Does Certification Protect Forests?

Assessing Japan-Recognised SBP

November 2026



Log deck at the Eagle Peak harvest area, British Columbia, 29 March 2026. Photo: Bulkley Valley Stewardship Coalition.

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Author	Richard Robertson, independent consultant, Root and Branch Environmental Consulting
Contributors	Katsuhiro Suzushima and Sayoko Iinuma, Global Environmental Forum Len Vanderstar, R.P.Bio
Publishers	Global Environmental Forum
Correspondence	Richard Robertson (richjohnrob@gmail.com) Katsuhiro Suzushima (event@gef.or.jp)
Design	Global Environmental Forum Cover photo: Bulkley Valley Stewardship Coalition

About the author

Richard Robertson is an independent environmental consultant based on the Sunshine Coast of British Columbia, Canada. His work focuses on forest certification, biomass energy policy, old growth and High Conservation Value forests, and forest legality. He is the author of Sustainable Biomass Program: Certifying the Unsustainable (2025).

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Individual: Miyuki Tomari, President of Biomass Industry Society Network

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About this report

This report asks whether certification by the Sustainable Biomass Program (SBP) shows that wood pellets imported to Japan from British Columbia (BC), Canada, are free of wood from the forests Japan intends to protect. It builds on an earlier review of SBP published in 2025. [9] It is written for readers who are not certification specialists. Technical terms are underlined where they first appear and explained in the glossary (Annex C). Numbers in square brackets refer to the sources in Annex D.

The recommendations concern sourcing safeguards only. They do not establish that burning forest biomass is carbon neutral or environmentally sustainable.

Executive summary

The question

Japan supports electricity generated from imported wood pellets. The wood is expected to meet sustainability criteria, and Japan relies on certification schemes, including SBP, to show that it does. [1, 36, 42] This report asks a simple question: **does SBP certification actually keep wood from Primary Forests and other High Conservation Value forests out of the pellets that reach Japan?**

In November 2025, Japan's Ministry of Economy, Trade and Industry (METI) compared SBP's rules with Japan's criteria and found many shared elements. [1] But rules that look alike on paper do not show that forests are protected in practice. That depends on whether the rules can be applied, checked and enforced in the forests that supply the pellets.

Why British Columbia matters

BC is a major source of wood pellets sold to Asia, including Japan. [12] It also continues to authorise industrial logging in Primary Forest and Old Growth Forest. [3, 21] After logging and replanting, the land is still classified as forest. But the original ecosystem is gone, including the carbon stores, wildlife habitat and ecological processes that built up over centuries. Replanting cannot bring them back within the timescales of today's climate and biodiversity targets. [30–32] This report calls that process liquidation-conversion.

Japan's own forest history shows the same pattern. Extensive tree cover can remain after original natural forest ecosystems have been replaced by managed and planted forest. [26] Forest cover alone is therefore a poor measure of forest protection.

Canada is not Japan's largest supplier. In 2025, Vietnam supplied about two-thirds of Japan's wood pellet imports, Canada about 15% and Indonesia about 5%. [44] Canada is widely seen as having strong forest and environmental regulation. If certification cannot show that prohibited wood is kept out of Canadian supply chains, that raises serious questions about the assurance it can provide in countries such as Vietnam and Indonesia, where governments and civil society organisations widely question how well environmental and social protections are enforced.

Key findings

THE FORESTS

1 BC is still logging irreplaceable Primary and Old Growth Forest.

Provincial approval allows these ecosystems to be progressively replaced by managed forests. The land stays "forest", but the ecosystem that Japan's criteria aim to protect is lost. This runs against the international goal of bringing the loss of ecosystems of high ecological integrity close to zero by 2030. [3, 21, 26, 29–32]

THE CERTIFICATION SCHEMES

2 Risk-based sourcing cannot remove prohibited wood once it has been mixed.

SBP, FSC Controlled Wood, PEFC Controlled Sources and SFI Fiber Sourcing all work by assessing and reducing the risk of unacceptable sources, rather than checking every forest. In BC, logs from many forests pass through sawmills and log yards and become chips and sawdust. After that, no inspection or paperwork can separate them by forest. Protection therefore depends on identifying and rejecting prohibited wood **before** it is mixed. The public evidence from these schemes does not show that this happens reliably. [2–3, 5, 16, 23–24, 27–28, 33]

3 The audit record does not show that the controls work.

At Drax's Houston pellet mill, the auditor recorded gaps in information about harvesting companies, supplier contracts and transaction records, yet certification continued. An investigation by an environmental organisation documented 2024 deliveries of old growth logs to the same mill. The published audits do not show how that concern was assessed or resolved. Checks on sawmill residues were looser than checks on logs delivered directly from the forest. In 2026, the auditor found it "not fully evident" how the mill verifies the sourcing of the sawmills that supply it. [21–22, 27–28, 57]

4 Competition can weaken assurance.

Producers can choose between recognised schemes, and they choose and pay their own auditors. Research on certification and auditing shows that both forms of competition can create pressure for flexible rules and lenient audits. This is a risk built into the system, not proof of misconduct by any one auditor. It is the reason regulators should test results rather than accept certificates at face value. [37–42]

5 Stronger rules on paper are arriving slowly.

SBP version 2.1, in force from 29 July 2026, explicitly restricts primary feedstock from Primary and Old Growth Forests. But producers may keep using version 2.0 until 28 October 2027, BC law does not identify these forests, and no complete map of Primary Forest in BC exists. Drax's five BC pellet mills were audited again in 2026, with certification decisions on 17 August 2026, after version 2.1 took effect. All were still assessed against version 2.0. The new rule cannot show that earlier material complied. [3, 8, 17–18, 57]

JAPAN'S SAFEGUARD

6 Japan's protection is written mainly as a ban on conversion, and it is not yet binding.

METI's November 2025 criteria ask that forests are not converted to other land uses, and that Primary Forest and other high-value land are not converted to plantations after "a certain date". These are described as recommended items and reference criteria, to be applied through the Forestry Agency's woody biomass guideline from 2026. They do not clearly protect Primary Forest or High Conservation Value forest that is logged but remains forest. [1, 36]

7 METI's comparison checked wording, not results.

Matching clauses do not show that the certification system keeps prohibited wood out in practice. Japan has not yet asked for evidence that it does. [1–3, 23–25]

Exclusion before mixing, in plain language

Picture a sawmill yard in northern BC. Logs arrive from many harvest areas. Some come from managed second-growth forest. Others come from Primary and Old Growth Forests of the kind Japan's criteria are meant to protect. [21] Once the logs are sawn, the off-cuts become chips and sawdust. These are piled together and sold to a pellet mill.

At that point, nobody can tell by looking which forest a chip came from. Records can show how much wood came in and went out. They cannot find and remove the prohibited wood.

So prohibited wood can only be kept out **before it is mixed**, and mixing begins as soon as logs leave the forest: at roadside landings, on trucks, and in log yards, sawmills and pellet mills. Keeping it out requires knowing which forest each load came from, knowing whether that forest is eligible, and turning away loads that are prohibited or cannot be verified. If this does not happen before the logs leave the forest, the pellet mill cannot correct it later. The public audit reports reviewed for this report do not record any load being rejected because it came from Primary or Old Growth Forest. Figure 1 shows where the check needs to happen.

What independent verification means

Verification is independent when it is carried out by someone with no commercial interest in the result, who can see the underlying records, visit the forests and mills, and report the method and results clearly enough for others to check them.

Under certification, the company being certified chooses and pays its auditor. That is normal practice, but it means a certificate is the judgement of a commercial auditor, not a finding by a regulator. Japan can strengthen independence by requiring access to the underlying records and by commissioning fully independent assessments of high-risk supply routes. [23–25, 40–41]

What Japan should do

1. **Protect Primary Forest and High Conservation Value forest, not just forest land use.**
   Make it a clear, binding condition that qualifying biomass does not come from these forests, with a fixed cut-off date.

2. **Require proof that prohibited wood is kept out before it is mixed.**
   Where this cannot be shown, exclude the supplier, sourcing area or, if necessary, the jurisdiction.

3. **Test the evidence and publish the result.**
   Require producers and auditors to resolve documented concerns, give regulators access to records, and publish enough for independent scrutiny.

4. **Judge every recognised scheme and supply route by the same outcome.**
   Apply one test across all schemes, standard versions and supply routes, backed by fully independent assessments, so that competition cannot lower the bar.

These recommendations concern sourcing safeguards. They do not establish that burning forest biomass is carbon neutral or environmentally sustainable.

1. How biomass certification works

1.1 Forest certificates and biomass certificates

A forest certificate and a biomass certificate are different things. The Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC) certify the management of defined forest areas. SBP takes a different approach. It certifies biomass producers, usually pellet mills, and the systems they use to decide whether incoming wood meets their sourcing rules. An SBP audit does not, by itself, establish the ecological condition of every forest that supplies a mill. [5, 24]

This difference matters in BC. A pellet mill may buy wood from a landscape where forests of high conservation concern are still being logged. Recording that risk, or tracing wood to a supplier, is not the same as showing that wood from a prohibited forest was kept out. The essential test is whether the producer can identify the affected forest at source and stop its wood entering the eligible supply. [2, 3, 21]

1.2 Three routes into a pellet mill

Wood can enter an SBP-certified pellet mill by three certification routes. Each gives a different kind of assurance: [5, 24]

- **Forest management certified:** wood from forests certified to recognised FSC or PEFC forest management standards.
- **Controlled material:** wood checked through other schemes' risk-based systems, such as FSC Controlled Wood or PEFC Controlled Sources.
- **SBP-assessed material:** wood checked directly through SBP's own risk assessment rules.

The type of wood matters too. Roundwood means logs. Forest residues are left over from logging, such as tops and branches. Processing residues are the chips and sawdust produced at sawmills. Wood delivered directly from the forest and residues bought from sawmills need different checks. A sawmill invoice can identify the sawmill without showing the condition of the forest where the trees grew. [5, 24]

SBP requires auditors to publish public summaries. Those reviewed for this report do not give a consistent, complete breakdown of how much wood each mill receives through each route. That limits independent scrutiny. The producer or auditor may hold fuller records. Japan's regulators need access to them. [5, 25]

1.3 Risk-based sourcing: how it is meant to work

SBP uses a risk-based approach. First, SBP's Regional Risk Assessment for an area identifies where unacceptable sourcing is likely. Concerns that need extra action are called Specified Risks. Second, each producer's Supply Base Evaluation describes the mitigation measures it will use, such as maps, supplier checks and field visits. The producer must show that these measures reduce the risk to low. If it cannot, the affected wood cannot be sold as SBP-compliant. [2, 24]

A risk rating is not a guarantee. Where Japan's criteria exclude a particular source, a low risk rating under SBP or FSC Controlled Wood does not show that wood from that source was kept out of the supply. Where eligible and prohibited wood cannot be told apart reliably, the producer may need to exclude the supplier or the whole sourcing area. [5, 23–24]

1.4 Exclusion before mixing

SBP's chain of custody rules do not allow wood that fails a claim to be mixed with eligible wood. If prohibited wood enters an eligible stream, the whole mixture loses its SBP status. The rule is sound, but applying it is difficult. Most BC

pellet mills rely heavily on sawmill residues, and a sawmill may process logs from dozens of harvest areas each month. Separating chips or sawdust by forest of origin is rarely practical once logs have been sawn, and mass balance accounting records quantities without removing anything. Drax itself treats sawmill residues as outside its restriction on sourcing from designated old growth areas, because they arrive as a by-product of sawmilling. [13] In practice the rule can only work if prohibited wood is identified in the forest, before logs are removed and combined with other loads. Otherwise the pellet mill must exclude the affected supply altogether. [23–24, 28]

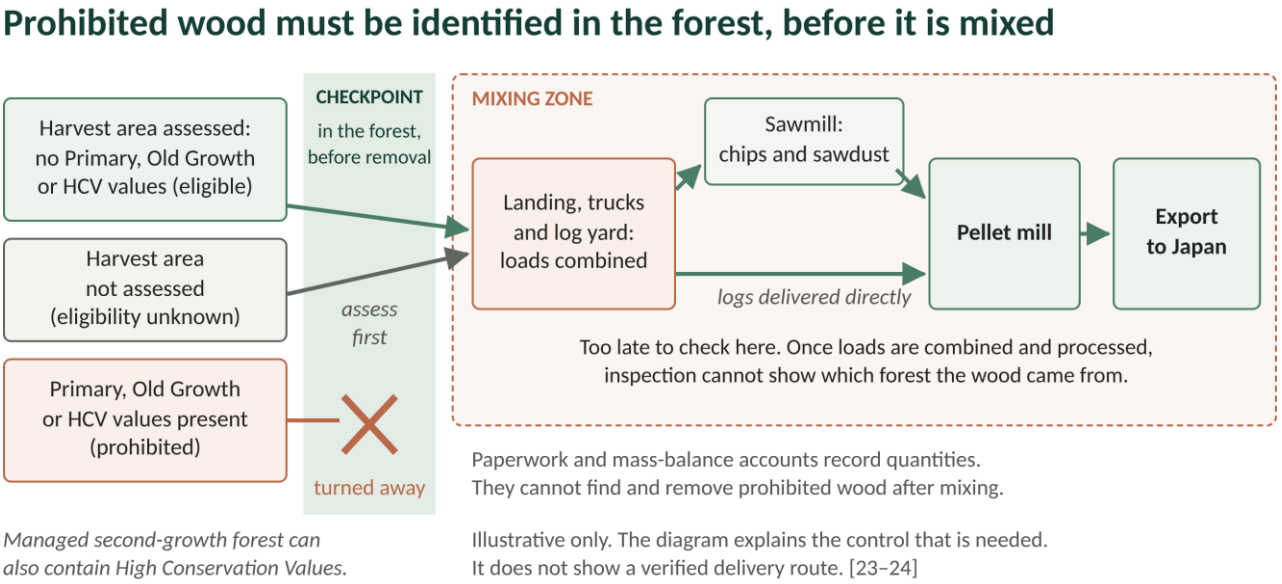


Figure 1. Where the checkpoint must be. Eligibility must be assessed in the forest, before logs are removed. Mixing begins at landings and log yards, and continues through sawmills and pellet mills to export. Illustrative only. [23–24]

1.5 Where sustainability should be assessed

Protection is best demonstrated where the trees grow: at the level of the forest management unit, before logs leave the forest. Forest management certification such as FSC assesses forests at that level. SBP's risk-based approach instead assesses risk across a region and relies on supplier checks, so producers can source from forests that have never been assessed individually. [5, 24]

This matters in BC. At the end of 2023, about 1.2 million hectares of BC forest were certified to FSC, against more than 43 million hectares certified to SFI. [48] A peer-reviewed comparison found FSC much more detailed and prescriptive than SFI, including on old growth, High Conservation Value forests and the conversion of natural forest to plantations. [56] An earlier review found that SBP's risk-based route gave pellet producers access to large supplies of low-grade fibre in BC and the US Southeast, where FSC certification is limited. [9]

The burden of proof lies with the producer and its certification body (the auditor). Independent researchers should be able to raise a credible sourcing concern without tracing every load through every processing step. Failed wood cannot simply be relabelled. Reclassifying it as SBP-controlled is only allowed if that category's own conditions are met. [23–25]

2. What Japan intends to protect

2.1 METI's criteria and their status

METI and the Forestry Agency have set out confirmation items and reference criteria for the sustainability of imported woody biomass. For land use, the criteria state that, in principle, forests should not be converted to other uses, and that land of high conservation value, including Primary Forest, should not be converted to plantations after a certain

date. For biodiversity, they call for areas of high conservation value, such as habitats of rare and endangered species, to be identified and protected through management plans. [1]

Three features of these criteria matter for this report:

- **They are not yet binding requirements.** METI describes the confirmation items as recommended items and the criteria as reference criteria. From fiscal year 2026, they are to be applied through the Forestry Agency's woody biomass certification guideline. How strictly they will apply depends on how that guideline treats them. [1, 36]
- **They have no fixed cut-off date.** The criteria say "after a certain date". METI's own comparison notes that SBP, by contrast, uses fixed dates, such as January 2008 for land-use change. [1]
- **They are framed mainly around conversion.** They prevent forest being turned into farmland or plantations. They do not clearly prevent logging that degrades a Primary Forest while it remains forest. [1]

METI's November 2025 comparison found shared elements between SBP and these criteria on land use, carbon stocks, biodiversity, soil and social issues. [1] That is a comparison of wording. It does not test whether the rules achieve the intended result in the forests that supply Japan.

2.2 Conversion is not the same as degradation

A forest can be clearcut and replanted with native trees while remaining legally classified as forest. That does not mean its original ecological condition has been kept. Primary Forest holds connected carbon stores, biodiversity, habitats and ecological processes that cannot be recreated simply by planting trees. A rule concerned only with whether land stays forest can therefore miss the loss of the very features that made the forest important. [1, 6, 30]

2.3 Primary Forest and High Conservation Value forest

The UN Food and Agriculture Organization (FAO) defines Primary Forest as naturally regenerated forest of native species with no clearly visible signs of human activity and ecological processes that are not significantly disturbed. The definition covers forests that have recovered from natural disturbance such as fire, and forests under traditional Indigenous stewardship. [30] It describes the condition of the forest, not its legal land use.

High Conservation Value (HCV) forests are forests with exceptional biodiversity, large intact landscapes, rare ecosystems or vital community values. FSC's Principle 9 requires these values to be maintained or enhanced. FSC is used here as a technical comparison only. It does not show that Japan or SBP applies an equivalent requirement. [6]

The Kunming-Montreal Global Biodiversity Framework, agreed under the Convention on Biological Diversity (CBD), calls for the loss of areas of high biodiversity importance, including ecosystems of high ecological integrity, to be brought close to zero by 2030. [29] The International Union for Conservation of Nature (IUCN) treats Primary Forests as irreplaceable on the timescales that matter for climate and biodiversity. [31–32] These are the benchmarks against which forest protection should be judged. Whether particular wood qualifies for an SBP claim is a separate question governed by the SBP rules in force at the time. [29–32, 34]

2.4 The question Japan needs to answer

Japan should state its intended outcome plainly. Must qualifying biomass avoid Primary Forest and HCV forest whose ecological condition is degraded by logging, or only avoid forests converted to another land use or plantation? The present wording should not be assumed to settle that question. [1, 3, 6, 26]

3. What SBP's rules require

3.1 SBP Standard version 2.0 and the BC risk assessment

The version that matters is the one being applied. METI assessed SBP Standard version 2.0, and BC certificate holders supplying Japan are still audited against it. Version 2.1 addresses some gaps identified since, but it is not yet being applied to them (section 3.2).

Under SBP Standard 1 version 2.0, Indicator 3.2.3 excludes primary feedstock (wood taken directly from forests, including forest residues) from forest areas that combine High Carbon Stock (HCS) and High Conservation Value characteristics. It does not prohibit harvesting in every Primary or Old Growth Forest. Processing residues fall outside this indicator, although SBP's other risk rules still apply to them. [2, 17, 23]

SBP's own Regional Risk Assessment for BC rates Indicator 3.2.3 as a Specified Risk. It finds no systematic legal framework or public monitoring that makes sure the combined HCS and HCV category is identified and excluded from sourcing. That finding obliges producers to show effective mitigation. It does not mean the risk is already under control. [2]

The assessment lists records producers could use: maps, forest management and harvest plans, purchase and tracking records, and checks at harvest sites. To show exclusion, those records must identify the restricted forest category, connect incoming wood to the relevant harvest area, and show that prohibited wood was rejected or kept separate before mixing. [2, 24]

The practical test is straightforward. Where the forest's ecological classification or the origin of the wood cannot be established reliably, that wood cannot be treated as compliant simply because a regional risk rating has been reduced to low. [23–24]

3.2 Version 2.1 and the transition

SBP version 2.1 strengthens the written safeguard. Its Indicator 3.2.3 explicitly restricts primary feedstock from Primary and Old Growth Forests, among other ecosystems. Indicator 3.2.4 covers certain other highly biodiverse ecosystems. [3]

Yet the revised BC risk assessment acknowledges that Primary Forest, as SBP defines it, is not recognised in provincial law, and that provincial law does not systematically prevent logging in forests that meet the definition. Producers must therefore identify these forests themselves, because a provincial logging approval does not establish that wood is eligible. [3, 34]

Two gaps remain. The mitigation version 2.1 recommends for Primary and Old Growth Forest is a documented desktop screening against available planning, inventory and old growth maps. And the indicator still applies only to primary feedstock, not to sawmill residues, which made up 81% of Houston's inputs in 2025. [3, pp. 123–126; 57]

Timing matters as much as wording. METI assessed SBP version 2.0 in November 2025. Version 2.1 took effect on 29 July 2026. Producers may keep using version 2.0 until the transition ends on 28 October 2027. The stronger rule cannot be used to claim that wood accepted earlier under version 2.0 met it. Nor should every current shipment to Japan be assumed to follow version 2.1. Drax's five BC pellet mills, including Houston, were audited again in May 2026, with certification decisions on 17 August 2026, after version 2.1 took effect. All five were still assessed against version 2.0 and the version 2.0 BC risk assessment. [1, 17–18, 57]

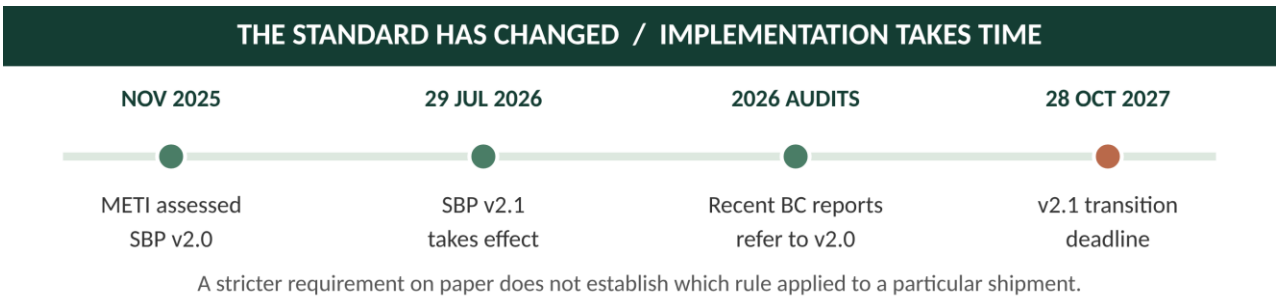


Figure 2. The standard has changed, but implementation takes time. METI assessed version 2.0 in November 2025. Version 2.1 took effect on 29 July 2026, and the transition ends on 28 October 2027. Sources: METI and SBP standards pages; 2026 supply base reports. [1, 17–18]

3.3 Japan-specific requirements and European checks

SBP's Japan Instruction Document version 1.2, published on 1 June 2026, adds requirements for claims made to the Japanese market. [7, 19] SBP also publishes separate EU RED bridging requirements, which are additional checks for eligibility under European renewable energy law. Passing the European checks does not automatically make wood eligible in Japan. For every Japan claim, producers and auditors should state which SBP version, BC risk assessment and Japan instruction applied, and when the assessment was made. [7, 17, 19]

A stronger prohibition on paper is a necessary improvement, not evidence of success. Japan needs to know which rule applied, and whether the producer and its auditor can show that prohibited wood was actually kept out. [3, 23–24]

National rules also differ. Under the UK's support agreement for Drax's power station from April 2027, biomass from Primary or Old Growth Forest will not receive support payments. [11, 14] Drax has said its Canadian pellet business sells mainly into Asia. [12] Wood ineligible for UK support could therefore still be used for subsidised electricity in Japan. An SBP certificate is not a universal guarantee. Japan must define its own required outcome and test whether it is delivered. [7, 11–13]

4. Evidence from British Columbia

4.1 The forests at risk

BC is often seen as a vast expanse of forest. But forest cover alone does not tell us how much Primary Forest remains, which areas are still being logged, or whether their wood can enter a certified supply. These are different questions that need different evidence.

Both Japanese sourcing policy and BC forest policy should address ecological integrity together with Indigenous rights, knowledge and authority. That includes recognising how colonial land allocation and industrial forestry have affected Indigenous stewardship. Recovery of the original ecosystem cannot be assumed under today's altered conditions. [29, 31–32]

Climate change compounds the loss. Forests logged today must regenerate in a warmer, drier climate than the one in which they grew, so the same ecosystem cannot be assumed to return in place, and species may struggle to adapt. Old forests also moderate local climate, keeping conditions cooler and moister than in younger or cleared stands. [32, 47] Much of BC's temperate rainforest has been so heavily altered by industrial logging that this function is now severely compromised.

Primary Forest and Old Growth Forest overlap but are not the same. Younger forests that grew back after natural disturbance can be Primary Forest if their ecological processes remain largely intact. Mapped old growth captures an

important part of the concern, but it does not identify every forest that meets SBP's definitions. No complete map of Primary Forest exists for Canada. A national mapping method was published only in July 2026. [3, 8, 21, 30]

Drax, the pellet producer at the centre of this report, uses two provincial map layers to screen its direct sourcing: Old Growth Management Areas (OGMAs), which are set aside for old growth management, and Old Growth Deferral Areas (OGDAs), where logging has been temporarily deferred. These are management designations. They do not cover every forest with Primary or Old Growth characteristics, so wood from outside them may still come from such forests. [13, 22, 28]

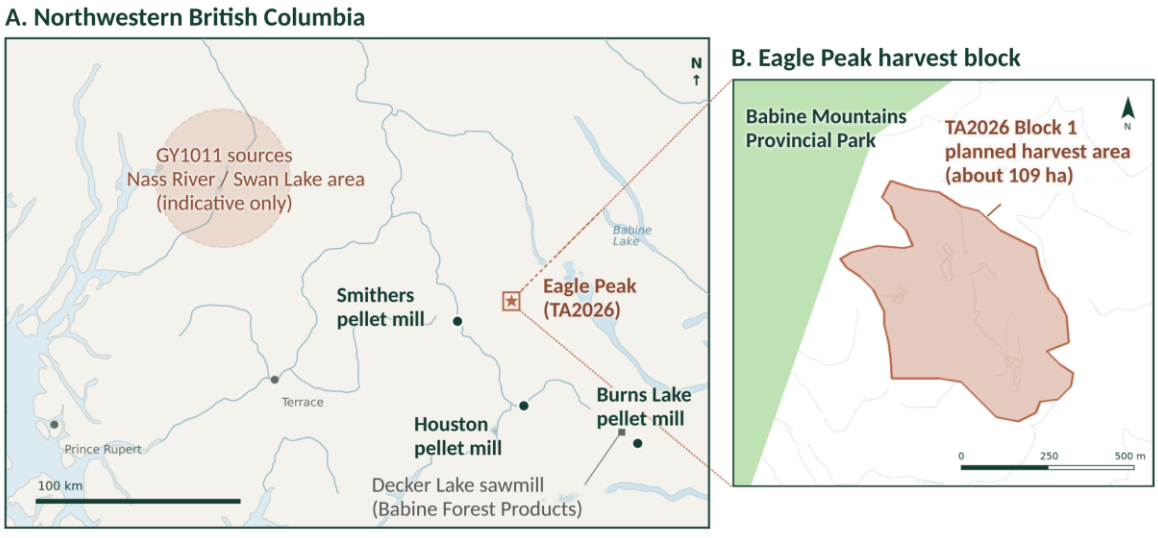
Wood has also come from inside these designations. A 2024 investigation found that Drax's BC mills received logs from priority old growth deferral areas throughout 2023. Drax acknowledged that nine truckloads from deferral-area overlaps were delivered after its October 2023 decision. [45–46]

4.2 The Houston pellet mill and timber mark GY1011

Houston is a town in northwestern BC with a pellet mill owned by Drax. An investigation by an environmental organisation analysed provincial harvest billing records, government cutblock maps and satellite imagery, and visited a Drax log yard. It reported that **90 truckloads** of logs from confirmed old growth forest were delivered to the Houston mill in 2024. It reported a further 425 truckloads delivered to Drax in 2024 and 2025 that likely contained old growth. [21]

The confirmed deliveries came from cutblocks under timber mark GY1011, which covers harvest areas near the Nass River and Swan Lake in the Skeena region. The investigation reported that Drax bought about 45% of this timber mark's volume between January 2024 and July 2025. The significance of the case is the documented link between a specific source and a specific mill. It is not presented as a measured share of everything Houston receives. [21]

Drax disputes the analysis. It says the investigation worked from timber marks rather than individual cutblocks, which cannot confirm whether the wood came from old growth areas. It also says none of the wood it bought from the listed timber marks came from OGMAs or OGDAs, and that it stopped direct sourcing from those areas in October 2023. [13, 22] As noted above, those designations do not cover every forest that may meet the relevant definitions. Resolving the disagreement needs source-level records that can be independently checked.



Base map: Natural Earth. Pellet mill locations at town scale. Block outline simplified from the BC Timber Sales planning map. No delivery route is implied.

Figure 3. A: Location of the case studies in northwestern BC. Pellet mills are shown at town scale. GY1011 shading shows only the wider area described by the investigation, not cutblock boundaries. B: The Eagle Peak harvest block (TA2026 Block 1) beside Babine Mountains Provincial Park, simplified from the BC Timber Sales planning map. No delivery route is implied. Sources: Natural Earth; BC Timber Sales; Drax. [20–21, 35]

The GY1011 case gives a specific test of the version 2.0 controls that applied to the 2024 deliveries. Houston's public audits do not list GY1011 among the timber marks they sampled, and they do not report a decision on whether its wood was eligible. The producer and its auditor should reconcile the delivery records, harvest maps, HCS and HCV screening, supplier acceptance or rejection decisions, and any SBP claims made. The public summaries do not show whether those records exist, and no reason for the omission can be inferred from them. [21–22, 27–28]

Investigators should not have to trace every later processing step as a precondition for that examination. The producer and auditor must show that their controls achieved the required exclusion. Version 2.1 cannot be applied after the fact. [21–24]

4.3 What the Houston audits show

The public audit reports for Houston give a practical test of the system. In 2025 the auditor recorded three minor non-conformities covering upstream information, subcontractor agreements and late entries in SBP's Data Transfer System (DTS), yet certification continued. Checks on sawmill residues relied on supplier questionnaires rather than harvest-area traceability, and the old growth screen covered only OGMAs and OGDAs. Details are in Annex B. [27–28]

The 2026 audit, completed after version 2.1 took effect, found it "not fully evident" how the mill verifies that its supplying sawmills apply SBP's sourcing requirements. The auditor recorded this only as an observation, because most incoming material is covered by other certification schemes. The 2026 report lists no closed non-conformities, does not say how the three recorded in 2025 were resolved, and does not mention GY1011. [57]

Finding. The Houston audits do not show that prohibited wood is kept out before mixing, and they do not show how the documented GY1011 concern was resolved. The producer and its auditor must show how affected wood was assessed and, where required, excluded in the forest or at the sawmills that supply the mill. [21, 23–24, 27–28]

4.4 Eagle Peak: what the records show, and what they do not

Eagle Peak is a logging site, not a pellet mill. It lies beside Babine Mountains Provincial Park, near Smithers in northwestern BC. BC Timber Sales auctioned the site, a block of about 109 hectares, under timber sale licence TA2026. It was logged in winter 2026, and the billing records date from July and August 2026. [10, 20]

Harvest billing records supplied by Len Vanderstar, a Registered Professional Biologist and former Registered Professional Forester, and analysed for this report, show about **21,965 cubic metres** recorded under timber mark A2026. Of this, 47.3% was in the higher Grades 1–2 and **52.7%** was in the lower Grades 4, 6 or Z. The billing records name Babine Forest Products Limited, which operates the Decker Lake sawmill near Burns Lake, as the receiver for all grades. His assessment is that the lower-grade logs were likely hauled on to Drax's pellet mill in the Burns Lake area, but the records do not show where the wood went next. [10, 20]

He observed slow-growing, high-elevation subalpine fir forest at least 180 years old next to the upper part of the block, where the log decks held no Grade 1 or 2 logs. Without a market for lower-grade wood, that area would probably not have been logged. A BC Timber Sales planning map dated May 2023 shows the proposed harvest layout, not the boundary of the area actually logged. Whether the stand meets an SBP definition would need assessment against that definition, using the age, photographs and planning evidence together. [10, 20, 34]

EAGLE PEAK / WHAT THE HARVEST RECORDS SHOW



Photo: Bulkley Valley Stewardship Coalition

21,965 m³

Recorded timber volume, timber mark A2026 / licence TA2026

47.3%	52.7%
Higher grades 1–2: 10,394 m³	Lower grades 4, 6, Z: 11,572 m³

RECEIVING COMPANY

Babine Forest Products Limited

Onward destination of lower-grade logs: not established

Figure 4. Eagle Peak harvest billing. More than half the recorded volume was lower-grade logs. Babine Forest Products was the recorded receiver for all grades, but where the lower-grade logs went next has not been established. Sources: BC harvest billing extract [20]; photo: Bulkley Valley Stewardship Coalition, 29 March 2026. [10, 20]



A



B

Figure 5. Eagle Peak after logging. A: The logged slope, looking towards the Babine Mountains. B: Small-diameter logs from the upper part of the block, where trees grow slowly and can be centuries old. Photos: Bulkley Valley Stewardship Coalition, 29 March 2026 (higher-resolution original of A pending). [20]

Because the receiving sawmill sits within a regional network that supplies pellet mills, Eagle Peak is a relevant test of how indirect sourcing is controlled. If wood or residues from Eagle Peak entered an SBP supply, the pellet producer and its auditor should be able to show how the forest of origin and its eligibility were checked before mixing. The public records reviewed do not connect the harvest to later processing or final destinations. Producers, auditors and public agencies should provide the records needed to close that gap. [20, 23–24]

“Low grade” is a commercial label, not an ecological one. In northern BC’s cold climate, short growing season and poor soils, trees grow very slowly, so a small-diameter tree can be hundreds of years old. Ring counts on logs at a Drax log yard found trees well over 200 years old. [21] It is impossible to judge a tree’s age from its diameter, and a low-grade log can come from Primary or Old Growth Forest. Public grants have also helped pay for hauling lower-value logs to pulp and pellet mills. [4, 10, 21]

5. Why certification struggles to deliver assurance

5.1 A limit shared by every scheme

The problem is not unique to SBP. FSC Controlled Wood, PEFC Controlled Sources and the Sustainable Forestry Initiative (SFI) Fiber Sourcing standard all assess and reduce risk across a region or supplier base. None of them verifies the condition of every forest. SFI's own rules show where this leads. Where controversial wood has already entered the supply chain and cannot be separated, the standard requires corrective action to prevent it happening again. It does not require removal of the wood already mixed in. [33] In a jurisdiction such as BC, where Primary and Old Growth Forest continues to be logged, no scheme should be accepted as proof of protection simply because a sourcing risk has been assessed or rated low. [2–3, 5, 16, 23–24, 33] The 2026 Houston audit shows the same issue in practice. The mill relies on SFI for part of its primary feedstock, but the auditor noted there is "no official and formally approved benchmarking document" between SBP and SFI, and that some SBP requirements "may not be fully covered by SFI requirements". [57]

There is a further weakness. Practices such as converting High Conservation Value forest are treated as controversial largely because environmental and social organisations and governments outside the producing country have raised them. Yet risk assessment and mitigation are left largely to companies and forest managers within that country, whose business depends on continued harvesting. SBP's first endorsed risk assessment for BC, published in 2021, was initiated by the Wood Pellet Association of Canada, the pellet industry's own association, and prepared by a consultancy-led working body. [53] For the 2025 interim update, SBP engaged the same consultancy in 2023 to draft the version released for consultation, then completed it itself. [2, 54] FSC's risk assessment for Canada was developed by FSC Canada through a chamber-balanced working group. [55] That is a built-in conflict of interest.

5.2 Competition can weaken assurance

Certification operates in a market, and this creates two kinds of competition. Both are systemic risks. Neither depends on bad faith by any individual.

Between schemes. Japan accepts more than one certification scheme for imported woody biomass, and SBP in turn accepts wood certified under FSC, PEFC and SFI. [5, 42] Producers can choose the route that suits them. Industry-backed forest schemes emerged in competition with FSC, often with more flexible requirements. [37] Competition can also push standards upwards, but only when buyers and regulators reward stringency. [38] SBP was founded in 2013 by Drax and six other energy companies, whose access to public support depends on certification. [43] Where a regulator accepts any recognised scheme without testing results, nothing rewards the more demanding route.

Between certification bodies. The company being certified chooses and pays its auditor, and auditors compete for clients. Research finds that this relationship can create incentives for leniency and lets clients shape the scope of audits. [40] Reviews of FSC auditing worldwide have found serious failures in how auditors collect evidence and reach decisions. [41] SBP uses the same model. [25] Studies of forest certification also show how the commercial interests of dominant market actors can limit what certification achieves. [39]

None of this shows that the Houston audits were lenient. It does explain why Japan should treat a certificate as evidence to be tested, not as automatic assurance.

6. Recommendations for Japan

The four recommendations below are addressed to METI and the Forestry Agency. They apply to every recognised certification scheme, not only SBP.

Recommendation 1. Protect Primary Forest and High Conservation Value forest, not just forest land use

The problem. Japan's current criteria mainly prevent forests being converted to other uses or to plantations. They are recommended reference criteria rather than binding requirements, and they rely on an unspecified cut-off date. Logging that degrades a Primary Forest or HCV forest while the land stays forest is not clearly covered. [1, 36]

What Japan should do. State in the Forestry Agency's woody biomass guideline, as a binding eligibility condition, that qualifying biomass must not come from Primary Forest or High Conservation Value forest, including where logging leaves the land classified as forest. Set a fixed cut-off date. Define the ecological outcome, covering biodiversity, habitat, carbon and soil, and assess every recognised scheme against it. [1–3, 6, 29–32, 36]

Recommendation 2. Require proof that prohibited wood is kept out before it is mixed

The problem. Once logs are sawn, chipped and mixed, prohibited wood cannot be found or removed. Regional risk ratings, supplier declarations and mass-balance accounts do not change that. Where a scheme identifies a specified risk, the mitigation it accepts often cannot exclude the affected wood. The risk assessments leave the choice of mitigation largely to producers. At Houston, the specified risks for sawmill residues are addressed through an "education and outreach" approach, which the audit describes as following FSC guidance. It aims to improve suppliers' forest management over time while their wood continues to be accepted. [23–24, 28]

What Japan should do. Where SBP, FSC Controlled Wood or PEFC Controlled Sources identifies a specified risk, require mitigation that actually excludes the affected wood. Accepting the wood and then training suppliers or forest managers to avoid it in future should not count as mitigation. Require producers to show, for every supply route, that the source forest was identified, that its eligibility was checked, and that prohibited or unverified wood was rejected before mixing. This applies at harvest areas, sawmills, traders and pellet mills. Where this cannot be shown, exclude the supplier stream or sourcing area. Where a jurisdiction lacks effective forest protection and reliable source controls, and Primary or Old Growth Forest continues to be liquidated, extend exclusion to that jurisdiction. Effective exclusion has costs, but commercial difficulty cannot justify treating unverified or prohibited wood as compliant. [2–3, 23–24, 27–28]

Recommendation 3. Test the evidence and publish the result

The problem. Public audit summaries do not let anyone outside the company and its auditor check whether controls work. Documented concerns, such as the GY1011 deliveries, remain publicly unresolved. [21, 25, 27–28]

What Japan should do. Require producers and auditors to resolve documented sourcing concerns and to report how they did so. Require disclosure of the volumes rejected or reclassified under other claims, and of the corrective action taken. Give regulators access to the supporting records. Publish enough for independent scrutiny, without requiring every commercial invoice to be made public. [21, 23–25, 27–28]

Recommendation 4. Judge every recognised scheme and supply route by the same outcome

The problem. Producers can choose between schemes and between auditors, and standards are in transition. Without one common test, competition and the choice of route can lower the bar. [5, 17–18, 37–42]

What Japan should do. Reassess recognition across all three supply routes (forest management certified, controlled material and SBP-assessed), including processing residues. For every Japan claim, identify the SBP version, BC risk assessment and Japan instruction applied. Assess the stronger version 2.1 rules separately: they cannot show that wood accepted under version 2.0 complied. Commission fully independent assessments of high-risk supply routes, by parties with no commercial interest in the outcome. Checks by Japanese agencies could help, provided Japan's interest in securing supply does not compromise them. This report is intended as one such independent assessment. [5, 7, 17–19, 23–25, 40–41]

These recommendations concern sourcing safeguards. They do not establish that burning forest biomass is carbon neutral or environmentally sustainable.

7. Conclusion: what does certification protect?

BC's forest-cover statistics can stay reassuring while irreplaceable carbon stores, habitat and ecological processes are lost. The question for Japan is whether its recognition of certification stops Japanese support from contributing to that loss.

Credible assurance needs four things: identification of the forest, traceability of the wood, rejection of prohibited wood before mixing, and independent verification. Risk assessments and mitigation procedures cannot substitute for that evidence. [2–3, 23–24, 27–32]

A low bar for forest protection results when certification status is accepted as proof of these ecological outcomes. METI should judge SBP, and every other recognised scheme, by the protection its full sourcing and assurance system can demonstrate, across every supply route and standard version. Written safeguards are necessary. Demonstrated protection and exclusion are the test. [1–3, 23–25, 27–28]

7.1 Sourcing rules are a starting point

Japan, the UK and the EU, through its Deforestation Regulation, all aim to keep wood from the most threatened forests out of their supply chains. [1, 11, 49] That is necessary. But buying from a forest industry that is still converting Primary Forest to managed or planted forest supports that industry, even when particular loads are excluded, and may do little to change the policies driving the loss. Sourcing rules need to be matched by a clear message to producing countries, including Canada, that forest policy must change, in line with their commitments under the Kunming-Montreal framework. [29]

That message matters more now. Federal legislation passed in 2025 allows designated national-interest projects to be fast-tracked. [50] BC's new Conservative government, elected on 24 October 2026, has pledged to return most old growth deferral areas to the working forest, set a minimum annual harvest of 45 million cubic metres and cut regulation. [51–52] Without stronger pressure from buyers such as Japan, these globally important forests will keep shrinking.

Annex A. Criterion-by-criterion assessment

The matrix brings together Japan's concerns, the relevant provisions, the BC evidence and this report's assessment.

Japan's concern	METI or SBP provision	BC evidence or gap	Assessment
Forest conversion and Primary Forest	METI reference criteria (recommended, no fixed date) [1]; SBP v2.0 2.2.1 and 3.2.3; v2.1 3.2.3	BC v2.0 RRA: combined HCS and HCV exclusion is a Specified Risk [2]. Houston uses OGMAs and OGDAs as its old growth screen. GY1011 screening not disclosed [28].	Matching wording is not proof of exclusion. Require harvest-area classification and claim decisions that can be tested. Benchmarks: FAO Primary Forest definition; CBD Targets 1 and 10 [29–30].
Biodiversity, HCV and species	METI: identify and protect high-value areas [1]; SBP v2.0 2.1.1–2.1.3, 2.2.2, 3.2.3	Houston 2025: cutblock-level checks for direct deliveries, questionnaires for residue suppliers. Biodiversity outcome cannot be reproduced from public reports [28].	Distinguish carrying out a procedure from actually protecting HCV, habitat and Primary Forest.
Soil protection	METI lists soil among shared elements with SBP [1]	Site-level soil outcomes are not reported in the public audits reviewed [27–28].	Clause-by-clause comparison not made in this report. Do not infer compliance from the land remaining forest.
Controlled material	FSC Controlled Wood; PEFC Controlled Sources; SFI Fiber Sourcing [5, 33]	Houston NC 5621 (harvesting companies), NC 5623 (subcontractor agreements), NC 5649 (late DTS entries) [28].	Verified upstream controls and audit access are required. No claim breach for GY1011 is inferred.
Standard version and Japan claims	SBP v2.0 and v2.1; Japan Instruction Document v1.2; separate EU RED bridging checks [7, 17, 19]	METI assessed v2.0. The Houston 2025 audit refers to v2.0. Drax's five BC mills were still audited against v2.0 in 2026, with decisions on 17 August 2026 [1, 57].	Do not assume v2.1 governs all current Japan-bound biomass. EU checks do not establish Japan eligibility.
Three supply routes	Forest management certified; controlled; SBP-assessed [5, 24]	Houston 2023 inputs: 83.5% sawmill residues, 16.5% pulp logs and bush grind. Checks differ for direct and residue supply [27–28].	Require mill- and route-specific source evidence before mixing, with audit verification.
Mixed feedstock and sawmills	SBP Standards 2 and 4; normative interpretations [23–24]	Direct Houston wood screened at harvest-area level; residues checked through wider sourcing areas [27–28].	Require source identification, traceability, rejection before mixing and independent verification.
Houston GY1011 case	SBP v2.0 Standard 1 Indicator 3.2.3; Standards 2 and 4	Documented old growth deliveries in 2024; no public GY1011 decision; 2025 audit found upstream control gaps [21–22, 28].	Producer and auditor should reconcile source to claim. No unproven non-conformity is asserted.
Competition and assurance	Multiple schemes accepted in Japan [42]; producer-paid certification bodies [25]	Research shows pressure toward flexible rules and lenient audits [37–41].	Apply one outcome test to all schemes, backed by fully independent assessments.
UK and Japan rules diverge	UK support from April 2027 excludes Primary and Old Growth Forest biomass [11]	Drax's Canadian operations sell mainly into Asia [12]. Destination-level evidence not reviewed.	The difference creates a question for Japan. It is not proof that shipments are being diverted.

Annex B. Technical detail: the Houston audits and the BC risk assessment

Audit documents reviewed

Two public summary reports by the certification body Control Union for Houston Pellet Limited Partnership (Pinnacle Renewable Energy Inc., a Drax company) were reviewed: the second surveillance audit (closed 21 June 2024, certification decision 30 August 2024) and the third surveillance audit (closed 20 June 2025, certification decision 31 October 2025). [27–28] Audits of the nearby Smithers mill were used for context only. [15]

Inputs

The 2024 audit reported that Houston's 2023 inputs were **83.5%** sawmill residues and **16.5%** pulp logs and bush grind. It separately stated that no primary feedstock had been bought since the previous audit. These summary statements do not reconcile individual shipments or establish the eligibility of particular 2024 deliveries. The 2024 audit also found missing origin registers for processing residues under the EU bridging checks. [27] Drax reports that sawmill residues made up 77% of its Canadian pellet inputs in 2023 and 81% in 2024. [13, 22]

Non-conformities in 2025

- **NC 5621:** incomplete identification of third-party harvesting companies.
- **NC 5623:** subcontractor agreements missing required information and commitments to give auditors access.
- **NC 5649:** registration of some sales in the Data Transfer System after the 30-day deadline.

All three were classed as minor. Certification continued on 31 October 2025. [28, pp. 4–7]

Direct deliveries and residues

For wood delivered directly from the forest, the harvest area had to be mapped and identified before purchase. Houston rejected such wood from within, or within 10 metres of, OGMAs and OGDAs, and treated sources outside those areas as low risk for its old growth screen. Residue suppliers completed annual questionnaires describing their wider sourcing areas and received information and guidance intended to improve their sourcing practices. The certification body judged these measures effective. [28, pp. 17–23, 32–33]

Sampling and document quality

The 2025 audit lists four sampled timber marks: A1901, EM5820, NEKKO and WBRCEE. GY1011 is not among them. The audit's company description reproduces figures for the Burns Lake plant rather than Houston. This is a document-quality inconsistency and should not be read as Houston production data. The certification body's conclusions about the effectiveness of sourcing controls are best described as the auditor's judgement based on checks that are not public, not as publicly reproducible proof of complete exclusion. [28, pp. 9, 13–15, 23]

The BC risk assessment, version 2.0

SBP's interim BC Regional Risk Assessment version 2.0 was approved on 2 May 2025. It rates Indicator 3.2.3 (the combined HCS and HCV exclusion) as a Specified Risk because there is no systematic legal framework or public monitoring that identifies and excludes this category. It lists maps, management and harvest plans, purchase and tracking records, and site checks as possible mitigation evidence. [2, pp. 128–130] The version 2.1 assessment, approved on 24 July 2026, notes that SBP's Primary Forest category is not recognised in provincial law. [3, pp. 123–127]

Annex C. Glossary

Plain-language explanations of terms used in this report. Certification decisions must use the exact definitions and rules in the applicable standard version.

BC; METI; Forestry Agency: BC is British Columbia, the Canadian province examined here. METI is Japan's Ministry of Economy, Trade and Industry. Japan's Forestry Agency is part of the Ministry of Agriculture, Forestry and Fisheries. From fiscal year 2026 it applies the sustainability criteria for imported woody biomass through its woody biomass certification guideline. [1, 36]

SBP; FSC; PEFC; SFI: Sustainable Biomass Program; Forest Stewardship Council; Programme for the Endorsement of Forest Certification; Sustainable Forestry Initiative. The schemes and their forest management, procurement and controlled-source certificates have different scopes. [5–6, 16, 24, 33]

Controlled Wood; Controlled Sources; Fiber Sourcing: Risk-based systems used by FSC, PEFC and SFI respectively to avoid wood from unacceptable sources without certifying the management of every supplying forest. [5, 33]

Primary Forest: In FAO's definition, naturally regenerated forest of native species with no clearly visible signs of human activity and ecological processes that are not significantly disturbed. It can include younger stands that grew back after natural disturbance. SBP version 2.1 uses national or subnational definitions where available and a harmonised baseline where they are absent or not specific enough. [3, 30, 34]

Old Growth Forest: Forest with the age, structure, species and ecological processes typical of an advanced stage of development. Age thresholds and formal definitions vary. Primary Forest and Old Growth Forest overlap but are not the same. The applicable SBP definition must be used for a sourcing decision. [3, 34]

High Conservation Value (HCV); High Carbon Stock (HCS); Principle 9: HCV identifies exceptional biodiversity, landscape, ecosystem or community values. HCS refers to the carbon-rich forest category in the applicable rule. FSC Principle 9 requires HCVs to be maintained or enhanced. SBP version 2.0 Indicator 3.2.3 addresses the combined HCS and HCV category. [2, 6]

Ecological integrity; liquidation-conversion: Ecological integrity is a forest's natural composition, structure, functions and processes. This report uses liquidation-conversion for the progressive loss of Primary or Old Growth ecosystems as industrially managed forest replaces them, while the land remains classified as forest. [29–32]

Reference criteria; recommended items: Terms METI uses for its sustainability confirmation items for imported woody biomass. They guide verification but are not described as binding requirements. [1, 36]

Roundwood; primary feedstock; forest residues; processing residues: Roundwood means logs. Primary feedstock comes directly from forests and includes forest residues, such as tops and branches left after logging. Processing residues are chips, sawdust and off-cuts produced at sawmills. The same wood can need different checks depending on its route and the rule that applies. [23–24]

Risk-based approach; Specified Risk; mitigation: A risk-based approach assesses how likely it is that wood comes from unacceptable sources, instead of checking every forest. A Specified Risk is a concern that requires extra action. Mitigation means the measures used to reduce that risk, such as maps, supplier checks and exclusion. Their effectiveness must be demonstrated. [2, 24]

Regional Risk Assessment (RRA); Supply Base Evaluation (SBE): An RRA is SBP's assessment of sourcing risks in a region, such as BC. An SBE is a producer's own assessment of its suppliers and the mitigation it will apply. [2–3, 24]

Traceability; segregation; mass balance: Traceability links wood to documented origins. Segregation keeps streams physically separate. Mass balance accounts for quantities of inputs, outputs and claims. It cannot identify and remove prohibited wood after mixing. [23–24]

Exclusion before mixing: Identifying prohibited or unverified wood and turning it away before it is processed and mixed with other wood, at the sawmill, log yard or pellet mill. [23–24]

Independent verification: Checks carried out by a party with no commercial interest in the result, with access to the underlying records and sites, whose method and results can be tested by others. [23–25, 40–41]

SBP-compliant; SBP-controlled: Two different claim categories under SBP rules. Controlled status does not show that all Standard 1 sustainability requirements are met. Neither status can be assigned unless its own conditions are met. [5, 23–24]

Certification body; non-conformity; DTS: A certification body is the auditor that assesses whether a company meets a standard. It is chosen and paid by the company. A non-conformity is a failure to meet a requirement. DTS is SBP's Data Transfer System for recording biomass transactions and claims. [25, 27–28]

Japan Instruction Document; EU RED bridging: The Japan Instruction Document sets additional SBP requirements for claims to the Japanese market. EU RED bridging requirements are additional checks for eligibility under European renewable energy law. They do not automatically establish eligibility in Japan. [7, 19]

OGMA; OGDA: Old Growth Management Area and Old Growth Deferral Area. These are provincial mapped designations for old growth management or temporary logging deferral. They are not a complete inventory of every Primary or Old Growth Forest. [13, 28]

Timber mark; cutblock; timber sale licence: A timber mark identifies timber from a specified source or licence. A cutblock is a mapped harvest area. GY1011 is the timber mark in the Houston case. A2026 is the timber mark and TA2026 the timber sale licence in the Eagle Peak case. [20–21]

Houston; Smithers; Burns Lake; Eagle Peak: Houston, Smithers and Burns Lake are BC towns with pellet plants. Houston Pellet Limited Partnership is the audited producer in the main case. Eagle Peak is a logging site beside Babine Mountains Provincial Park, not a pellet mill. [10, 20–21, 27–28, 35]

Drax; Pinnacle; Babine Forest Products: Drax is the UK-based energy and biomass company that operates the pellet mills discussed here. Pinnacle Renewable Energy is the Drax company named in the audit reports. Babine Forest Products Limited is the sawmill recorded as receiving the Eagle Peak timber. [12–13, 20, 27–28]

FAO; CBD; IUCN: UN Food and Agriculture Organization; Convention on Biological Diversity; International Union for Conservation of Nature. This report uses their definitions, policy targets and technical guidance as ecological reference points. [29–32]

Annex D. Sources

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[3] SBP. Regional Risk Assessment for British Columbia Forest, Canada, version 2.1, approved 24 July 2026, especially pp. 123–127.

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