

## DRAFT

# Instruction Document 2E: SBP Requirements for Risk Based Approach for Biomass Category 2

## Demonstrating Compliance with the Netherlands SDE+ RBA Sustainability Requirements for Biomass Category 2



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For further information on the SBP Framework and to view the full set of documentation see [www.sbp-cert.org](http://www.sbp-cert.org)

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## Scope

This Instruction Document specifies the requirements for the evaluation, using a Risk Based Approach (RBA), of the sustainability requirements of Category 2 feedstock as defined by the Netherlands SDE+ requirements.

Category 2 feedstock is defined as *Feedstock from Forest Management Units <500ha. Branches, tops, trees and primary felling residues sourced directly from forests of less than 500ha. This shall also include unused wood that has the same composition as wood growing in the forest and that has not been mixed with or contaminated by foreign materials or substances.*

Category 2 feedstock is used to produce Category 2 biomass and the Netherlands SDE+ requirements permit the evaluation of the sustainability of Category 2 biomass to be undertaken following an RBA.

An SBP-certified Biomass Producer (BP) may implement the RBA defined in this instruction document to assess compliance with the sustainability requirements defined in section 5. Biomass produced from feedstock sourced in compliance with these requirements may be supplied with Dynamic Batch Sustainability (DBS) data indicating compliance with NL SDE+ sustainability requirements for Category 2 biomass.

# 1 General requirements

- 1.1 The Biomass Producer (BP) shall hold a valid SBP Certificate including Standards 1 and 2 in its scope.
- 1.2 The BP shall meet the requirements set out in this Instruction Document.
- 1.3 The BP shall implement a management system as well as retain technical and human resources that enable it to maintain compliance with this Instruction Document.
- 1.4 The BP shall ensure that personnel are competent for the tasks that they perform.

## 2 Principles of the Risk Based Approach

2.1 The sustainability of Category 2 feedstock may be determined using a Risk Based Approach (RBA).

2.2 The RBA shall follow the requirements of this Instruction Document.

2.3 Evaluation shall be completed against the sustainability requirements in section 5.

2.4 Feedstock sourced using an RBA shall also meet the requirements of SBP-compliant feedstock or controlled feedstock, or both as applicable.

2.5 Feedstock sourced by a BP in compliance with the requirements in this Instruction Document, including the relevant SDE+ sustainability requirements, may be recorded by the BP as NL SDE+ compliant category 2 feedstock. Biomass produced from this feedstock may be recorded in the DTS as NL SDE+ compliant category 2 biomass.

2.6 Feedstock sourced by a BP in compliance with the requirements in this Instruction Document, including the relevant SDE+ sustainability requirements, but excluding section 5, Principles 6, 8, 9, 10 and Indicators 7.2, 7.4 and 7.5, may be recorded by the BP as NL SDE+ controlled category 2 feedstock. Biomass produced from this feedstock may be recorded in the DTS as NL SDE+ controlled category 2 biomass

2.7 Determination of homogeneous region(s) within a Risk Based Approach

2.7.1 The BP shall define a Supply Base from within which all Category 2 feedstock<sup>1</sup> originates and implement an RBA to evaluate the sustainability of the Category 2 feedstock sourced from this Supply Base.

2.7.2 The RBA Supply Base, defined in 2.7.1, shall be fully within the scope of the BP's certified Supply Base Evaluation, implemented in compliance with Standards 1 and 2.

2.7.3 The RBA Supply Base may cover one or more homogenous regions. Homogenous regions can be determined both on a geographical scale (e.g. states, counties, province) and on a functional scale (forest type, ownership, scope of management, type/quality of forest). In any case, the sustainability requirements in section 5 play a key role in determining the homogeneity of a region.

2.7.4 The boundaries of the RBA Supply Base and the homogenous region(s) it includes shall be clearly identified on maps and in other relevant documentation. Boundaries may be described by reference to the existing administrative or environmental divisions whilst functional scale can refer to characteristics that determine the functional scale, e.g. plantations vs. natural forests.

2.7.5 The RBA shall be applied to each of the homogenous regions, so that risks are defined, and mitigation measures are implemented for each homogenous region.

2.8 Gathering information

2.8.1 The BP shall gather information on identified homogenous regions that is relevant for a risk assessment with respect to the sustainability requirements in section 5.

2.8.2 Gathering information shall follow the requirements of Standard 2 sections 9 Implementing a Supply Base Evaluation; 10 Defining sub-scopes within a Supply Base Evaluation; 11 Rating of risk; 13 Stakeholder consultation. The requirements of Standard 2 section 9 apply, and sections 5 and 6 of Standard 1 are replaced by section 5 of this ID.

2.9 Documents

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<sup>1</sup> Category 2 feedstock may also be sourced in compliance with other standard requirements, e.g. Instruction Document 2D: SBP Requirements for Group Schemes.

2.9.1 The gathering of relevant documentation such as laws and regulations, government statistics, NGO reports, expert studies and maps shall be part of the information gathering exercise.

2.9.2 The BP shall assess the relevance and reliability of the information using objective criteria such as date of publication, reliability and independence of the source (academic institutions, international agencies, NGOs and government bodies), methodology etc.

2.9.3 Data sources shall be referenced so that they can be verified by the Certification Body and other external parties

### 2.10 Consultation of stakeholders and experts

2.10.1 As part of the information gathering exercise, the BP shall document and implement effective procedures for consultation on the sustainability requirements with stakeholders in specific regions. The procedures shall at least include:

- Responsibilities for stakeholder consultation;
- Description of the various stages in the consultation process;
- Identification of the stakeholders to be involved;
- A proactive approach of stakeholders, who must be given sufficient time to respond (at least one month);
- Consultation of qualified and independent experts where specialised knowledge is required.

2.10.2 The BP shall keep the reports and the contributions and comments from stakeholders and experts, including reactions and measures taken in response.

2.10.3 The BP shall make the results of the RBA and the mitigation measures implemented publicly available as part of the stakeholder consultation.

### 2.11 Risk assessment methods

2.11.1 The BP shall conduct a risk assessment for each identified homogenous region (section 2.7), based on information gathered (sections 2.8, 2.9 and 2.10).

2.11.2 The risk of non-compliance shall be assessed for each sustainability indicator in section 5, using adequate risk assessment methods. When indicators are not suitable for a risk assessment at the regional level (e.g. indicators can only be used at an FMU level), other means of verification are allowed, provided that this is properly substantiated by the BP for the assessment by the Certification Body.

2.11.3 Using a list of the qualifications of the person(s) involved, the BP shall demonstrate that the person(s) performing the risk analyses are qualified (through training and experience) to perform risk assessment tailored to the complexity of the processes and information being assessed, and the homogenous region(s) under assessment.

2.11.4 A peer review by expert(s) can provide additional assurance as to the quality of the risk assessment.

### 2.12 Assessment of the risks

2.12.1 The risk of non-compliance for each sustainability indicator is expressed as 'specified risk' or 'low risk', based on the analysed information and application of the indicators set out in this Instruction Document.

2.12.2 For each sustainability indicator the rationale for the risk designation shall be provided in relation to the information used.

2.12.3 A 'low risk' is identified when there are clear indications that the probability of non-compliance with the relevant sustainability indicator in combination with the consequences is small and the risk assessment has yielded no information that leads to a 'specified risk' designation.

2.12.4 A 'specified risk' is identified when there is not enough information for the risk assessment to establish whether the risk is low or when the mitigation measures are not sufficiently effective in reducing the chance that identified risks materialise or in reducing the consequences of such risks.

2.12.5 A precautionary approach shall be applied in cases of uncertainty.

### 2.13 Risk mitigation and measures

2.13.1 For a homogeneous region with sustainability indicators designated as 'specified risk', mitigation measures must be defined in order to reduce the risk level to 'low risk'.

2.13.2 Mitigation measures can comprise: additional information gathering (e.g. through on-site verification by the BP); reduction of the homogeneous region size; excluding homogeneous regions; or other appropriate measures.

2.13.3 In the event that the risk of non-compliance for one or more sustainability indicators remains a 'specified risk', then feedstock from that homogeneous region cannot be classified as sustainable.

### 2.14 Regular monitoring of the risk assessment

2.14.1 The BP shall conduct a review of the risk assessment and the mitigation measures at least once per year and also in the event of relevant developments in the homogeneous region(s) from which feedstock is sourced, or relevant changes in the information gathered for a homogeneous region or indicator.



## 3 Chain of custody requirements

3.1 Each link in the chain of custody has a quality management system in place that provides safeguards for compliance with the requirements of the chain of custody system.

3.2 Each link in the chain of custody keeps all necessary documentation for demonstrating compliance with the applicable sustainability requirements available for a minimum of 5 years.

3.3 Each link in the chain of custody registers for all incoming or outgoing consignments the quantities and required sustainability information.

3.4 Each link in the chain of custody shall provide actual energy and Greenhouse Gas data on forestry operations in timely manner on request from the BP.

3.5 If a link in the chain of custody mixes consignments with different sustainability characteristics a mass balance is used.

For the mixing the following applies:

- The method may be applied up to the level of a location;
- The organisation defines a period with a maximum of a year, during which incoming and outgoing consignments are measured and reports the results; and
- The sustainability characteristics of mixed biomass output can be traced back to the characteristics and quantities of the individual incoming consignments, taking account of the applicable conversion factors.

## 4 Evaluation of SDE+ Category 2 feedstock sustainability requirements

4.1 BPs shall prepare Locally Applicable Verifiers (LAVs) for each indicator of the SDE+ sustainability requirements by applying the SBP requirements in Instruction Note 1A Instructions for BPs for the development of Locally Applicable Verifiers sections 4 and 5.

4.2 The BP shall evaluate feedstock against all indicators of the SDE+ sustainability requirements using the LAVs. Where feedstock is being sourced as NL SDE+ controlled category 2 feedstock then Principles 6, 8, 9, 10 and Indicators 7.2, 7.4 and 7.5 (section 5 of this Instruction Document) may be excluded from the evaluation.

4.3 Where RVO.nl<sup>2</sup> publishes notification of benchmarked standards where claims from those standards are compliant with some or all of the SDE+ sustainability requirements SBP will equivalently recognize those claims. Feedstock received with an RVO.nl benchmarked standard claim will be exempt from evaluation of the relevant indicators in line with the published RVO.nl benchmarking.

4.4 Where feedstock is received with an RVO.nl benchmarked standard claim and is exempted from evaluation of the relevant indicators in line with the published RVO.nl benchmarking then the RVO.nl benchmarked standard claim will be recorded in the required sustainability information, as per clause 3.3.

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<sup>2</sup> Netherlands Enterprise Agency (Rijksdienst voor Ondernemend Nederland). <https://www.rvo.nl/>

## 5 SDE+ sustainability requirements

### 5.1 Sustainability requirements for category 2 feedstock

[SDE+ Principles 1 and 2 are not applicable]

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

Indicator 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.

Indicator 3.2 Biomass is not sourced from land that was converted from wetland to an alternative, dryer ecosystem after 1 January 2008.

Indicator 3.3 Biomass is not sourced from production forests, including wood plantations, which were created by means of conversion of natural or semi-natural forests after 31 December 1997.

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

Indicator 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.

Indicator 4.2 Biomass is not sourced from stumps unless these stumps had to be removed from the site for other reasons than wood or biomass production.

Indicator 4.3 On average less than half the volume of the annual round wood harvest from forests is processed as biomass for energy generation.

Note: Round wood from production forests with a rotation period of less than 40 years is exempt from this requirement.

[SDE+ Principle 5 is not applicable]

*SDE+ Principle 6: Relevant international, national, regional and local laws and regulations are observed*

Indicator 6.1 The forest manager holds the legal right to use the forest.

Indicator 6.2 The forest manager complies with all obligations to pay taxes and royalties.

Indicator 6.3 Anti-corruption legislation is observed. If no anti-corruption legislation exists, the forest manager takes alternative anti-corruption measures proportionate to the scale and intensity of the management activities and the risk of corruption.

*SDE+ Principle 7: Biodiversity is maintained and where possible enhanced*

Indicator 7.1 Sites with high conservation values 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.

Indicator 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.

Indicator 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 conservation; and
- there is no damage or threat of damage to sites with high conservation values.

Indicator 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.

Indicator 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.

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

Indicator 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.

Indicator 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.

Indicator 8.3 Important ecological cycles present in the forest management unit are preserved, including carbon and nutrient cycles.

Indicator 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.

Indicator 8.5 If fires are used to achieve forest management objectives, such as regeneration of specific tree species, then adequate control measures have been taken.

Indicator 8.6 The forest management measures are designed to prevent and control diseases and pests where these form a threat to natural capital.

Indicator 8.7 The use of chemicals is only permitted if ecological processes and the optimal deployment of sustainable alternatives prove insufficient. Pesticides classified as Type 1A and 1B by the World Health Organisation and chlorinated hydrocarbons are not permitted.

Indicator 8.8 The accumulation of inorganic waste and litter is prevented or such waste and litter is collected, stored in approved areas and disposed of responsibly.

*SDE+ Principle 9: The production capacity for wood products and relevant non-timber forest products is maintained in order to safeguard the future of the forests*

Indicator 9.1 The production capacity of all forest types represented in the forest management unit is maintained.

Indicator 9.2 The forest management unit is sufficiently protected against all forms of illegal exploitation of timber and non-timber forest products, including hunting and fishing, illegal establishment of settlements, illegal land use, illegally initiated fires and any other illegal activities.

*SDE+ Principle 10: Sustainable forest management is achieved through a management system*

Indicator 10.1 The forest management system is designed to achieve the objectives of a forest management plan and covers the inventory, analysis, planning, implementation, monitoring, evaluation and adjustment cycle.

Indicator 10.2 A forest management plan is drawn up that at least includes:

- a description of the current condition of the forest management unit;
- long term goals for the ecological functions of the forest management unit;
- the average annual allowable cut per forest type and, if applicable, the annual allowable harvest of non-timber forest products based on reliable and current data;
- budget planning for the implementation of the forest management plan.

Indicator 10.3 Essential elements for the management of the forest are indicated on maps.

Indicator 10.4 The implementation of the forest management plan is periodically monitored and the ecological effect of the forest management is evaluated.

Indicator 10.5 The forest management plan is implemented by professional office and field staff, whose expertise and knowledge is maintained by means of an effective and regular training programme.

## 6 Definitions

Terms are as defined by RVO.nl in the *SDE+ sustainability requirements for solid biomass (section 7)*<sup>3</sup>.

6.1 The following definitions are to be used in application of this Instruction Document. When applying the requirements of this Instruction Document the definitions in this section take precedence over those in all other SBP documents.

**(Timber) harvest** The volume (including bark) of all trees, living or dead, with a diameter of more than 10cm at breast height, that is harvested annually in a forest or forested area. This includes all harvested trees, regardless of whether they are removed from the area or not. Used as a reference for the carbon debt criterion. (JRC)

**Annual Allowable Cut (AAC)** The volume of wood that is allowed to be annually harvested within a predefined area, normally expressed in cubic metres of wood per year. The calculation of the AAC must take account of landscape values, forest types, protected areas and infrastructure and it may not exceed the net annual afforestation in the long term. (TPAS)

**Biodiversity** The variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems. (TPAS)

**Branch** A sprout of a stem or trunk or a secondary trunk or stem that branches off the main trunk or stem. Used as a reference for the carbon debt criterion. (JRC)

**Chain of Custody** A set of rules, procedures and documents (on company level) that are used to provide a link between the source of a material and the point in the chain where a claim is made on the characteristics of that material. (ISO 13065:2015, 3.7)

**Chemicals** Substances that are potentially hazardous to health or the environment or that could potentially cause material damage (NTA8080).

**Consignment** A quantity of biomass that is used for energy production and that has uniform physical and sustainability characteristics. A consignment may consist of several truckloads or shiploads, as long as the characteristics of the biomass are uniform. The mass balance requirements do not prohibit mixing of similar materials, and hence a single physical delivery could also involve several different consignments. E.g. a shipload of wood from the US and Canada could comprise 2 separate consignments of biomass.)

**Conversion (of natural forest)** Human activity that results in the conversion of a natural forest into another form of land use. (TPAS)

**Ecological cycles** Natural processes whereby elements that occur in various forms are continually exchanged between the various compartments of the ecosystem, including the nutrient, carbon and aquatic cycles. (TPAS)

**Ecological functions** The ecological functions that the forest fulfils, including climate regulation, erosion control, soil formation, water retention, carbon storage, water purification, pollination and maintenance and development of the existing biodiversity.

**Endangered species** Plant and animal species that are at least classified as 'threatened' in the international Red List of the IUCN and in the IUCN's guidelines for the regional application of the Red List. (TPAS)

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<https://english.rvo.nl/sites/default/files/2017/07/SDE%20Sustainability%20requirements%20for%20solid%20biomass.pdf>

**Forest Land** spanning more than 0.5 hectares with trees higher than 5 meters and a canopy cover of more than 10 percent, or trees able to reach these thresholds in situ. It does not include land that is predominantly under agricultural or urban use. Used as a reference for the carbon debt criterion. (FAO)

**Forest management** Planning and executing activities aimed at the management and use of forests and other forested areas in order to achieve predefined economic and/or social and/or cultural and/or environmental goals. (TPAS)

**Forest management unit** One or more forest stands containing natural forest, planted forest or another types of forest that is managed as a single unit.

**Forest manager** The owner, concessionaire or person who in some capacity or other is responsible for the management and exploitation of a forest management unit. (TPAS)

**Habitat** An area or type of area where an organism or population occurs naturally. Legal right to use (of the forest manager) The right, granted by a government authority, to carry out forestry activities in a certain area. (TPAS)

**Natural forest** Forest that has a natural origin and is developed naturally without the intervention of man.

**New bioenergy plantation system** A plantation system that is specifically developed for the production of biomass for energy generation, whereby rapidly growing tree species (e.g. willow, poplar, eucalyptus and acacia) are planted in dense plantations and harvested in short rotation periods. These systems include: (i) Short Rotation Coppicing systems, whereby the new crop grows from the stumps of the previous harvest, with rotations of between 2 and 10 years and (ii) short rotation forestry plantations using tree species that can be harvested within 20 years or less.

**Non-wood forest products** All forest products other than wood, including materials harvested from trees such as sap and leaves, and other plant, animal or plant-animal products. (TPAS)

**Peatlands** Areas with soils containing at least a 40cm deep layer of peaty material in the first 80cm of the soil.

**Production forest** A forested area primarily intended for the production of wood, fibre, bioenergy and/or non-wood forest products.

**Reduced Impact Logging (RIL)** Harvesting techniques and methods developed to prevent unnecessary damage to the forest, environment and the wood itself, as well as creating safer working conditions for the foresters.

**Residues (primary, secondary or tertiary)** Primary residues are biomass that is processed directly on the logging site (e.g. logs, wood chips, pellets and harvest residues). Secondary residues are residual products from wood processing (sawdust, bark etc.). Tertiary residues are post-consumer residues.

**Rotation period:**

**Clearcutting** The period between planting and the final cut.

**Selective logging** The period between two harvests. The period between two harvests is also called the cutting cycle (this is about 30 years in the tropics).

**Roundwood** Unprocessed wood from a tree trunk excluding branches, stump and roots. Used as a reference for the carbon debt criterion.

**Selective logging** Logging method used in unevenly aged and usually mixed stands of forest from which trees are harvested periodically, whereby the forest as a whole remains standing indefinitely (i.e. no clearcutting takes place).

**Semi-natural forest** A forest in which natural processes have an important influence on the development of the forest (even if the forest was originally planted).

**Stump** The part of the tree that remains attached to the roots after felling. Used as a reference for the carbon debt criterion. (JRC)

**Sustainable forest management** The management and use of forests and other forested areas in a manner and with an intensity that ensures that they retain their productivity, biological diversity, regeneration capacity and vitality, as well as the capacity to fulfil the relevant economic, ecological and social functions now and in the future at the local, national and global level, whereby carbon stocks are maintained or increased over the long term and no damage is caused to other ecosystems. (TPAS)

**Thinning** The selective or systematic harvesting of trees from a more or less uniformly aged forest with the aim of increasing the trunk diameter and health of the remaining stand of trees.

**Thinnings** Wood obtained from trees harvested as part of thinning activities.

**Wetlands** Land that is permanently or semi-permanently covered or saturated with water. Used as a reference for the carbon debt criterion. (EU-RED)

**Wood plantation** Forest consisting of uniformly aged trees of a single or a few species, usually exotics, planted or sown in a uniform pattern, with the aim of producing wood products.

#### Acronyms used in Definitions

TPAS - Timber Procurement Assessment System.

EU-RED – EU Renewable Energy Directive. (2009/28/EC)

FAO - Food and Agriculture Organization of the United Nations

JRC - Joint Research Centre of the European Commission

NTA8080 – BetterBiomass certification scheme

#### 6.2 Other sources of information

<https://english.rvo.nl/sites/default/files/2017/07/SDE%20Sustainability%20requirements%20for%20solid%20biomass.pdf>

Additional guidance on interpretation is as defined by RVO in the *Additional guidance on the sustainability requirements* and at the RVO website, *Sustainability criteria for solid biomass*. <https://english.rvo.nl/subsidies-programmes/sde/sustainability-criteria>