



# **RSB – ROUNDTABLE ON SUSTAINABLE BIOMATERIALS**

**REPORT TO THE EU COMMISSION**

on

Assurance

Stakeholder Involvement

Market Updates

Reporting Period:

01 January 2017 – 31 December 2017

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# Report to the EU Commission

1 January 2017 – 31 December 2017

## Introduction

The **Roundtable on Sustainable Biomaterials (RSB)** is an independent and global multi-stakeholder coalition, which works to promote the sustainability of biofuels and biomaterials. Producers and processors of biofuels, biomaterials and their supply chains can become certified to the RSB Standard. RSB certification is acknowledged by WWF, IUCN and the Natural Resources Defence Council as the strongest and the most trusted of its kind. The RSB is a full member of the ISEAL Alliance which sets Codes of Good Practice for multi-stakeholder sustainability standards. Compliance with ISEAL requirements is a rigorous process and has only been achieved by a limited number of global sustainability standards. The EU Commission recognised the RSB EU RED for demonstrating compliance with the sustainability criteria under Directives 98/70/EC and 2009/28/EC of the European Parliament and of the Council. This report to the EU Commission is required under Directives 98/70/EC and 2009/28/EC and describes RSB's assurance mechanisms to ensure audit consistency and rigour, shows how the RSB works to involve stakeholders and supports market uptake of the scheme.

### a) Audits

*The European Commission requires that voluntary schemes report on “independence, modality and frequency of audits, both in relation to what is stated on those aspects in the scheme documentation, at the time the scheme concerned was approved by the Commission, and in relation to industry best practice”*

The RSB Assurance System as laid out in RSB-PRO-70-001 *Requirements for Certification Bodies and Auditors*<sup>1</sup> ensures that regular audits are carried out by independent and competent auditors. Auditors are appointed by Certification Bodies (CBs) that are required to implement risk management systems in order to minimise risks which could compromise the comprehensive and consistent implementation of the RSB standard. CBs are independent organisations accredited to carry out certification activities against the RSB standard. In the RSB system, on-site audits are carried out annually in line with the international standard ISO 19011 which provides guidance on the management of an audit program, on the planning and conducting of an audit as well as on the competence and evaluation of auditors and audit teams. In addition, RSB's Assurance System requires Certification Bodies to comply with the international standard ISO 17065 to ensure that they operate in a competent, consistent and impartial manner. The RSB Assurance System is fully in line with the ISEAL Assurance Code which was developed by ISEAL as a Code of Good Practice for Assuring Compliance with Social and Environmental Standards and which is considered industry best practice<sup>2</sup>.

<sup>1</sup> <http://rsb.org/wp-content/uploads/2018/02/RSB-PRO-70-001-vers-3.4-Requirements-for-Certification-Bodies-and-Auditors.pdf>

<sup>2</sup> <https://www.isealalliance.org/credible-sustainability-standards/iseal-codes-good-practice>

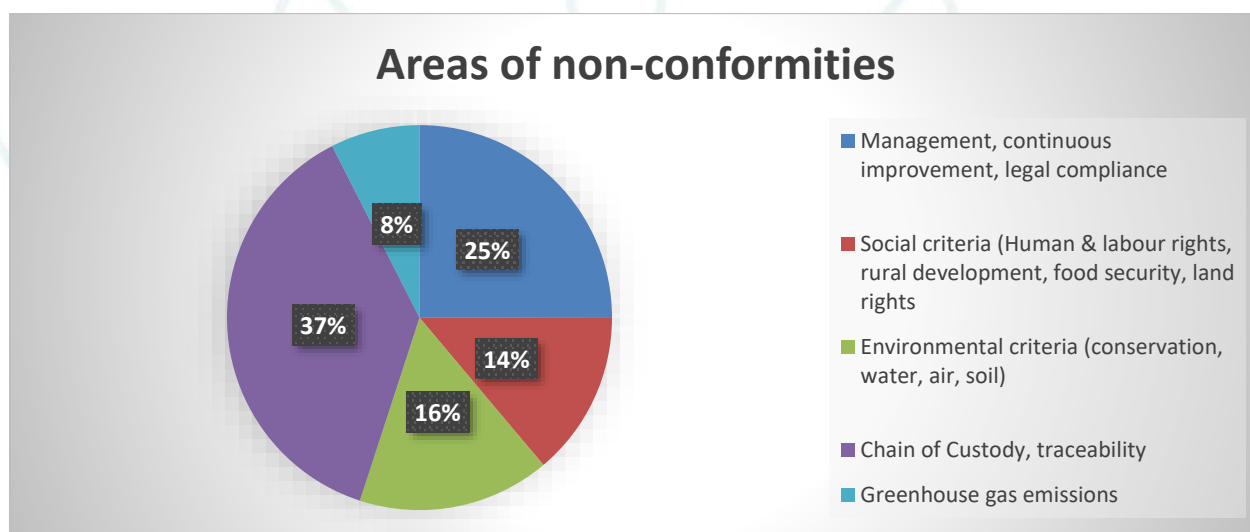
## b) Dealing with Non-Compliances

*The European Commission requires that voluntary schemes report on "availability of, and experience and transparency in the application of, methods for identifying and dealing with non-compliance, with particular regard to dealing with situations or allegations of serious wrongdoing on the part of members of the scheme"*

Areas where an operator does not meet the requirements of the RSB standard are designated as 'non-compliances' which are graded in two categories: '*minor*' non-compliance and '*major*' non-compliance. Situations that are defined as major non-compliance are described in RSB-PRO-70-001 *Requirements for Certification Bodies and Auditors* and include, inter alia, failure to comply with a mandatory requirement of the EU Renewable Energy Directive. In the case of any outstanding major non-compliance, a certificate cannot be issued. If non-compliances occur, operators are asked to assess the root causes and define corrective action measures including a timeline for implementation. The certification body is responsible for evaluating that the corrective actions have been implemented in a timely manner (i.e. 90 days for major non-compliances and 12 months for minor non-compliances). In the case that non-conformities are not addressed according to the corrective action plan, upon finding evidence of misuse, misrepresentations or fraudulent claims or occurrence of a severe major non-conformity, the RSB Assurance System requires CBs to suspend the certificate. For all non-compliances, their classifications as major or minor, the actions undertaken to address them, as well as the evaluation of these activities, are included in a Public Audit Summary which is available online for all certified operators.<sup>3</sup>

The RSB continuously tracks areas of non-compliance through the audit and certification process. This data allows RSB to draw conclusions about the main areas of impact through RSB implementation as well as requirements that are particularly difficult to achieve:

**The following figure shows non-conformities (major and minor) that were raised in the different technical areas of the RSB standard (in %, relative to the total number of non-conformities raised):**



In 2017, one operator was suspended by an RSB Certification Body due to major non-conformities related to mass balance and chain of custody.

<sup>3,4</sup> <http://rsb.org/certification/participating-operators/>



## c) Transparency and Accessibility of the Scheme

*The European Commission requires that voluntary schemes report on “transparency, particularly in relation to the accessibility of the scheme, the availability of translations in the applicable languages of the countries and regions from which raw materials originate, the accessibility of a list of certified operators and relevant certificates, and the accessibility of auditor reports”*

The RSB certification system is accessible to multi-feedstock certifications and can be applied in any region of the world. RSB can certify a complete supply chain as well as novel biomass and biomaterial technologies such as oil and sugar based biofuels, cellulosic ethanol and chemicals, renewable diesel and biojet, bioplastics, biolubricants and other bio-based chemicals.

The website [www.rsb.org](http://www.rsb.org) provides explanations of the RSB standard and the certification process to help operators to understand better how to implement the RSB requirements.<sup>4</sup>

The official version of the RSB Standard is the English language version which is available online including all guidance and support documents. Transparency is one of the core values of the RSB. Therefore, a list of certified operators, all certificates (valid, expired, terminated) as well as Audit Summary Reports are available online.<sup>5</sup> The content of the Public Audit Summaries is defined in RSB-PRO-70-001 *Requirements for Certification Bodies and Auditors* and includes inter alia:

- The risk assessment conducted by the lead auditor;
- The observations and substantiating evidence collected during evaluation of the central management office and management systems of the operator;
- The consultation of social, environmental and economic stakeholders that are directly affected by the operation(s) identified in the certification scope of the operator;
- Non-compliances, and whether (and why) these non-compliances were classified as major non-compliances;
- Actions taken to address non-compliances, the evaluation of those actions and decision to accept them for compliance with RSB standards;
- The final risk class assigned to the operator based on the risk assessment;
- The validity period of the issued certificate and schedule for surveillance and main audits;
- The details of any issue which was difficult or impossible to evaluate.

## d) Stakeholder Involvement

*The European Commission requires that voluntary schemes report on “stakeholder involvement, particularly as regards the consultation of indigenous and local communities prior to decision making during the drafting and reviewing of the scheme as well as during audits and the response to their contributions”*

### Stakeholder involvement in Standard-Setting

An integral component of RSB’s approach to involve stakeholders is its governance system for the setting of the RSB standard. The decision-making mechanism based on consensus ensures that the voices of all relevant stakeholders, including indigenous and local communities, are heard. RSB was

<sup>4</sup> <http://rsb.org/certification/>

<sup>5</sup> <http://rsb.org/certification/participating-operators/>

independently evaluated and found to be in compliance with the ISEAL Standard-Setting Code, which defines effective standard-setting processes and ensures the credibility of the standard.

The full procedure for standard development and standard revision is described in RSB-PRO-15-001<sup>6</sup>. Revisions are based on the feedback collected by the RSB Secretariat among operators, Certification Bodies, the RSB Accreditation Body, the RSB Membership and other key stakeholders. The RSB Secretariat initiates the revision process by issuing an updated draft of the standard/procedure of concern. Standards dealing with sustainability aspects undergo a public consultation process followed by several rounds of member consultation before final approval by the RSB Assembly of Delegates.

The RSB is a membership based organisation in which members are organised into five Chambers that elect the governing body of the organisation – the RSB Assembly of Delegates. The RSB Assembly is the highest decision-making body of the RSB and approves modifications to the standard. Each RSB Chamber elects up to three Delegates, thus giving each chamber the same weight and influence in decision making.

Membership Chambers represent different sectors of business, civil society, trade unions, government, academia and multi-lateral organisations. The chambers elect representatives to the Assembly of Delegates and Board of Directors.

#### Business Chambers

1. Growers & Producers
2. End-Users, Blenders & Investors

#### Civil Society Chambers

3. Social Stakeholders
4. Environmental Stakeholders

#### Government and research Chambers

5. Government, multi-lateral organisations, and academia



Decisions on standards and related policies are taken by consensus. Therefore, all chambers have the same weight in the decision-making process.

<sup>6</sup> <http://rsb.org/wp-content/uploads/2017/03/RSB-PRO-15-001-vers-3.1-RSB-Procedure-for-Development-Modification-of-RSB-Standards.pdf>

RSB employs a variety of methods to engage with its stakeholders, including in-person meetings, regional meetings, webinars and conference calls.

In 2017, the RSB worked on several major developments to ensure that the RSB continues to reflect the evolving nature of the bioeconomy. The RSB worked with stakeholders around the world to develop the new Standard for Advanced Fuels and to commence the revision of the RSB Standard for Bioproducts. The RSB also developed regional indicators for the USA, South Africa and Queensland; and produced the RSBUS corn stover protocol.

### **Standard for Advanced Fuels**

The RSB established a technical working group for end-of-life products, by-products and residues to work on how to define residues, how to include non-biogenic feedstocks and how to include indirect effects. This working group brought together 27 experts from 17 countries – including NGOs, producers, end-users and more - who developed a proposal for how to include waste and residues in energy production. This proposal was accepted by the RSB delegates at the RSB Annual Meeting in November 2017 and has been officially adopted by the RSB.

### **Standard for Bioproducts**

In 2017 the RSB launched the revision of the Standard for Bioproducts, which will see it evolve into the RSB Standard for Advanced Products by the end of 2018. The Standard for Bioproducts covers all products that do not involve energy generation. The revision has included a workshop at the RSB Annual Meeting where delegates discussed topics including Greenhouse Gas calculations of bioproducts, the inclusion of mass balance approaches and claims. The final revision will see our Standard for Bioproducts renamed to reflect the inclusion of mass balance approaches and recycled carbon as a feedstock.

### **Regional Indicators**

The RSB's risk-based approach allows us to assess sustainability risks according to regional legislation and other voluntary standards, significantly easing the certification process for operators. Regional indicators are based on a comparison of the regulatory and legislative framework in a region with the RSB Standard to identify gaps and overlaps. This is supported by robust stakeholder engagement that identifies how thorough the implementation of this legislation and regulation is. On this basis the RSB can develop regional indicators that make audits more efficient and effective by saving time and directing auditors to risk areas.

In 2017, the RSB developed indicators for the US, South Africa and Queensland, Australia. The USA indicators were approved in November 2017, with the South Africa and Queensland indicators to be approved in 2018. The RSB will also begin work on indicators for Mexico and Ethiopia in 2018.

### **Corn Stover Protocol**

Corn stover is used for cellulosic biofuel and bioproduct production. The RSB worked with partners in the USA to develop a protocol to assist auditors and producers in assessing the volumes of corn stover that can be removed from fields without having a detrimental impact on the ecosystem. Stakeholders involved in the development of the protocol included the United States Department of Agriculture (USDA), NRCS Soil Science Division, the USDA Agricultural Research Service as well as US-based industrial and NGO participants.



## Stakeholder Involvement in Assurance

Meaningful and comprehensive engagement of interested or affected stakeholders is also an integral component of the evaluation process. Stakeholder consultation takes place prior to, concurrent with, and following field evaluations. An important component of the RSB Standard, Principle 2 “Planning, Monitoring and Continuous Improvement”, requires operators to conduct a gender sensitive stakeholder consultation. Free, Prior & Informed Consent (FPIC) provides the process conditions for any stakeholder engagement while consensus is the decision-making tool to be applied in all cases. The RSB Standard requires operators to invite all relevant stakeholders including all locally-affected stakeholders, local leaders, representatives of community and indigenous peoples’ groups, to participate in a meaningful consultative process. Special attention should be given to ensure that women, youth, elders, indigenous and vulnerable people can participate meaningfully in meetings and negotiations. In addition to the consultation by the operator, the Certification Bodies carry out a stakeholder consultation before going on-site. CBs are required to make sure that stakeholders have the opportunity to present their comments to the auditors in the local language and under the terms of confidentiality. Information and comments given by consulted stakeholders are investigated, evaluated and verified objectively and meaningfully. An example of the stakeholder involvement in the assurance process can be found online.<sup>7</sup>

## e) Robustness

*The European Commission requires that voluntary schemes report on “overall robustness of the scheme, particularly in light of rules on accreditation, qualification and independence of auditors and relevant scheme bodies”*

The Certification Bodies’ compliance with the RSB requirements regarding personnel competence and independence is overseen by the organisation Accreditation Services International (ASI) as part of the general accreditation assessment against the RSB procedure *Requirements for CBs and Auditors*. Every certification body certifying against the RSB standard is required to hold a valid accreditation issued by the RSB Accreditation Body.

RSB requires Certification Bodies to implement their audit program in compliance with the international standard ISO 19011, which provides a robust framework for ensuring adequate auditor competence. In addition, the RSB Procedure *Requirements for CBs and Auditors* sets detailed requirements for the competence of auditors, including their academic background, work experience and training. CBs are required to differentiate between the scopes agriculture/forestry, industrial processes and trade when evaluating auditors. Furthermore, CBs are responsible for ensuring continuous training as well as organising regular auditors’ exchanges of experience. In addition, RSB’s Assurance System requires Certification Bodies to comply with international standard ISO 17065 to ensure that they operate in a competent, consistent and impartial manner.

<sup>7</sup> [http://rsb.org/wp-content/uploads/2017/03/RSB\\_RPT\\_Agrojibito\\_011216\\_PublicSummary-1.pdf](http://rsb.org/wp-content/uploads/2017/03/RSB_RPT_Agrojibito_011216_PublicSummary-1.pdf)



## f) Market Updates

*The European Commission requires that voluntary schemes report on “market updates of the scheme, the amount of feedstocks and biofuels certified, by country of origin and type, the number of participants”*

Aggregated data as of 31 December 2017:

RSB certificates	23
Sites covered	58
Countries	19
Area covered	54,240.52 ha
Products RSB certified (global + RSB EU RED)	305,046.24 MT
Feedstock RSB certified (RSB EU RED)	121,908.15 MT
Product RSB certified (RSB EU RED)	26,257.75 MT

Detailed information on the countries of origin and biofuel types is included in the annex of this document and available on request.

## g) Traceability

*The European Commission requires that voluntary schemes report on “the ease and effectiveness of implementing a system that tracks the proofs of conformity with the sustainability criteria that the scheme gives to its members, such a system intended to serve as a means of preventing fraudulent activity with a view, in particular, to the detection, treatment and follow-up of suspected fraud and other irregularities and where appropriate, number of cases of fraud or irregularities detected”*

All RSB certified operators acquiring, handling or forwarding RSB certified material are required to implement an effective and transparent chain of custody tracking system in line with the RSB Standard for Traceability<sup>8</sup> which ensures that RSB certified material is tracked from the farm (primary biomass) or from the point of origin (waste/residues) to the final user.

Fraudulent claims or irregularities are detected through continuous surveillance by the Certification Bodies, which are required to audit a representative sample of all sites listed in the scope of certification as well as a representative sample of RSB compliance claims made by the operator. In addition, RSB has a grievance procedure for complaints against the standards system, which is publicly available, and can be found online as well<sup>9</sup>. Cases of misuse, misrepresentation or fraudulent claims are non-conformities that lead to the suspension of the certificate (see section b). In addition, the accreditation body is required to include a representative sample of RSB compliance claims in the accreditation evaluation (see section (i) on Accreditation for Certification Bodies). The representative sample of RSB compliance claims is based on the risk class of the certification body and varies between 10% and 25% of all compliance claims made by the operators certified by the certification body.

<sup>8</sup> [http://rsb.org/wp-content/uploads/2018/02/RSB-STD-11-001-20-001-ver.-3.6\\_RSB-EU-RED-Std-for-Traceability.pdf](http://rsb.org/wp-content/uploads/2018/02/RSB-STD-11-001-20-001-ver.-3.6_RSB-EU-RED-Std-for-Traceability.pdf)

<sup>9</sup> <http://rsb.org/wp-content/uploads/2017/03/RSB-PRO-65-001-vers-3.1-RSB-Grievance-Procedure.pdf>

## h) Requirements for Accreditation Bodies

*The European Commission requires that voluntary schemes report on “options for entities to be authorised to recognise and monitor certification bodies”*

The RSB has implemented a third-party oversight mechanism by which an independent entity (i.e. Accreditation Body) is responsible to recognise and monitor Certification Bodies. The recognition of the Accreditation Body is based on the requirements of ISO/IEC 17011:2004 as well as the RSB Procedure RSB-PRO-75-001 *General requirements for Accreditation Bodies*. RSB requires accreditation bodies to conduct stakeholder consultations as part of its accreditation evaluation by which a representative range of stakeholders is consulted and stakeholder comments are investigated, evaluated and verified objectively and meaningfully.

RSB has recognised Accreditation Services International (ASI)<sup>10</sup> as the sole provider of accreditation services to the RSB certification system. ASI is also the provider of accreditation services to other certification programs such as the Forest Stewardship Council (FSC) and the Roundtable on Sustainable Palm Oil (RSPO). As an international organisation with a focus on environmental and social sustainability, ASI's expertise ensures that audits towards the RSB system are conducted with competence and consistency, regardless of where around the world they take place.

## i) Accreditation of Certification Bodies

*The European Commission requires that voluntary schemes report on “criteria for the recognition or accreditation of certification bodies”*

The accreditation of Certification Bodies is based on the RSB Procedure *Requirements for CBs and Auditors*. This procedure describes the requirements for Certification Bodies to become accredited to perform audits, issue RSB certificates, and ensure the continuous monitoring of RSB Participating Operators. The requirements include inter alia:

- Ensuring compliance with international standards ISO/IEC 17065:2012, ISO 19011:2011 and ISO/IEC 14064-3
- Developing, documenting and implementing a risk management system
- Implementing a grievance mechanism
- Ensuring auditor qualification and implementing an appropriate knowledge management system
- Ensuring adequate evaluation of operators, procedures to issue certificates as well as dealing with non-compliances.

The accreditation process follows the RSB Procedure 75-001 *General requirements for accreditation bodies*<sup>11</sup>. The accreditation body evaluates the certification body's competence, including its overall systems and procedures, its staffing levels, competence and experience, and its reporting ability to provide certification services under the RSB certification system.

As of 31 December 2017, the following Certification Bodies are accredited in the RSB system:

- Control Union Certifications B.V., The Netherlands
- SCS Global Services, United States

<sup>10</sup> <http://www.accreditation-services.com/>

<sup>11</sup> <http://rsb.org/wp-content/uploads/2018/02/RSB-PRO-75-001-vers.3.1-General-requirements-for-accreditation-bodies.pdf>

## j) Monitoring of Certification Bodies

*The European Commission requires that voluntary schemes report on “rules on how the monitoring of the certification bodies is to be conducted”*

Certification Bodies are monitored continuously by the ASI surveillance activities that are performed in accordance with the ASI *Procedure for Surveillance and Sampling*.<sup>12</sup> At least once per year, ASI conducts a performance review for each certification body and adjusts the annual assessment and sampling plan based on its results. ASI's default annual assessment rate of each accredited Certification Body specifies

- One office assessment of the accredited head office, and
- Office assessments at 1/5 of all affiliate offices, and
- One representative witness assessment of a certification activity, and
- A representative number of witness assessments. The sample is defined based on the risk class of the Certification Body and varies between 3% for low risk and 9% for high risk

Samples are selected based on level of risk and include risk factors such as countries that ASI had identified as high-risk areas, or complaints that have been raised.

Specifics of the accreditation activities for 2017 are documented in the *ASI 2017 Annual Report for the RSB Secretariat*, including assessments that were conducted, contents of the assessments and findings. In total, 15 findings were raised that have to be closed by the Certification Bodies, consisting of 6 Major non-conformities, 4 Minor non-conformities and 5 Opportunities for improvement.

## k) Promotion of Best Practice

*The European Commission requires that voluntary schemes report on “possibilities to facilitate or improve promotion of best practice”*

One of the core objectives of the RSB is to promote throughout the world the production of high quality sustainable biofuels while protecting soils and enhancing their fertility, as well as minimising environmental pollution and the use of non-renewable resources. In order to achieve this goal, the RSB provides a global platform for a multi-stakeholder dialogue and consensus building. Internal and external RSB stakeholders engage in the discussions on best practices for the production of sustainable biofuels through regular conference calls, regional technical working groups and global conferences. RSB members represent a wide range of global experts that allow the RSB to continuously identify and incorporate best practice into RSB's standards.

In addition, best practice for sustainability standards are promoted through the ISEAL Alliance that builds understanding of good practices for standards systems and sets internationally applicable good practice guidance for the implementation of credible standards systems:

- **Assurance Code** provides guidance for high quality assurance that supports sustainability and improves the effectiveness of different verification and certification models
- **Standard-Setting Code** defines effective standard-setting processes, thereby increasing the credibility of the resulting standard

<sup>12</sup> <https://asi-login.my.salesforce.com/sfc/p/#A0000000aGza/a/1H000000HqeR/i9Ry6Lmd8ybwkdMnw1BNjQU0TbSKoq2tObMHfOHrwgA>

- **Impacts Code** helps standards systems to better understand the sustainability results of their work, as well as the effectiveness of their programs

**RSB is a full member of the ISEAL Alliance and fully complies with all three codes of good practice.**

