only evaluation against a subset was required).
- Clarification of the requirements for stakeholder consultation by the BP; SVP implementation requirements and SBE public summary report requirements.

Standard #3. Certification Systems standard

- Requirements for surveillance audits previously included in standard references explicitly included in annexes.
- Clarification of the requirements for stakeholder consultation by the CB and CB public summary report requirements.
- Clarification that prior to accreditation there is an SBP process for CB approvals and monitoring.

SBP Standard #4. CoC standard

- Requirement to hold CoC Certification and no option for a bespoke SBP CoC system.
- Addition of SFI and GGL as SBP approved CoC Systems.
- Restructuring of standard resulting from changes in requirements on controlled feedstock and secondary feedstock.

SBP Standard #5. Energy and Carbon data collection

- Very little feedback received during consultation process.
- Standard was redrafted to give clarity to intention and consistency with other standards.

Appendix 1. Analysis of recurrent and key comments received and SBP response

A summary of key or recurrent comments are presented below, ordered by the standard they relate to. In some cases an example of a comment received is included for illustration. There may have been many similar comments which are not included.

A. Comments on general aspects of the standards

1. Topic: Clarification of requirements

Summary: Several comments were received that the standards appeared thorough but as a whole were complex to understand. The complexity of the concepts of SBP bespoke controlled feedstock and the SBP bespoke chain of custody systems were identified by many respondents. Additionally, multiple areas where the text could be usefully clarified were highlighted.

Consultee's comment: The system is extremely complex and difficult to comprehend. The mix of SBP, FSC, PEFC and SFI requirements for forest management, chain of custody, mixing of biomass, accreditation and certification procedures makes it extremely complicated to grasp the boundaries of the system and particularly the real minimum requirements.

Consultee's comment: It is not clear between the Standards who is actually performing the SBE [supply base evaluation]: the BP [biomass producer], the CB [certification body] or a consultant.

Response:

Significant changes were made in the standards to clarify the relationship between SBP and other standards. A number of overly complex concepts were removed, including the SBP bespoke controlled sources requirements and the SBP bespoke chain of custody system. Wording in multiple areas was revised to clarify the requirements.

The standards were revised to provide clarity to requirements, for example that the SBE is the responsibility of the BP and that it may be undertaken by a consultant on behalf of the BP. The Certification Body must review SBE process and outputs to ensure that it is compliant with SBP requirements.

2. Topic: Wording of requirements

Summary: Several comments were made on the wording used in some of the SBP criteria.

Consultee's comment: For example, "There is a positive contribution towards the local economy." "Management planning aims to maintain or increase the health and vitality of forest ecosystems."

Response:

Wording for some of the criteria is taken directly from the CPET TPP Category B requirements to ensure that the CPET B requirements are met.

The requirements are globally applicable but must be locally relevant. The Standards were modified to require that each BP must develop locally relevant Means of Verification which includes a consultation process to ensure that requirements are locally relevant and how they are to be explicitly demonstrated.

Consultee's comment: The indicators in the SBE should be rephrased to reflect the fact that a risk based approach is used. It is very different from an auditor point a view to validate a statement like "the forest management units comply with...." rather than a statement like "the pellet mill operator has a management system in place to minimise the risk that forest management units would not comply with...."

Consultee's comment: The certification is proposed to take place at the level of the pellet mill. This is appropriate for economic, administrative, and logistical reasons, and is not less rigorous than if the certification were provided at the land level – pellet mill operators are only able to control the sustainability profile of the low-value feedstock they receive, not necessarily all the wood products developed on the land and the management decisions made around the higher value wood products.. That said, the wording and phrases used in the list of criteria should be more careful in recognizing that pellet mill operators themselves are not able to control all aspects of land management, only put safeguards in place against feedstock that would not meet the criteria.

Consultee's comment: Overall this set of Standards is complex and detailed. The concepts document is not easy to follow for the non-cognoscenti.

Response:

The structure and wording of the standards were revised to provide greater clarity to requirements. Specifically, the wording of the indicators in Standard #1 were revised to clarify that the sustainability and legality requirements apply to the management system of the BP which is the appropriate unit of certification for the risk based approach adopted.

3. Process documentation

Consultee's comment: Some points regarding the general regulations appear to be missing:

- a. Sanction procedures? How do they deal with non-conformities/ non-compliances?
- b. Any regulations for solving periods for CARs?
- c. appeals, dispute resolution
- d. application and registration procedures (for CBs and for system participants)

Response:

Audit requirements were clarified in the standards and process documents outside the scope of the standards, e.g. application and registration procedures, have been developed.

4. Inclusion of non woody biomass in SBP

Consultee's comment: These documents are written as though forest feedstocks are the only options for biomass. This standard should not be inadvertently worded in a way that excludes or does not account for alternative solid feedstocks that can be used in power applications – the standard needs to be broadly applicable to non-forest ecosystems and ensure that non-forest feedstock, such as grasses, dedicated bioenergy crops or other non-forest material, are not held to inappropriate standards directed towards forest material.

Response: Version 0-0 and 1-0 the standards will focus on woody biomass. Other forms of biomass may be incorporated in the future.

5. Definition of Sustainability

Sounding Board submission: It is insufficient to focus on compliance with the CPET (Central Point of Expertise for Timber Procurement) definition of sustainable forest management, as proposed by the SBP and demonstrated by schemes like PEFC and FSC. The Draft Standards should address sustainability in a broader sense and reflect that attention has been paid to the potential impacts on forest carbon stocks, cascading and indirect land use change.

There were many and varied additional suggestions for concepts to be included in the definition of sustainability.

Response: The objective of the SBP is to meet the diverse definitions of sustainability (and the uniform definition of legality) of EU member states importing wood fuel biomass. SBP does not aspire to include all the, many and varied, aspects suggested in the consultation. Aspects related to forest carbon stocks, cascading and indirect land use change are included in the sustainability definition.

6. Forested wetlands in the USA

Consultee's comment: The bottom line is that neither FSC nor PEFC prohibit clear cutting wetland forests in the U.S. The SFI Forest Management standard (Objective 6) only covers forests with G1 and G2 species and ecological communities. With reference to FSC, Principle 9 (Attachment 1) calls for maintenance of High Conservation Value Forests (HCVF), but there is no requirement that wetland forests be included in the HCVF listing. It is possible some wetland forest could be listed but no such requirement.

Consultee's comment: Contrary to suggestions made periodically, the EU biofuels standards (RED) does not protect against wetland clear.

Consultee's comment: Also, U.S. law allows wetland clear cutting. There are voluntary best management practices that should be followed, but no restrictions on clear cutting.

Response: SBP has specific requirements relating to identification of forests and other areas with high conservation values and to identify and address potential threats to these areas. There are specific requirements relating to key ecosystems and habitats which are conserved or set aside and that biodiversity is protected. In line with FSC and PEFC individual habitat types are not specified in a globally applicable standard.

7. Equivalent of SBP with other schemes.

Consultee's comment: By equating the systems SBP, PEFC, SFI and FSC the SBP system is in effect diluting the definition of sustainable forest management, as no distinction is made between the four and no reward is given to companies opting for the highest standard, in this case full FSC certification.

Response: Feedstock received under an SBP approved scheme is considered to be SBP compliant. Determination that these approved schemes meet the UK Timber Procurement Category A requirements has been made by the UK Government and SBP has incorporated this evaluation of compliance into its scheme. There is no claim that SBP material is equivalent to FSC or PEFC endorsed schemes, and SBP material may not itself carry an FSC or PEFC claim if only certified under SBP.

8. The system does not promote a move towards certification

Consultee's comment: As no reward is given to companies opting for a higher standard than required (FSC), companies are not encouraged to move from a simple SBP risk assessment of their sourcing base to a full FSC certification of the forest resource. The system is therefore not promoting certification but rather enabling pellet producers to maintain the status quo.

Response: The standards require risk assessment and supplier validation. These requirements can be automatically met where material is supplied with an approved SBP scheme claim. Suppliers providing material to BPs which carry these approved claims will be at a comparative advantage to those that are not and this will promote the certification of feedstock at the forest level. Therefore, all companies in the supply chain will have an incentive to get FSC/PEFC certified so as to simplify their certification process and reduce auditing costs

A stepwise transition from SBP to FSC/PEFC is made as straightforward as possible since the SBP system is closely aligned with FSC/PEFC and actively encourages biomass producers to use FSC/PEFC to demonstrate compliance e.g. SBP has no chain-of-custody but relies on existing FSC/PEFC CoC standards and also recognises SFI and GGL.

In addition to the requirements of the standards SBP is looking at ways it might support sustainable forest management and promote uptake of certification. Where other timber product sectors (sawmillers, panel makers, pulp & paper) in a region are also seeking to increase uptake of FSC/PEFC certification then there would be scope for working with them but the reason that certification uptake is low is due to there being no or limited interest from other sectors.

B. Standard #1 Sustainable Feedstock and Standard #2 Evaluation of Feedstock

1. Risk Assessment approach

Consultee's comment: The risk assessment approach should be replaced by forest-level certification.

Response: Many comments were received from NGOs that a risk assessment approach was not appropriate and that a forest-based certification process would be required. The Regional Risk Assessment approach is based on the requirements of the UK Government's requirement detailed in the Timber Standard for Heat & Electricity and processes such as the FSC Controlled Wood process. Uptake of forest-level certification is low in many of the areas supplying feedstock to the European biomass industry especially those dominated by small woodland owners.

2. SFI Fiber Sourcing

Consultee's comments: Multiple comments were received that SFI Fiber sourcing should be included as SBP-approved feedstock.

Response:

SBP concluded that whilst SFI Fiber Sourced material was not itself compliant with SBP requirements, BPs operating SFI Fiber Sourcing compliant processes would be able to use evidence of implementation of these processes to demonstrate compliance with some SBP requirements.

3. Duplication with other Schemes

Consultee's comment: Because the SBP Feedstock Standard is based on either FSC or PEFC-endorsed CoC programs... there are indicators in the Feedstock Standard which would not need to be re-audited if a company has a valid FSC or PEFC CoC certificate.

Response: Where material is received with a claim from an SBP approved scheme then this material meets the SBP feedstock requirements. Where an operation is implementing a management system compliant with other schemes then evidence of implementation of these processes could be used to demonstrate compliance with some SBP requirements. It would be cost effective if the audit of multiple schemes occurred at the same time so that the same elements do not have to be audited for different schemes.

4. Secondary feedstock and sawmill residues in the SBE

Consultee's comment: A pellet producer purchasing sawdust from local sawmills has very little control or impact over the sawmills' procurement activities. It is important to understand that this doesn't mean the independent sawmills' harvest activities are unregulated nor a detriment to the environment.

Consultee's comment: A pellet producer could include the independent sawmills wood catchment in their own SBE and follow-up with periodic audits/visits to verify conformance and or develop mitigating strategies for any risk identified.

Consultee's comment: Requiring sawmills to share specific information on the origin of their logs, to a sawdust customer (i.e. pellet mill) is problematic.

Consultee's comment: Secondary feedstocks' criteria ... do not meet UK regulators requirements

Response: The standards were revised to require secondary feedstock to meet the same requirements as primary feedstock. The SBE must include the origin. i.e. the position of the tree stump of timber fed into a primary producer which results in secondary materials used in SBP biomass. The BP does not have to know the exact position of each tree stump from which its secondary feedstock originates.

5. Means of verification and guidance are not normative

Consultee's comments: Multiple comments were received that only the indicators in Standard #1 are normative.

Response: As the standard is globally applicable and must be locally implemented it is not possible to give normative means of verification and guidance. The standard has been modified so that the BP producer is required to develop locally applicable means of verification, through a process which includes stakeholder input.

6. Annual audit requirement

Consultee's comment: The way the standard is set up, it seems likely that the audit process could become very long and expensive. It is our understanding that the current process entails a visit to every pellet plant every year, and that these audits at each plant could include tract visits and stakeholder consultation.

Response: An annual audit is required. The initial audit and subsequent reassessments will require stakeholder consultation and full audit, surveillance audits ensure ongoing compliance with the standard. The requirements for surveillance audits are not as onerous as main and re-assessment audits and are specified in the standards.

7. Controlled Feedstock

Consultee's comment: Controlled Primary Feedstock (that is not covered by an SBP Approved Controlled Feedback System) only needs to meet the specified criteria in Table 1. This issue is one of the most serious deficiencies of this standard.

Response: The SBP bespoke definition of Controlled Feedstock was removed so that SBP-compliant Primary Feedstock is mixed only with FSC Controlled Wood and PEFC Controlled Sources material.

8. Carbon balance

Consultee's comment: Standard 5 of the BAF requires collection of data and monitoring of the energy use and GHG emissions throughout the supply chain in order to provide information to the energy generators. However, the data requested fails to cover a critical piece of the carbon balance. It fails to require any monitoring of carbon stock changes in the forests, where harvesting has taken place

Sounding Board submission: "SBP has made a praiseworthy attempt to deal with the GHG balance calculations in the delivery chain from 'harvest to furnace' (Standard #5, Standard for the Collection of Data with the Purpose of Energy and Carbon Balance Calculation ... However, we miss crucial issues in the calculations, such as potential impacts on forest carbon stocks. At the same time, it must be admitted that there are no generally accepted approaches yet to capture these aspects. At the same time, it must be admitted that there are no generally accepted approaches yet to capture these aspects. Nevertheless, it is strongly recommended that these issues are addressed in a risk-based and practical way. It reinforces the need to ensure sustainable forest management which can significantly reduce if not prevent negative impacts on carbon stocks in forests, over the rotation period of the forest.

Furthermore, it is to be expected that governments will formulate increasingly stricter thresholds for the GHG emission reductions to be achieved. Therefore, the SB proposes that SBP will formulate increasingly stringent GHG emission reduction targets and methods to achieve these right from the start, even in the absence of regulatory requirements.

Response: Carbon balance is not currently included in the definition of legality and sustainability in European member states. However, as noted by the SBP sounding board "that there are no generally accepted approaches yet to capture these aspects." The Feedstock Compliance Standard includes the concept in Criteria 2.9 "Carbon stocks are maintained or increased." and as requirements evolve and generally accepted approaches emerge the requirements will be revised.

9. Stakeholder consultation requirements

Sounding Board submission: In Standard #2... the responsibility for stakeholder consultation is assigned to the Biomass Producer (i.e. the pellet mill); but in Standard #4 ... to the Certification Body. This confusion should be solved.

Response: The standards were revised to make it explicit that Stakeholder consultation is required to be undertaken by both the BP and the CB.

10. Supplier Verification Requirements

Consultee's comments: A number of comments were received which indicated that respondents considered that the RA and SVP would be desk-based activities.

Response: The requirements for visits as part of the SVP were clarified.

C. Standard #3: Certification Systems

1. Requirements on certification bodies

Sounding Board submission: The requirements regarding accreditation of the CBs are not explicit enough.

Response: The requirements for certification bodies have been clarified. Prior to accreditation by a recognised accreditation body Certification Bodies will be approved by SBP.

D. Standard #4: Chain of Custody

1. Tertiary material

Consultee's comment: Need to have a process for ensuring recycled fibre is actually recycled

Response: The requirements for tertiary materials have been specified.

2. Approval of GGL and SFI Chain of Custody systems

Consultee's comment: Multiple comments were received that SFI and GGL Chain of Custody should be approved by SBP.

Response: After review both SFI and GGL were approved as SBP Chain of Custody systems.

3. Claims

Consultee's comments: There were several comments on potential confusion and misrepresentation of SBP claims.

Response: The standards were modified so that there are no on-product claims and only of off product claim “SBP compliant Biomass”.

E. Standard #5: Energy & Carbon Data Collection

1. GHG Calculations

Consultee's comment: There are references in Standard #3 and #5 about CBs evaluating GHG calculations. These should be removed. This is a separate from the mainstream SBP process.

Response: The standards were revised to clarify that SBP certificate holders do not have to undertake GHG calculations.