



Process Document

SBP Annual Activity Report to the European Commission 2024

Sustainable Biomass Program
sbp-cert.org

June 2025

For further information on the SBP certification scheme and to view the full set of documentation see www.sbp-cert.org

Annual Report to the EU Commission effective from 01 May 2025

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1 Background

On 26 September 2022, the European Commission (the Commission) took the Implementing Decision (EU) 2022/1657¹ recognising the SBP voluntary scheme as compliant with the requirements of Directive (EU) 2018/2001². On 19 December 2024 the recognition decision has been repealed with a new one³. Pursuant to Article 3 (b) of the Implementing Decision, SBP is required to submit an annual report to the Commission pursuant to Article 30(5) of Directive (EU) 2018/2001.

1.1 Article 30 (5) of Directive (EU) 2018/2001

The Commission shall require that each voluntary scheme on which a decision has been adopted under Article 30(4) submit annually by 30 April a report to the Commission covering each of the points set out in Annex III the Implementing Regulation (EU) 2022/996 on June 14th, 2022. The report shall cover the preceding calendar year. The requirement to submit a report shall apply only to voluntary schemes that have operated for at least 12 months.

1.2 List of Information to be reported by Voluntary Schemes in their annual activity reports to the Commission

Voluntary schemes must report the following information in their annual activity reports to the Commission:

(a) rules on the independence, method and frequency of audits as approved by the Commission upon accreditation of the voluntary scheme and any changes to them over time to reflect Commission guidance, the modified regulatory framework, findings from internal monitoring on the auditing process of certification bodies and evolving industry best practice.

(b) rules and procedures for identifying and dealing with non-compliance by economic operators and members of the scheme.

(c) evidence of fulfilling the legal requirements on transparency and publication of information in line with Article 6.

(d) stakeholder involvement, in particular on the consultation of indigenous and local communities prior to decision-making during the drafting and review of the scheme as well as during audits and the response to their contributions.

(e) overview of the activities carried out by the voluntary scheme in cooperation with the certification bodies in order to improve the overall certification process and the qualification and independence of auditors and relevant scheme bodies.

(f) market updates of the scheme, the amount of feedstock, biofuels, bioliquids and biomass fuels certified, by country of origin and type, and the number of participants.

(g) overview of the effectiveness of the implementing system put in place by the governance body of the voluntary scheme in order to track proof of conformity with the sustainability criteria that the scheme gives to its member(s). This shall cover, in particular, how the system effectively prevents fraudulent activities by ensuring timely detection, treatment and follow-up of suspected fraud and other irregularities and where appropriate, the number of cases of fraud or irregularities detected.

¹ https://eur-lex.europa.eu/eli/dec_impl/2022/1657/oj

² <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018L2001&qid=1672998190714&from=EN>

³ <https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX%3A32024D3191>

- (h) criteria for the recognition of certification bodies.
- (i) rules on how the internal monitoring system is conducted and the results of its periodic review, specifically on oversight of the work of certification bodies and their auditors as well as on the system of handling complaints against economic operators and certification bodies;
- (j) possibilities to facilitate or improve the promotion of best practices.
- (k) voluntary schemes certifying forest biomass must include information on the way the risk assessment required in article 29 (6) and (7) of the Directive (EU) 2018/2001 is made.
- (l) summary of all registered complaints related to the SBP REDII technical scope

2 The Sustainable Biomass Program

2.1 Our purpose

SBP is a not-for-profit, voluntary certification scheme designed for biomass used in energy production. Respected scientific advisory bodies and policy makers worldwide recognise biomass to energy as a renewable technology with a significant role to play in reducing carbon emissions and meeting challenging climate goals.

Through our credible and robust certification scheme, assuring responsible practice in feedstock sourcing, SBP is the promise of good biomass and is an integral part of the solution for tackling climate change.

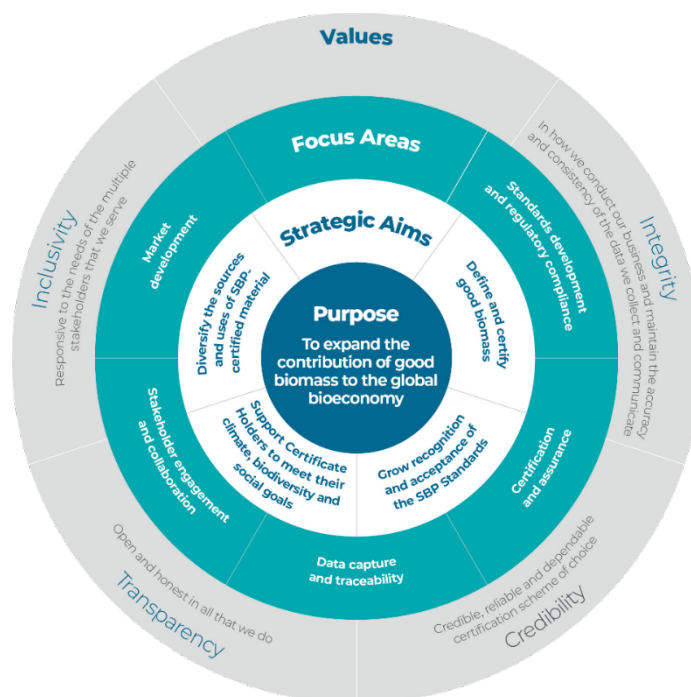
As the contribution of biomass to meeting global climate targets grows in significance, our aim is to strengthen our proposition as the global biomass certification scheme of choice, pursuing opportunities both within and beyond the energy sector.

Our purpose is to expand the contribution of good biomass to the global bioeconomy, and our core strategy sets clear priorities for delivery. We will continue to do all those things which are clearly working well strategically and operationally, while investing in new capabilities and expertise in areas where we can improve performance or add further value.

Our values are the guiding principles that we use to manage our operations and our relationships with stakeholders.

Our four values are: Integrity; Credibility; Transparency; Inclusivity.

Figure 1 – SBP core strategy



Our Theory of Change⁴ is the link between our strategic objectives and our purpose, throwing the spotlight on how what we do will deliver our intended impact and ultimately our purpose. The five focus areas of our core strategy are synonymous with our impact pathways, identifying the priorities for investment of our people and resources over the three years to the end of 2025.

2.2 Our governance

SBP recognises the value and benefit of good governance and our governance arrangements⁵ bring together all our stakeholder groups. Outside of our governing bodies, we take every opportunity to encourage stakeholders to get involved in the work we do.

Figure 2 – Governance structure



2.2.1 Board of Directors

The Board of Directors is the key governing body of SBP, determining our strategy and objectives, and approving the annual business plan and budget.

The Board comprises an independent Chair and nine seats filled with an equal split between the interests of Civil Society, Biomass Producers and End-users. Each Board member serves in a personal capacity

⁴ <https://sbp-cert.org/about-us/theory-of-change/>

⁵ <https://sbp-cert.org/about-us/how-we-operate/>

representing their particular stakeholder interest group, and not their affiliated organisation. Each member has been chosen for his or her knowledge, integrity, expertise and support for SBP's purpose.

The SBP Board: <https://sbp-cert.org/about-us/governance/people/sbp-board/>

2.2.2 Standards Committee

The Standards Committee is responsible for all decision-making concerning standards-setting and the provision of views, advice and recommendations on the operation of SBP to the Board, other Committees and the Secretariat.

The Standards Committee is a representation of stakeholders, with the membership split equally between those representing Civil Society and those representing commercial interests.

The members of the Standards Committee have been chosen to reflect diverse experiences, geographies and interests in relation to the work of SBP.

The SBP Standards Committee: <https://sbp-cert.org/about-us/governance/people/sbp-standards-committee/>

2.2.3 Technical Committee

The role of the Technical Committee is, amongst other things, to provide advice to the Board on technical and scientific functions, including but not limited to certification and accreditation criteria and methodologies.

The Technical Committee is a representation of specialist expertise across the disciplines encompassed by the Standards, including forest management, feedstock processing, biomass distribution, as well as knowledge of auditing, certification and/or accreditation processes and procedures.

The members of the Technical Committee have been chosen to reflect the necessary specialist knowledge and to ensure balance across regional geographies.

The SBP Technical Committee: <https://sbp-cert.org/about-us/governance/people/technical-committee/>

2.2.4 Regional Forums

The Regional Forums aim to broaden and deepen our relationships with diverse stakeholder groups, with particular emphasis on Civil Society Organisations. The Forums are established to facilitate meaningful and constructive dialogue among stakeholders, individuals, representative bodies, and other commercial and not-for-profit organisations involved in or with an interest in the sustainable biomass sector.

We believe that everybody's voice should be heard and with the launch of the Forums, we aim to create a collaborative platform for sharing insights, discussing challenges, and collectively assessing and shaping the advice that can be extended from a Forum to SBP from time to time.

Initially, three Regional Forums have been launched across our key operational areas:

- The Americas Forum, covering countries in North and South America,
- The Asia Forum, which covers all the countries in Asia, and
- The Europe Forum, which covers European countries.

The SBP Regional Forum: <https://sbp-cert.org/about-us/governance/people/sbp-regional-forums/> .

2.2.5 SBP Secretariat

The day-to-day running of SBP is carried out by the Secretariat. SBP is a virtual organisation registered in England and Wales.

The Secretariat is supported by ad-hoc Working Groups of subject-matter experts. The Working groups are overseen by the Secretariat. They are established when needed and can be recommended by the Board of Directors, SBP Committees or the Secretariat. They are phased out when their goals have been achieved.

SBP Secretariat: <https://sbp-cert.org/about-us/governance/people/secretariat/>

2.3 Our progress to date

2.3.1 Multistakeholder organisation

Since its inception in 2013, SBP has developed and grown in scale and recognition. During 2018, a comprehensive governance review was undertaken culminating in the introduction of multi-stakeholder governance arrangements from January 2019, bringing together stakeholder groups representing civil society interests, biomass producer interests and those of biomass end-users. The involvement of a range of interest groups at Board and Committee level fosters dialogue, decision-making and implementation of solutions to common goals.

The transition is in line with best practice as demonstrated by leading sustainability standards and aligns with the principles of codes of ISEAL, a recognised global membership association for sustainability standards⁶.

2.3.2 Leader in its sector

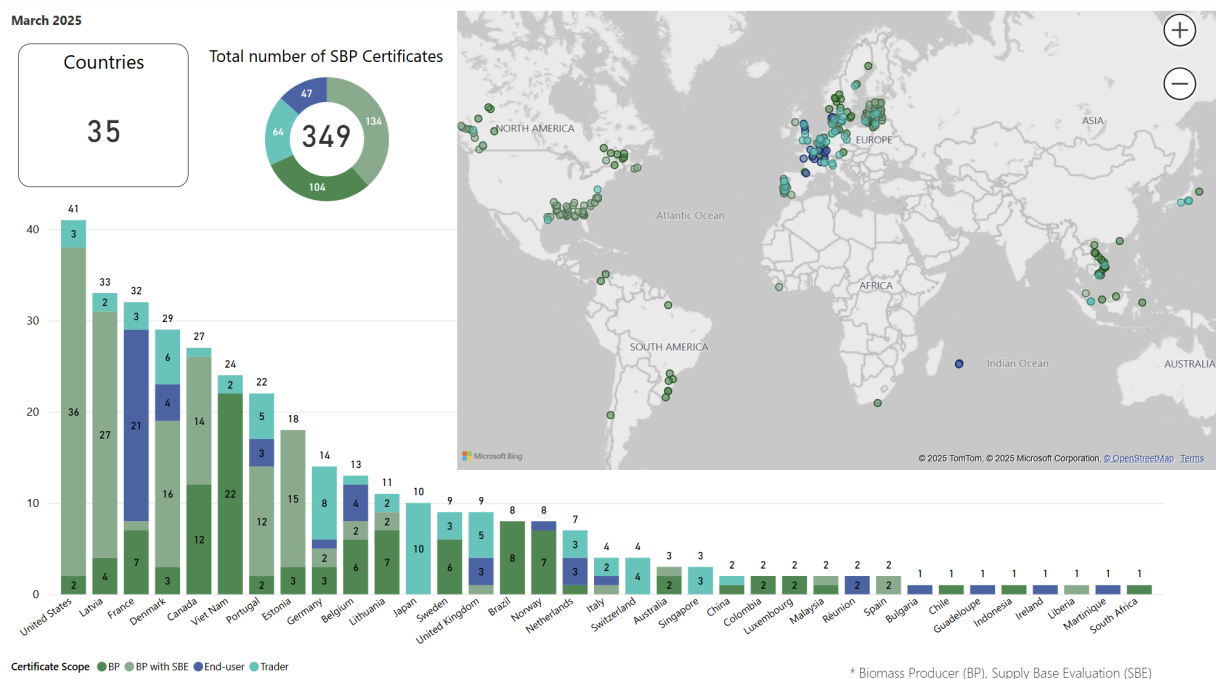
The first point of certification in SBP certification scheme is the Biomass Producer (BP), which is a producer of wood pellets and/or chips. SBP claims accompany the biomass along the supply chain through certified operators – traders and/or End-users.

As of 31 March 2025⁷, there were 349 SBP Certificate Holders across 35 countries demonstrating the sustainability of biomass used by industrial, large scale energy producers. In 2024, close to 85% (2023: 82.8%) of the industrial pellets consumed in geographic Europe carried the SBP claim, making it the leading certification solution chosen by operators.

⁶ www.isealalliance.org

⁷ For real time figure visit <https://sbp-cert.org/about-us/facts-figures/>

Figure 3 – Map of SBP Certificate Holders (March 2025)



As of 31 March 2025, 250 SBP Certificate Holders had REDII in their certificate scope. The up-to-date status can be viewed in the Certificate Holder database on the SBP website (<https://sbp-cert.org/certifications/certificate-holders/>) by setting the filter to “Includes REDII”.

2.4 SBP certification scheme

2.4.1 Introduction

SBP specialises in the biomass market where we have the expertise to succeed and realise our ambition to be the biomass certification scheme of choice. SBP is focused on delivering a certification scheme that meets our stakeholders’ needs and has the desired and intended outcomes that benefit climate, nature and society.

SBP maintains a robust, credible and consistently applied certification scheme for woody biomass, whilst ensuring it reaches a higher level of excellence.

Some countries in Europe have already implemented biomass sustainability requirements, mainly through legislation. Since 2022, the European Union has also introduced sustainability requirements for the use of woody biomass, in line with the recast EU RED (REDII). The SBP certification scheme not only enables organisations operating in those biomass markets to demonstrate compliance with legal and sustainability requirements, but further it provides an off-the-shelf biomass sustainability standard for emerging markets.

Use of a certification scheme that bridges international markets brings efficiency benefits and consistency between Biomass Producers, Traders and End-users and facilitates trade.

2.4.2 Overview of the certification scheme

The Sustainable Biomass Program (SBP) is a certification scheme designed for biomass from the forest and from trees outside the forest (TOF), mostly in the form of wood pellets and chips. The SBP certification scheme provides assurance to stakeholders that biomass is sourced both legally and sustainably, and it provides a means to collect and communicate reliable and verified data throughout the supply chain, including energy data, allowing companies in the biomass sector to demonstrate their responsible sourcing achievement and compliance with regulatory requirements, and to calculate their Greenhouse Gas (GHG) footprint.

There are six SBP Standards, which collectively represent the SBP certification scheme, against which Organisations can be assessed (as applicable) for certification by independent third-party accredited Certification Bodies (CBs). The Standards were developed and revised following a rigorous process aligned with ISEAL Standard-Setting Code of Good Practice, considering and building on existing regulatory requirements, peer voluntary certification standards and stakeholders' input.

In early 2023, the SBP Standards Committee approved our revised Standards (v2.0). In March 2023, the Board unanimously endorsed the approval decision and v2.0 of our Standards was published in May 2023, with an effective date of August 2023. The transition period for Certificate Holders to adopt v2 was approved to last 15 months until 9 November 2025 to facilitate effective transition.

An organisation that satisfactorily demonstrates conformance with applicable SBP Standards receives a certificate and may be entitled to make use of the SBP Data Transfer System (DTS) and SBP claims in relation to the biomass it produces, sells, buys and/or uses.

The SBP certification scheme provides assurance to End-users that the biomass is sourced from legal and sustainable feedstock, as defined in SBP Standard 1. SBP certification relies on a third-party, independent certification process carried out by accredited CBs.

SBP Standard 1 sets the out the requirements for feedstock sourced for SBP-certified biomass around four Principles and 42 indicators. It is designed to be used as a reference for the biomass sector in consistently defining and managing sourcing risks and driving continuous improvement. It covers the most relevant sustainability aspects of feedstock production, including social, environmental, legal, and carbon stock related elements.

The SBP certification scheme follows a risk-based approach. Biomass Producers (BPs) assess the risk of non-conformance against the principles and criteria of SBP Standard 1, when deciding which feedstock to source for biomass production. Using SBP Standard 2, BPs will identify, evaluate and mitigate the risks of sourcing feedstock, for the purposes of biomass production, that does not conform with the criteria set in SBP Standard 1.

The SBP Standards aim to support BPs in identifying sustainability risks when designing their sourcing policies and actions to mitigate specified risks. The SBP Risk Management System acknowledges the synergies with recognised existing forest management certification schemes to adequately manage risks in the Supply Base. Such that Risk Management is adapted for feedstock that is certified by SBP-recognised and SBP-benchmarked schemes.

Biomass producers undergo evaluation for adherence to SBP Standards, ensuring that their management systems effectively mitigate the risk of using feedstock that is not legally compliant and sustainable.

There are five other SBP Standards that cover how to evaluate the sustainability of the feedstock material, including requirements for stakeholder consultation and public reporting (Standard 2), how third-party verification is to be undertaken (Standard 3), the requirements for Chain of Custody (Standard 4), energy and carbon data transfer (Standard 5), GHG calculation (Standard 6).

Our certification scheme also includes other processes, such as those for dealing with appeals from Certificate Holders and complaints from any interested party.

The certification scheme was enhanced with requirements compliant with the EU Renewable Energy Directive (EU RED). Those requirements are given in a dedicated document, Instruction Documents for meeting EU REDII requirements⁸.

It is also important to note that SBP has decided to make REDII compliance mandatory when using SBP Standards v2.0 for all SBP certified transactions, regardless of the export region (i.e., it is mandatory even when selling to non-EU countries such as Japan).

2.4.3 Recognition of SBP scheme by the EU Commission

The SBP certification scheme covers the following types of feedstock(s):

- (a) ligno-cellulosic material derived from forest and non- forest land;
- (b) processing residues from forest and agriculture related industries (outside forest and agricultural land).
- (c) Woody agricultural residues from agricultural land. Non-woody agricultural residues from agricultural land are excluded⁹.

The SBP scheme covers biomass fuels (pellets and wood chips) produced from forest and non-forest ligno-cellulosic material and forest and agriculture related industry processing residues for heat and electricity production. 'Bioliquids', 'biofuels', 'biogas', 'renewable liquid and gaseous transport fuels of non-biological origin' and 'recycled carbon fuels' are outside of the scope of the SBP scheme.

The SBP scheme has a global geographic coverage and encompasses the entire chain of custody.

In assessing the SBP certification scheme, the Commission found that it covers adequately the sustainability criteria laid down in Article 29(6) to (7) of Directive (EU) 2018/2001, contains accurate data on greenhouse gas emission savings for the purposes of Article 29(10) of that Directive and applies a mass balance methodology in accordance with the requirements of Article 30(1) and (2) of that Directive.

The assessment of the SBP certification scheme found that it meets adequate standards of reliability, transparency and independent auditing and complies with the methodological requirements set out in Annex VI to Directive (EU) 2018/2001.

On 21 October 2024, European Commission provided Voluntary Schemes with updated Assessment Protocol to amend systems according to REDIII. In November 2024, SBP submitted revised set of documents to meet REDIII requirements to the European Commission. Pending the final assessment results from the European Commission, it is anticipated that next annual report will cover REDIII compliant biomass for a period starting from 21 May 2025.

⁸ <https://sbp-cert.org/documents/normative-documents/version-2/eu-red-documents/redii-documents/>

3 Report to the EU requirements

In the following section, we report against the requirements specified by the Commission. Reference is made to the relevant REDII scheme documents, as published on the SBP website¹⁰.

3.1 EU REDII scheme documents

During the course of 2024, SBP re-published some documents and published new documents that applicant or existing SBP Certificate Holders must use in order to achieve SBP certification. They build on pre-existing SBP scheme documents and systems (including SBP Standards 1 to 6) and contain EU REDII specific requirements, as approved by the Commission. They are:

- Instruction Document REDII: Bridging Requirements for Meeting REDII v1.2 (November 2024)
- Instruction Document REDII: Principles for Management of REDII Scheme v1.0 (January 2024)
- Instruction Document 6D: Methodology for the Calculation and Certification of GHG Emissions Savings for REDII v1.1 (January 2024)
- Certification Body Audit Report Checklist v1.3 (November 2024)
- SBP-endorsed REDII Level A risk assessment for Article 29(7) LULUCF v1.3 (September 2024)
- SBP-recognised REDII Level A risk assessment for Article 29(6-7) Forest Biomass v1.4 (September 2024)
- Proof of Sustainability for the delivery of biomass fuels v1.0 (November 2024)

The following references the content of those documents, as well as other relevant SBP normative documents.

3.2 Independence, modality and frequency of audits

SBP Certification Bodies need to comply with the requirements of SBP Standard 3. If a Certification Body audits Certificate Holders with REDII in their certificate scope they shall follow additional requirements defined in the SBP Instruction Document REDII: Bridging requirements for meeting REDII.

3.2.1 Independence

The SBP certification scheme has defined a third-party audit system which relies on independent accredited CBs to carry out conformity assessment, and issue and manage certificates of conformity.

Standard 3 define the rules for Certification Bodies (CBs) working with SBP:

1.1 To carry out evaluations against SBP Standards, the following requirements shall be met, as applicable based on the scope of SBP accreditation:

1.1.1 The Certification Body (CB) shall hold SBP accreditation in accordance with ISO 17065.

1.1.2 The CB shall implement all applicable requirements of SBP Standard 3 including the scope of accreditation for SBP Standards 1 and 2 for the scope 'SBP feedstock sourcing' and/or SBP Standard 4 for 'SBP Chain of Custody'.

1.1.3 The CB shall hold at least one of the following accreditations: Forest Stewardship Council® (FSC®), and/or Programme for the Endorsement of Forest Certification (PEFC), and/or Sustainable Forest Initiative® (SFI®).

¹⁰ <https://sbp-cert.org/documents/standards-documents/redii-documents/>

1.1.4 In case the FSC®, PEFC or SFI® accredited legal entity is different from the SBP accredited office, the CB shall demonstrate that the FSC®, PEFC or SFI accredited systems and procedures are effectively implemented at the SBP accredited office.

1.1.5 The Forest Management (FM) or Chain of Custody (CoC) scope of the CB's FSC® or PEFC accreditation shall be equivalent to the applicable scope for their SBP accreditation (feedstock sourcing or CoC respectively).

1.1.6 For the certification of SBP Traders and End-users, the FSC® or PEFC accreditation scope for CoC is sufficient for the CB.

1.1.7 The geographical scope of the CB's FSC® or PEFC accreditation shall match the applicable scope for their SBP accreditation and shall cover the Supply Base of the Client

Additionally, SBP EU REDII Bridging ID document defines independence rules for auditors:

7.3.5 Certification bodies shall set up integrity rules and procedures to ensure their full independence from the economic operators participating in the scheme.

7.3.8 The Certification Body shall implement audits according to requirements set out in ISO 19011.

7.4.4 The Certification Body shall ensure that auditors are free of Conflict of Interest and conduct audit activities impartially.

7.4.6 The CB shall not offer services that directly prepare organisations for attaining certification in external schemes where the CB is accredited as a certification body. For the SBP certification schemes the CB shall not:

- a) develop company procedures or management systems to meet certification requirements;
- b) help address nonconformities issued against certification standards;
- c) conduct internal audits which are required by the company as evidence for certification;
- d) conduct supplier or subcontractor verification which is required by the company as evidence for certification; and
- e) conduct trainings that provide company-specific solutions/instructions on certification requirements.

7.4.8 Auditors shall be:

1 Independent of the from the economic operators participating in the scheme. Evaluations and decisions may not be affected by personal relationships, financial incentives or other types of influences. The certification bodies and the auditors are independent of the interfaces, operations and suppliers and free of all conflicts of interest and can furnish proof of this. (An exception is possible for the audit of point (a) of Article 29(6) and point (a) of Article 29(7), in which case first or second party auditing may be used up to the first gathering point.) Certification bodies shall apply principles of auditors' rotation²³ and other existing best practices in the area.

2 Free from conflict of interest. Any persons having a potential conflict of interest shall be excluded from decision-making.

3.2.1.1 Accreditation rules

From September 2021, the ANSI National Accreditation Board (ANAB) has operated an independent, third-party program to accredit CBs in accordance with all relevant international standards and SBP certification scheme requirements. ANAB is part of the IAF MLA (<https://iaf.nu/en/recognised-abs/>).

ANAB's mission is to assess the competence of CBs against the requirements of the international standard, ISO/IEC 17065:2012 *Conformity assessment - Requirements for bodies certifying products, processes and services* and SBP requirements as defined in the SBP Certification Scheme, including Instruction Document for Bridging EU REDII requirements.

ANAB monitors and oversees CBs assuring continuous compliance with ISO/IEC 17065:2012, ANAB's own accreditation requirements and the SBP certification scheme. Monitoring of CBs is undertaken via annual office audits, surveillance and reassessment and annual witness assessments.

ANAB-accredited CBs that do not demonstrate compliance with ANAB accreditation and/or the SBP certification scheme requirements may be subject to sanctioning in accordance with relevant clauses in ISO/IEC 17011 as well as ANAB policies and procedures, which stipulate possible suspension and eventual withdrawal of accreditation, based on outstanding non-conformities or violations of ANAB policies.

ANAB might carry out appeals/complaints between ANAB/SBP and accredited CBs in accordance with ISO/IEC 17011.

The list of accredited CBs is available on the SBP website: <https://sbp-cert.org/certifications/accredited-certification-bodies/>

In addition, each accredited Certification Body needs to sign a Trade Mark Licence Agreement (TMLA) with SBP. This TMLA agreement requires CBs to comply with all relevant SBP normative requirements (including SBP REDII normative documents), regulations and laws.

This means that Certification Bodies agree that Member States can supervise the operation of Certification Bodies including getting access to the premises of economic operators where requested as set out under Article 30(9) of the Directive. Certification Bodies failing or unwilling to comply with the requirements shall be respectively excluded from participating in and conducting audits under voluntary schemes.

In September 2024 SBP has engaged with a Dutch national accreditation body RvA to explore the possibility to become an EA 1/22 accreditable scheme. The assessment of SBP scheme against EA 1/22 is in the process and is expected to be finalised in 2025.

3.2.1.2 Requirements for audit process

Section 3 of SBP Standard 3 v2.0 sets the resources that CBs shall have in place to perform SBP certification audits. Section 4 defines the qualification, training and monitoring requirements for auditors to ensure it has access to a sufficient number of personnel with necessary knowledge and experience to cover its operations related to the certification schemes.

The auditing requirements to be followed by CBs are captured in Sections 6 and 7. The SBP certificate shall be issued by a CB according to the requirements set in Section 8, especially providing that there is no major failure in conformance with the requirements of the applicable SBP Standard across the entire scope of the certificate.

To achieve this, the Certification Body shall employ or have access to a sufficient number of personnel to cover its operations related to the certification schemes and to the applicable Standard and other normative documents (Standard 3, Section 8 – Competence). The Standard requires that the audit team has the necessary knowledge and experience to evaluate against SBP Standards. This is complemented by Section 7.4, Competence Management of SBP Instruction Document REDII Bridging requirements. In particular, requires that

7.4.8 point 5

The auditor has the appropriate specific skills necessary for conducting the audit related to the scheme's criteria. Namely:

o Land use criteria (Article 29(2-7)): Experience in agriculture, agronomy, ecology, natural science, forestry, silviculture or a related field similar, including specific technical skills needed to verify compliance with the highly biodiverse grasslands and highly biodiverse forest criteria.

o GHG criteria (Article 29(10)): A minimum of two years' experience in biofuels lifecycle assessment, and specific experience in auditing GHG emission calculations following the EU RED calculation

methodology. Relevant experience in depending on the type of audits to be conducted by the individual auditor. Note that verifying soil organic carbon levels for the purpose of applying the emission saving credit for soil carbon accumulation (esca) requires specific technical knowledge (e.g. soil science).

o Chain of Custody criteria (Article 30(1-2)): Experience in mass balance systems, supply chain logistics, bookkeeping, traceability, data handling or similar.

3.2.1.3 Monitoring and calibration

The SBP internal monitoring system is a hybrid consisting of a third-party accreditation service (SBP and ISO 17065 accreditation by ANAB) and SBP internal assurance program. Monitoring system is based on regular reports from Assurance Services Provider (ASP) about certification body and economic operator performance as well as ongoing monitoring of scheme performance by the team of SBP Secretariat through various state-of-the-art tools like online Audit Portal and Data Transfer System. Data is collected and analysed in SBP Salesforce and MS PowerBI. SBP is able to have a full almost real-time overview and access to SBP certification and auditing activities. Based on this monitoring regular meetings with ASP staff (at least monthly) and annual Certification Body Forum meetings are conducted to discuss the effectiveness and appropriateness of the scheme and to harmonise verification activities by certification bodies. Trainings and instruction documents are developed based on this monitoring and communications with our stakeholders. SBP publishes an annual report including impact indicators and overall monitoring information. See: <https://sbp-cert.org/documents/annual-reviews/>

SBP Assurance and Monitoring System Outline

- o Accreditation by ANSI National Accreditation Board (ANAB)

Independent accreditation oversight body accredits certification bodies

- o Certification Bodies

4 accredited certification bodies

- o Audit Portal

Modern digital platform to manage all SBP audit-related activities

- o Data Transfer System

State of the art online platform for all SBP transaction from Biomass producer to the End-User

- o Assurance Risk Management Plan

SBP risk management plan that includes a list of the most significant risks to the integrity of the assurance system, a quantification of those risks, and a description of the strategies being employed to mitigate each of these risks.

- o Data Registry

A comprehensive registry of all data held by SBP and a procedure for data management, security, governance, and access.

- o Peer Review

External independent quality review of certification decisions for Biomass Producers with Supply Base Evaluation in the scope.

- o Stakeholder Consultation

SBP standards require stakeholder consultations on various levels of certification process and by various actors.

- o Applicants' registration and review

SBP Secretariat collects information about certification applicants from CBs and publishes it on its website. A more comprehensive process of applicants' review is under development. It will include gathering of many data points through the Audit Portal and subsequent data analysis.

- o Extra work orders for Accreditation Body

SBP Secretariat have requested ASP in the past to do additional assurance activities beyond the regular accreditation schedule. This included additional targeted desk reviews, consultations, and field assessments. Each year several such job orders were commissioned.

- o Involving technical experts to do the research/investigation/analysis

SBP started engaging with various local and international experts to conduct targeted analysis, technical assistance, and monitoring work. These activities include analysis of specific certificate holder performance, gathering local data, consultations, GIS/Remote Sensing mapping and data processing.

- o Management review

Management Review is conducted annually by senior management with the support from several Technical Committee members.

SBP has developed an official training course for auditors. The training course covers topics about biomass sector, SBP history and purpose, SBP normative framework, Data Transfer System and REDII requirements including GHG calculations, and is delivered as a blended course, partly as recorded online webinars in the SBP online training portal (<https://sbp.talentlms.com/>) and partly as live sessions using MS Teams or live courses. Several training courses are scheduled every year. To successfully complete the training course auditors must pass a written exam. Only those auditors who have successfully passed the SBP official training course may carry out SBP audits.

Additionally, SBP carries out bi-annual SBP Certification Body Summits where various technical topics are discussed, experiences benchmarked and interpretations provided. When standards change or calibration needs arise, SBP organises additional sessions on the relevant topics. The SBP Secretariat provides technical support to Certification Bodies and ANAB by explaining the requirements, if needed.

3.2.1.4 Frequency of audits

Standard 3 defined the frequency of audits. The Certification Body shall carry out a surveillance audit to monitor the Certificate Holder's continued conformance with applicable certification requirements, at least annually (i.e. every 12 months). For certificates with a duration of five years, at least four surveillance evaluations shall take place before the certificate expires. The Certification Body shall carry out one or more annual on-site visits for all BP certificate holders.

This is supported by the SBP Instruction Document REDII: Bridging requirements for meeting REDII, which states:

7.3.1 The certificate validity shall be five (5) years.

7.3.2 Initial evaluations shall always be conducted onsite.

7.3.3 The Certification Body shall ensure that a re-evaluation is conducted prior to the expiration date of the certification for any organisation seeking to maintain their certification status beyond the expiration date.

3.3 Management of Non-conformities and complaints

3.3.1 Non-conformities

Section 7.9 of SBP Instruction Document REDII: Bridging requirements for meeting REDII defines the rules for the management of non-conformities. Non-conformities identified during an audit shall be classified as critical, major and minor.

Critical non-conformities shall include, but are not limited to, the following:

- (a) non-compliance with a mandatory requirement of Directive (EU) 2018/2001, such as land conversion which contravenes Article 29(3), (4) and (5) of that Directive;*
- (b) fraudulent issuance of proof of sustainability, for example, intentional duplication of proof of sustainability to seek financial benefit;*
- (c) deliberate production of wastes or residues, for example, the deliberate modification of a production process to produce additional residue material, or the deliberate contamination of a material with the intention of classifying it as a waste.*

In the case of critical non-conformities, the operator shall not be issued with a certificate or shall see their certificate immediately withdrawn by the Certification Body.

Major non-conformities shall include, but are not limited to, the following:

- (a) systematic problems with mass balance or GHG data reported for example, incorrect documentation is identified in more than 10% of the claims included in the representative sample;*
- (b) the omission of an economic operator to declare its participation in other voluntary schemes during the certification process;*
- (c) failure to provide relevant information to auditors for example, mass balance data and audit reports.*

In case of major non-conformities, the operator shall not be issued with a certificate or shall see their certificate immediately suspended or withdrawn if the operator does not remedy the non-conformity within 90 days from the notification.

A non-conformity that has a limited impact, constitutes an isolated or temporary lapse, is not systematic and does not result in a fundamental failure if not corrected, shall be considered to be a minor non-conformity.

In case of minor non-conformities, the operator shall remedy the non-conformity within one year from the notification.

3.3.2 Complaints

SBP takes any complaints extremely seriously. To address these in a transparent, credible and robust manner, SBP has published a complaints procedure, which is available on our website (<https://sbpcert.wpenginepowered.com/wp-content/uploads/2019/03/SBP-Complaints-procedure-v1.1-Jan19-FINAL.pdf>).

The procedure applies when any person or organisation expresses dissatisfaction to SBP relating to its activities, the activities of an SBP CB or an SBP Certificate Holder. It encourages disputes to be resolved by discussion and negotiation or mediation. The formal SBP procedure should be seen as a last resort.

When the complaint concerns the activity of a CB or a Certificate Holder, the complaint should first be directed to the CB. Should the CB's process not be able to address the complaint, the SBP procedure will be actioned.

Depending on the nature, severity and scope of the complaint, it will be handled either by the SBP Secretariat (an appointed staff member responsible for the case) or a contractor (if the complaint is about a member of the SBP Secretariat). Ultimately, the CEO will provide a response to the complaint within 60 days of receipt. If all parties affected by the complaint agree in writing, a summary of the SBP complaint investigation may be published on the SBP website.

In the event of any of the parties being dissatisfied with the outcome of the complaint, the SBP appeals procedure may be used.

In 2024, SBP received and reviewed three complaints with regards to the speed of SBP in responding to technical queries from external stakeholders. The complaints led to improvement in the information

management within SBP, a better tracking of these and new rules of assignment of responsibilities within the Technical Team.

3.4 Transparency and availability

3.4.1 Scheme documents

SBP is committed to transparency and accessibility. To meet that objective, SBP has designed a website on which all necessary information is available and accessible. The website is managed by the Secretariat. Publication of documents follow the strict requirements of the Document Development Procedure (https://sbpcert.wpenginepowered.com/wp-content/uploads/2020/09/SBP-Document-Development-Procedure-v2.0_Oct-19-FINAL.pdf), with close attention to approval of all documents.

All scheme documents are published in a dedicated section of the website (<https://sbp-cert.org/documents/standards-documents/>). All EU REDII-related documents are collated in a standalone section (<https://sbp-cert.org/documents/normative-documents/version-2/eu-red-documents/redii-documents/>).

In addition, stakeholders have access to the registry of scheme documents, kept up-to-date by the Secretariat: <https://sbp-cert.org/documents/documents-register/>.

Scheme documents also include Instruction Documents, Templates, Process Documents, and Normative Interpretations.

The official language of SBP is English. To date, documents are only available in English and only the English version can be used in case of conflict in interpreting the requirements. SBP is planning to provide translation of scheme documents on an ask and need basis.

3.4.2 Registry of certified operators

The SBP website (www.sbp-cert.org) is the repository of all information relevant to the certification scheme, including a list of Certificate Holders and their audit reports.

SBP publishes a list of organisations applying for SBP certification (<https://sbp-cert.org/certifications/applicants/>), which helps stakeholders to identify which organisations are working towards certification and through raising awareness enables stakeholders to participate in the public consultation, which is a requisite part of the certification process.

A database of Certificate Holders is also published on the SBP website (<https://sbp-cert.org/certifications/certificate-holders/>). The database has a search function allowing the user to search by name, country, certificate number, type of operation, and scope of certification. For each Certificate Holder, key information is readily available as well, including access to all audit reports.

Figure 4 – Example of the information publicly available for each Certificate Holder

Certificate Information:	Contact:	Location:
Certification Body: Preferred by Nature OÜ Certificate Number: SBP-07-47 Status: Active Date of Issue: 30 January 2020 Expiry Date: 29 January 2025 Certificate Type: Biomass Producer Certificate Scope: <ul style="list-style-type: none"> • Does not include Supply Base Evaluation • Includes Communication of Dynamic Batch Sustainability (DBS) Data 	Lars Grindestam t: +46 70 552 80 02 e: lars.grindestam@kahrs.com w: www.kahrs.com	Main Office: Dunderbergsgatan 10, Nybro, 382 30, Sweden Production Office: Dunderbergsgatan 10, Nybro, 382 30, Sweden
Assessed & Certified in Accordance With:	CB Public Summary Report:	Supply Base Report:
SBP Standard 2, Verification of SBP-compliant Feedstock, Version 1.0, 26 March 2015 SBP Standard 4, Chain of Custody, Version 1.0, 26 March 2015 SBP Standard 5, Collection and Communication of Data, Version 1.0, 26 March 2015	Main (Initial) audit (2019) Scope change audit (2020) First surveillance audit (2020) Second surveillance audit (2021) NCR-verification audit (2021) Third surveillance audit (2022)	Main (Initial) audit (2019) First surveillance audit (2020) Second surveillance audit (2021) Third surveillance audit (2022)

Also, the SBP website lists those Certificate Holders that have been suspended (<https://sbp-cert.org/certifications/suspended-certificate-holders/>) or terminated (<https://sbp-cert.org/certifications/certificate-holders-terminated/>).

All lists are automatically updated with real-time information extracted from the various data collection systems developed by SBP.

Transparency on certification decisions is key to gaining the trust of stakeholders and demonstrating the rigour of the scheme. SBP has developed an innovative IT platform to facilitate the publication of audit reports in a consistent way. Our Audit Portal (<https://sbp-cert.org/certifications/audit-portal/>) provides all our Certificate Holders and Certification Bodies with a dedicated system to manage all SBP audit-related activities. The Portal is part of our drive to make the whole certification process smarter and more efficient. Through the use of digital tools and automation we have unlocked a host of benefits, not least the reduced level of effort required to complete and submit the various audit reports. Further benefits include improved data integrity and security, and the facilitation of impact monitoring, which will track the progress and impact made by our certification scheme.

Some of the Portal's features include:

- Online SBP certification applicant registration
- An overview of all applicants
- Online forms with smart validation and automation
- Automatic form/template version control
- Access to all certificate details, audit schedules and checklists

Supported by the compulsory use of the Audit Portal, stakeholders can access all Public Summary Reports (Certification Body audit reports) and Supply Base Reports (description of the risk-based system developed by the Biomass Producer in order to achieve compliance with Standard 2). The Public Summary Reports summarise the findings of the audit, and the Supply Base Reports include a description of the supply base, origin of the feedstock, biomass production process, volumes of production, and a summary of the Supply Base Evaluation (SBE), risk assessment and risk mitigation measures.

3.5 Stakeholder involvement

SBP is a multi-stakeholder organisation. The structure and governance of the organisation is based on the participation of multiple stakeholders. The multi-stakeholder principle is also at the centre of the standard-setting process, as well as the certification process.

3.5.1 Stakeholder participation in setting the SBP Standards

The standard-setting process has been developed to align with ISEAL Code of Good Practice for Standard-Setting. The various steps have been captured in the Document Development Procedure (<https://sbpcert.wpenginepowered.com/wp-content/uploads/2020/09/SBP-Document-Development-Procedure-v2.0-Oct-19-FINAL.pdf>). Stakeholder participation is an important factor in developing or revising a Standard and stakeholders are encouraged to engage in the process in a meaningful way. Stakeholder engagement is captured in section 9 of the Document Development Procedure. It includes publication of the process and Terms of Reference to be followed during Standards development/revision, and how decisions are made and by whom. The process also relies on the participation of subject matter experts, and public consultation/s. The number of rounds of public consultation being dependent on the substantive nature of the comments received. In accordance with ISEAL, the first public consultation shall last at least 60 days and strive to engage with a wide range of stakeholders, including under-represented, directly affected and/or disadvantaged stakeholders. A special emphasis is also given to ensure the participation of Indigenous Peoples and representatives of First Nations. The second and subsequent consultation is required to last at least 30 days. Engagement shall provide stakeholders with appropriate opportunities to contribute to the development of the sustainability standard. This shall include appropriate mechanisms and tools for engagement. After each consultation, the Secretariat shall prepare a synopsis including a summary of the comments received and details of how these have been taken into account. During any development/revision process all relevant documents will be made available via the SBP website.

3.5.2 Stakeholder participation in certified operations

Stakeholder participation does not only concern standard-setting. Each Certificate Holder, as per the requirements set in Standard 2 and Standard 4, must proactively engage with their stakeholders.

Standard 2 defines the steps BPs must take in order to consult stakeholders. Their views must be sought during the development of the initial Supply Base Evaluation (SBE) and at the five-yearly re-evaluation.

Standard 4, which applies to any organisation in the supply chain, requires that organisation develop and implement a Stakeholder Engagement Plan for their business operations and scope of certification.

3.5.3 Stakeholder participation in the auditing process

Standard 3 requires CB to inform SBP of the dates of the upcoming evaluation (at least 1 month in advance) for SBP to publish them on its website, inviting stakeholders to share comments with the Certification Body in advance of the audit.

SBP certification applicants & re-certifications: <https://sbp-cert.org/certifications/applicants/>

During the audit process, the CB shall review all submissions and evaluate those that are relevant. All submissions shall be recorded, and the CB shall document actions taken in relation to relevant submissions, and the conclusions of the CB regarding compliance of the BP with the requirements of the SBP Standards.

In addition, and as a part of the CB consultation, the CB shall determine if stakeholders' comments were adequately addressed by the BP.

3.6 Market Update

By the end of December 2024, 228 companies had EU REDII in their certificate scope. 3.83 million tonnes of EU REDII-compliant was produced and sold during 2024, including 1.89Mt of wood chips and 1.94 Mt of wood pellets. RED II compliant claims were done from 18 countries worldwide, with France, United States and Canada selling the most RED II compliant biomass.

Complete table with RED II compliant biomass sold by region and product type is below:

Region	Chips tonnes	Pellets tonnes	Grand Total
Europe	1,874,853	464,689	2,339,542
North America	0	1,198,932	1,198,932
South America	9,976	2,007	11,983
Asia	0	279,496	279,496
Grand Total	1,884,829	1,945,124	3,830,216

Since under Standards v1.0 EU RED technical scope is not yet mandatory then SBP EU RED claims were made only on a portion of all SBP certified claims.