

<p>22 47.867</p> <p><b>V</b></p> <p>VALIDATION</p>	<p>5 10.811</p> <p><b>E</b></p> <p>EVALUATION</p>	<p>18 39.948</p> <p><b>R</b></p> <p>REGULATION</p>	
<p>9 18.998</p> <p><b>I</b></p> <p>IDENTIFICATION</p>	<p>6 12.011</p> <p><b>F</b></p> <p>FORMULATION</p>		
	<p>9 18.998</p> <p><b>I</b></p> <p>INVESTIGATION</p>	<p>5 10.811</p> <p><b>E</b></p> <p>EXPLANATION</p>	<p>4 9.0122</p> <p><b>D</b></p> <p>DEDICATION</p>

# VERIFICATION STATEMENT

Assessment of the SBP GHG calculator

Prepared for:

**SUSTAINABLE BIOMASS PROGRAM LIMITED**

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## Objectives

SGS Belgium has been assigned by SBP Ltd to verify the SBP GHG calculator developed by the association for the calculation of GHG emissions of a wood pellet supply chain.

The verification has been performed in accordance with ISO 14064-3:2019 (*Specification with guidance for the verification and validation of greenhouse gas statements*).

The version of the calculator assessed is- *SBP GHG calculator V2.8*

## Objective

The objective is to assess whether the results obtained SBP GHG calculator are free from material misstatements and whether the calculation complies with the verification criteria.

## Criteria

- Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources, amended by Directive (EU) 2023/2413 of the European Parliament and of the Council of 18 October 2023 (REDIII)
- SBP Instruction Document 6D: Methodology for the Calculation and Certification of GHG Emissions Savings for EU RED v2.0 (SBP\_Instruction\_Document\_6D\_v2.0\_final.pdf)

## Roles and responsibilities

SBP is responsible for the design and the maintenance of the GHG calculator. It is SGS' responsibility to express an independent GHG verification opinion on the calculation tool with regards to the criteria listed above.

## Scope

i) organizational boundaries: not applicable (All relevant emission sources involved in the supply chain are considered, regardless which companies are in charge)

ii) physical infrastructure, activities, technologies and processes :  
forestry, wood harvesting, wood processing, milling, drying, pelletizing, wood pellet use for electricity and/or heat production, all transport steps of raw materials and pellets

iii) GHG sources, sinks and/or reservoirs:

- direct and indirect emissions associated with fossil fuel combustion for forestry / processing / handling of feedstock and product
- indirect emissions associated with use of electricity for transport / processing / handling of feedstock and product
- direct and indirect emissions associated with biomass combustion in processing units
- indirect emissions associated with use of additives in processing (if applicable)

- direct and indirect emissions associated with use of electricity and/or fossil fuels in relevant transport modes (road, rail, river, sea)
- direct emissions at end use (combustion of biomass)

NB :

- emissions from carbon stocks release and land use change are assumed to be zero and sourced from sustainable forestry.
- no carbon credit claimed for use of degraded land, carbon capture or electricity excess.
- no allocation to co-product is applicable

iv) types of GHGs:

carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O)

v) time period:

The tool is not linked to any specific time period. It is intended to be used in conjunction with audit reports from SBP certification. Those reports normally cover a 12 months production period.

### Level of assurance and materiality

The level of assurance for the verification process is limited. The level of materiality is 1%.

### Intended use

The GHG calculator is intended to be used to calculate GHG intensity of wood pellets (g CO<sub>2</sub> / MJ pellets) in order to calculate GHG savings compared to the relevant fossil fuel comparator, while used for the production of electricity and/or heat.

### Overview of the work performed

The verification work was performed as desktop review of the calculation tool. It included:

- Development of verification approach (verification plan and sampling plan)
  - o Identification of the most critical parameters in terms of risk of error and contribution to the final result
  - o Sample parameters/formula verification accordingly.
- Assessment of the GHG data and information including:
  - o Analytical checks of formula using excel formula auditing tools
  - o Tests of the tool using simple datasets and confirming validity of the output though comparison with results obtained by an independent calculation
  - o Checking emission factors / calculation factors back to the source
- Assessment against the criteria
  - o Completeness of the GHG emission sources as per REDIII
  - o Correct approach, scope and units as required for each component
  - o Correct default value / calculation factors, where appropriate.

### Conclusion

Based on the work performed, SGS concludes with limited assurance that nothing in the SBP GHG calculator tool V2.8 leads us to believe that the calculation tool is not free from material misstatement or does not comply with the assessment criteria.

In order to reduce the risk of the tool being used incorrectly, a user manual should be produced and distributed together with the tool.

In particular, a user manual would be essential to make sure the user records the feedstock categories adequately by the user to avoid misleading results. Indeed the calculation tool does not offer the possibility to average GHG emissions from cultivation or harvesting using RED default values when a combination of different feedstock categories are sourced by a pellet plant. Hence, the only way to avoid an understatement is to assume conservatively that 100% of the raw material falls into the feedstock category with the highest GHG emissions from cultivation and harvesting.



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