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October 11, 2015

Stakeholder Consultation Head
Sustainability Accounting Standards Board
1045 Sansome St, Suite 450
San Francisco, CA 94111

Dear Sir:

I am pleased to submit my following comments on the SASB Performance Standards. My comments are based on my experience in Energy Development in developing 1,641 megawatts of renewable energy projects (geothermal, hydro and solar) as well as our management of 226,625 hectares of watershed reservations for the government for the past three (3) decades.

I. Forestry and Logging Sustainability Assessment

1. On ecosystem services impacts:

- a) Can we ask any reforestation initiative to replace lost ecosystem services? As a best practice called "mitigation hierarchy", impacts that cannot be prevented (as the business is on logging) can be minimized by rehabilitation or offset to bring back the lost ecosystem services due to the cutting of trees. This is standard in EDC and our country in the Philippines to help mitigate climate change hazards.
- b) May we can ask the registrant for an inventory or matrix of the history of certifications for cutting that have been issued to them and the corresponding cutting with time? This is to have a running total and the status of the allowable cut at any reporting time.
- c) On item 15 of page 15 of the document, there is a query on protected areas that may be actively logged. I believe that certain protected areas like natural parks and strict nature reserves are in the first place, restricted from any man-made activity. Please recheck the US laws. Forest concessions must be restricted from some types of protected areas and some mature forest zones within some parks. This is a general protocol in the International Union for Conservation of Nature (IUCN), which is complied with by most countries.
- d) On item 17, page 15 of the document, the impact of logging is not a matter of distance from the logging area. It has its own influence area downstream. Maybe the question should be if the nearby habitat of endangered species is within its "environmental influence area". This is the case in Bangkok several years ago when massive forest cutting in the headwaters of other countries affected Bangkok which is downstream resulting in floods that destroyed many storage areas of multi-national companies like Levis, Nestle, etc.

2. On community relations and rights of Indigenous Peoples (IP):

- a) Can we seek the submission or confirmation by the registrant that they have secured the "Free and Prior Informed Consent" or FPIC from the affected IPs if the forest concession falls within the IP's ancestral domain? The registrant must show proof of consultation. It is usually a Memo of Agreement on the terms of the use signed by the IP Council or tribal elders. FPIC is now an international protocol for IP lands. It ensures IPs has been given the decision on the disposition of their lands and that this was an informed one due to the consultation conducted.
- b) On page 13 as a note to RR0201-01 on the environmental management plans that are being asked, can we include as part of the items the consultation with the communities if there are people living in the forest area and using the same public land?

3. On safety:

- a) Please add the labor cases on safety filed against the company and cost awarded or demanded by complainant.

II. Biofuels Sustainability Assessment

1. On air quality

- a) Since the global concern is climate change, I suggest we include the measurement of CO2 and methane in this scope.
- b) On the disclosure on non-compliance, can we ask the enforcement action of the authorities? It will be an indicator to the investor of the gravity of the violation.
- c) Please add cases filed for the violation and cost awarded or demanded by the complainant.
- d) Can we give the registrant a chance to explain their actions to mitigate or minimize the impacts?

2. On waste management and compliance to environmental sustainability

- a) Can we ask the volume of alcohol or biofuel produced vs. the slops or waste produced? Some plants are inefficient. They produce 1 liter of alcohol and generate 10 to 15 liters of slops or liquid wastes.

3. On water management

- a) Please include if there is an artesian or water well as water source. These are often unregulated resulting in the wrong accounting of water use.

- b) The registrant must disclose the water rights secured and corresponding volume. While we request the operator to disclose the volume used, we must also ensure the extraction is permitted, hence the suggestion to also ask the water rights secured. This is for water accounting and governance.
- c) On disclosure on non-compliance, can we ask the enforcement action of the authorities? It will be an indicator to the investor of the gravity of the violation.

4. On sourcing of feedstocks:

- a) On renewable biomass feedstocks, is there a regulation relative to certification of the feedstock source? This is a big issue in some countries like in Asia and may be in Latin America where actual trees are logged and passed on as tree residues and trimmings as well as yard wastes. I do not know if there is such certification in the US. We have no big biofuel plants in our country.

5. On regulatory

- a) Can we ask the registrant from among the lobbied rules, which will help the industry and which will only affect their business?

6. Safety of operation

- a) Can we request information of the presence of an Emergency Response Plan in their company to address environmental and safety incidents?

III. Solar Sustainability Assessment

1. On water management

- a) Please include artesian or water wells as water source. These are often unregulated that result in the wrong accounting of water use
- b) The registrant must disclose the water rights secured and corresponding volume. While we request the operator to disclose the volume used, we must also ensure the extraction is permitted, hence the suggestion to also ask the water rights secured. This is for water accounting and governance.

2. On hazard management

- a) May we ask the permits for the use of the hazardous chemicals? There is usually a requirement for the registration of all hazardous chemicals used under hazardous waste management laws. This is to assist government monitor its use.
- b) Cases filed for violation of water quality standards (Number and cost awarded to or demanded by complainants as metrics)

c) On RRO102-05, indicate the presence of Emergency Response Plans for spills and its approval by relevant authority.

d) On the spills, we may include action taken to address spill and the details of their compliance with the reporting requirements of the law

3. Social and Ecological Impacts

a) In cases filed related to social and ecological impacts, we can ask the number and cost awarded or demanded from the company.

IV. Wind Industry Sustainability Assessment

1. On the mitigation of community and ecological impacts

a) Cases or complaints filed by persons, communities or organizations arising from community or ecological impacts (Metrics are the number of cases and cost awarded to or demanded by the complainant)

2. On the Safety of Wind Farm Operations

a) Cases or complaints filed by persons, communities or organizations arising from safety of wind farm operations. Metrics are the number of cases and cost awarded to or demanded by complainant.


b) Near miss incidents (number and nature) are also good indicators of areas of concern as well as areas for improvement in turbine design and operation. They can be included.

3. Efforts to address ecological and community impacts

a) Cost involved in the research and testing of the initiative and its share in the total cost of the product or turbines.

Thank you for the opportunity to comment on your sustainability standards.

Very truly yours,


Aghes C. de Jesus
Chief Sustainability Officer

Exposure Draft Standard for Public Comment

Biofuels

Guidance (p. 4): SEC financial filings have been the subject of extensive, substantive guidance and formal legal clarification for decades. The concept of “materiality” has clear financial benchmarks in this context, and the same definition should apply to these proposed metrics. To the extent that SASB hopes for voluntary participation by companies even where the information would not rise to the level of “material,” it will be especially important to make the proposed metrics easy to compile and demonstrably informative.

Scope (p. 5): Many companies invest – a lot or a little – in dozens of ventures designed to advance knowledge about the production and commercialization of biofuels. To expect that metrics will cover all investments regardless of size will discourage participation. At least majority interest should be required for reporting.

Activity metrics (p. 6): Particularly for diversified companies, attempts at normalization are likely to be meaningless. For a division that contributes 0.1 percent of revenues to a corporation that supports an innovative biofuels technology, how would normalization work? Normalization to total number of employees in the diversified entity, or its revenues or number of plants, tells you nothing other than the fact that some biofuels are produced by boutique firms and others by large diversified corporations. Simple totals (revenue from biofuels, total entity-wide revenue, number of employees spending over 50% of their time on biofuel production, total number of employees) would be clearer and more informative. In the alternative, all reporting on biofuels might be based upon biofuel production personnel, operations and revenue only. The latter would make “apples to apples” comparison easier.

Timing (p. 7): Because reporting on sustainability issues tends to lag a year (as opposed to quarterly financial reporting), SASB should make clear that reporting for the current fiscal year is not anticipated. Most fiscal years begin in January. US EPA requires its carbon footprint reporting in late Spring. Then CDP and SASB reports can be compiled, but they will lag six months or more behind the fiscal year.

Limitations (p. 7): For large diversified companies, the SEC materiality threshold is high. If “materiality” is required to report on biofuels projects, many large biofuels investors will have nothing to say because combined biofuels investments do not meet that threshold.

Air quality (p. 10): CDP already requires air emissions reporting in quite specific categories. Why not simply incorporate the CDP data by reference, saving many companies time and effort?

With regard to “incidents of non-compliance,” the proposed metric is unworkably broad. Any large facility required to have environmental permits/controls will have instances in which “non-compliance” might be alleged – an odor complaint, a statistically insignificant variation in sampling data. Relatively few warning letters or threats of fines result in actual penalties because of the ambiguities in regulation and the high incidence of “reasonable disagreement” about implementation of a particular technical standard. SEC Regulation S-K 103 already has a low threshold for disclosure and should simply be cross-

referenced in order to make SASB consistent with FASB. Moreover, SASB should consider whether cross-referencing this disclosure in fact provides value. It makes more sense to ask for a qualitative description of a company's Environmental Management System.

Water management (p. 12): The proposed water withdrawal metric is extraordinarily broad. Although many companies report on metered water withdrawal, there is no standard means or database to estimate unmetered water use. It makes more sense to ask for metered water withdrawal (which is specific and auditable) and a characterization of the company's footprint in water withdrawal in areas of high or extremely high water risk. Moreover, only water withdrawal pursuant to biofuel production should be included.

As noted above, integrating SASB with CDP Water reporting is important to standardize reporting and reduce duplication. Also as noted above, the water-related non-compliance metric is overbroad.

In contrast to the data challenges regarding water withdrawal and compliance, the programmatic discussion required by section .21 is concrete, important to investors and likely to steer reporting companies to best practices.

Lifecycle emissions balance (p. 19): Where a registrant complies with the terms of EPA's Renewable Fuel Standard, it is unclear what would be gained by requiring disclosure of additional conflicting standards from other venues. There is no reason to believe that the federal RFS by itself would not provide the kind of information that would be useful to an investor.

With regard to risk and opportunities for legislation and regulation, the standard is burdensome and of little practical use. In any given year, there will be dozens of federal and state bills and regulatory proposals involving "environmental and social factors" potentially impacting biofuel production and sale. A company's position is often nuanced on any bill, e.g., "we support this disclosure bill but only if confidential business information is protected." Characterization of "support" or "oppose" is complicated. Moreover, with regard to forecasting the prospects for legislation, anyone following the US Congress will know that putting odds on legislation passing in any given timeframe is at best idle speculation.

The incorporation of extensive political/advocacy disclosure within the biofuels standard (and not within other sector standards) is an odd choice. It's one thing for SASB to advocate for more disclosure of political contributions generally, but it makes no sense to append this topic to only some of the industry sectors SASB plans to cover.

Occupational safety (p. 24): It makes sense to ask members of the American Chemistry Council to use that association's safety metrics – but not for non-ACC members. There are standard OSHA standards; they should be the basis for disclosure. More importantly, rather than asking for root cause analyses for individual incidents, it would be more telling to ask registrants to disclose their safety programs and best practices.

Date

Aarhus N, 5 October 2015/LIHAR

Comments to Draft Sustainability Accounting Standard

Sector: Renewable Resources & Alternative Energy

Industry Standard: Wind Energy

Topic	Code	Page, line	Comment
Design to Mitigate Community & Ecological Impacts	RR0103-02	10, 06	If issues associated with community or ecological impact occur, a project may be re-planned to remain or re-enter the backlog, which makes the metric less useful and comparable.
Design for Materials Efficiency	RR0103-04	12, 12	Why not identify at least 95% of materials by mass (this would typically align better with other standards). Nonetheless for a V112 turbine the top five materials are: steel/iron 82%, glass and carbon composites 9%, mixed polymers 5% and aluminium 1%. Or include reporting of what the five materials represent as % of total materials delivered.
Design for Materials Efficiency	RR0103-05	13, 18	What is the logic behind these weightings used? The clearest efficiency measure is tonnes of material per kWh generated by the turbine. This relates directly to the functional performance of the turbine. Not clear what the 'weight scaling' relationship is supposed to represent. Why multiply by the hub height? The clearest efficiency measure is tonnes of material per kWh generated by the turbine. This relates directly to the functional performance of the turbine. Not clear what the 'weight to specific power' relationship is supposed to represent. Same as comment above. Should report tonnes of material per kWh generated, as defined by IEC conditions for the rating and power curve of the turbine. The relationship for 'weight to specific power' has the underlying assumption that an increase in turbine nameplate capacity (MW) gives a linear increase in energy production. This is not a correct assumption. For example, increase from 3.0MW to 3.3MW turbine is a 10% in nameplate capacity (MW), but this increase results in an energy production increase of about 3%. Recommend to report tonnes of material per kWh or MWh of electricity generated by the turbine at IEC conditions and to remove the two proposed indicators for average performance.
Sensitive & Critical Materials Sourcing	RR0103-07	16, 27	The metric is influenced by non-comparable factors e.g. one company may be good at sourcing at a low cost and another company may source at a high cost and they might use the same amount of critical material. Furthermore if the critical material only constitutes a part of a bought component then the cost of critical material will have to be estimated and thereby the metric will be an estimate. Finally it is unclear why freight and storage should be included. As above freight and storage will be estimates.
Sensitive & Critical Materials Sourcing	RR0103-08	17, 30	The metric could be relevant, but it is difficult to get reliable information from suppliers and sub-suppliers.

Safety of Wind Farm Operations	RR0103-10	19,37	When the heading of the topic is Safety of Wind Farm Operations, should the metric only cover Wind Farm Operations? Today only overall company rates are reported.
Safety of Wind Farm Operations	RR0103-11	20,42	The data may be available in some form or another, but it would not be cost-effective to collect.

Yours sincerely
Vestas Wind Systems A/S

Lilian Harbak
Sustainability Reporting Specialist





NATIONAL COUNCIL FOR AIR AND STREAM IMPROVEMENT, INC.

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September 28, 2015

Sustainability Accounting Standards Board
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San Francisco, CA 94111

To Whom It May Concern:

The National Council for Air and Stream Improvement, Inc. (NCASI) is pleased to provide the following comments on the Public Exposure Draft Standard for Public Comment: *Forestry & Logging Sustainability Accounting Standard*.

NCASI is a non-profit environmental research institute that seeks to create credible scientific information required to address the environmental information needs of the forest products industry in North America. NCASI conducts surveys, provides advice regarding technically appropriate methods of conducting environmental field measurements, undertakes technical studies such as scientific literature reviews and research compilations, and sponsors scientific research by universities and others to document the environmental performance of industry facility operations and forest management practices, and to gain insight into opportunities for further improvement in meeting sustainability goals.

The nature of NCASI's research provides us with a unique lens on the development of metrics related to documenting the performance of forest products industry operations, given our research into the development and field application of sampling and analytical test methods, along with over 70 years of experience in reviewing and treating data that characterize environmental releases from the sector. With this background in mind, we offer the following comments on the Draft Standard:

RR0201-01. Area of forestland certified to a third-party forest management standard, percentage certified to each standard

.01 *The registrant shall disclose its forestland area, in acres, that is certified to a third-party forest management standard, where:*

- *Third-party forest management standards are those that certify that forests are harvested in a sustainable manner and that cover environmental and social criteria including legal compliance, land rights, community and worker relations,*

environmental impact and biodiversity, forest management plans and practices, land use, wildlife habitat conservation, and water conservation, among others.

- *Third-party forest management certifications include those promulgated by the following organizations (or the equivalent):*
 - *Forest Stewardship Council (FSC)*
 - *Sustainable Forest Initiative (SFI)*
 - *Programme for the Endorsement of Forest Certification (PEFC)*
 - *American Tree Farm System (ATFS)*

Many companies that would be reporting to this standard undertake forest management in Canada. Therefore, it is suggested that the third Canadian forest management certification scheme, *Canada's National Sustainable Forest Management Standard (CSA)*, be added to this list of relevant standards. CSA should also be added to metric .04.

.02 The registrant shall calculate the percentage as the number of its forestland acres that are third-party certified divided by the total number of forestland acres owned, leased, and managed by the company.

- *The scope includes forestlands owned, leased, and managed by the company.*

Strictly speaking, various permutations and combinations of ownership and management occur within the forest industry. Thus, the phrase “and managed” should be replaced with “and/or managed”. This revision should also be made elsewhere in the standard where this phrase occurs (e.g., **RR0201-01** 0.8, etc.).

.06 The registrant shall disclose the total number of certifications that were revoked, which certification(s) was revoked, the total acreage of land for which certification was revoked, and the reason stated by the certification body or bodies for why the certification was revoked.

There may be any number of reasons why a certification may have been revoked, some outside the control of the registrant (e.g., government jurisdiction over aspects of forest management, including those related to aboriginal title). In this vein, the registrant may be able to provide additional perspective to clarify the nature of the revocation and the actions that are being put in place to address it. Therefore, this metric should be expanded to include “, *along with commentary to clarify the nature of the revocation and actions that are being put in place to address the revocation.*”

RR0201-04. Discussion of approach to managing risks and opportunities from ecosystem services provided by forestlands

0.21 The registrant shall discuss its approach to managing the risks and opportunities created by the ecosystem services that its forestlands provide, where:

- *Ecosystem services are defined by the United Nations Environment Program as the benefits obtained from ecosystems, which include provisioning services such as food*

and water; regulating services such as flood and disease control; cultural services such as spiritual, recreational, and cultural benefits; and supporting services, such as nutrient cycling, that maintain the conditions for life on Earth. Ecosystem services provided by forestlands can include monetary benefits derived from the actual use of a good or service as well as passive/non-use values, including:

- *Watershed services (such as water quantity and quality)*
- *Soil stabilization and erosion control*
- *Air quality*
- *Climate regulation*
- *Carbon sequestration*
- *Biodiversity*
- *Recreation and tourism (such as fishing, hunting, and hiking)*
- *Non-timber commercial forest products*
- *Cultural values (including aesthetic value, passive use, and cultural heritage)*

0.22 *The discussion shall include:*

- *The type(s) of ecosystem service(s) it currently benefits from, and how the registrant's operations optimize the benefits received.*
- *How the registrant manages risks associated with ecosystem services in its forestlands, where management actions can include decisions about harvesting, management of conservation areas or areas of high biodiversity, or conserving forested watershed.*
 - *Risks from ineffective ecosystem services management can include decreased forest productivity and timber yields, reputational concerns (e.g., those from local communities, non-governmental organizations, and regulatory agencies), permitting or harvesting restrictions, inability to capture revenues from timber and non-timber forest products, and loss of forestry management certifications.*
 - *Opportunities from effective ecosystem services management can include higher land value, increased productivity and timber yield, direct payments for timber and non-timber forest products, and improved relationships with stakeholders.*
- *The methods and models used to develop scenarios for ecosystem services, including the use of global models or scientific research provided by governmental and non-governmental organizations.*

The degree of analysis and discussion required to address these metrics is substantial and, with no response framework provided for these metrics, could lead to responses that vary widely in terms of depth of analysis and comprehensiveness. In addition, there may be no underlying data, or highly variable underlying data, available for assessing some of these ecosystem services in a meaningful way. Depending on the jurisdiction in which legal commercial forest harvesting is

undertaken, information incorporating that requested above may be required by law. In jurisdictions such as Canada, where a comprehensive legal framework underpins all commercial forestry, a company would typically spend many person-months of time compiling 5- and 25-year forest management plans encompassing multiple volumes of written information to address questions such as these. While one might argue that some of this information is therefore readily available, the issues listed above are so complex and interwoven that it would be extremely difficult for a registrant to prepare a response to the above questions in a succinct, yet comprehensive manner that would be consistent across registrants to the standard. In addition, the standard references the use of methods and models to develop scenarios for ecosystem services; however, not only are modeling results highly dependent on assumptions made by the individual user, but it is unclear as to the extent of modeling required and the depth of quantitative output being requested.

Given that most forest management companies operate within a comprehensive regulatory framework (see NCASI 2014 for Canadian context) and/or apply a vast array of best management practices to manage the risks and opportunities identified by this metric (NCASI 2009), typically accompanied by third-party audited sustainable forest management certification systems, this metric would likely require substantial additional analysis and its value is unclear. The metric itself, in fact, virtually addresses itself (see 0.22 “Risks from ineffective ecosystem services management can include...” and “Opportunities from effective ecosystem services management can include...”). It is suggested that the open-ended nature of this metric be modified to become a small set of targeted questions that can be answered consistently across the sector, through reasonable effort by the registrant.

RR0201-06. Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and the local community

A similar discussion to that above for the metrics associated with **RR0201-04** applies to the metrics associated with **RR0201-06**. The degree of analysis and discussion required to address these metrics is substantial and, with no response framework provided for these metrics, could lead to responses that vary widely in terms of depth of analysis and comprehensiveness. Depending on the jurisdiction in which legal commercial forest harvesting is undertaken, information incorporating that requested above may be required by law. In jurisdictions such as Canada, where a comprehensive legal framework underpins all commercial forestry as it relates to indigenous rights, a company is legally obligated to undertake aboriginal consultation and their forest management plans incorporate written information to address questions such as these. Both Canada and the US have robust political systems where issues in these areas are fully debated and land tenures are for the most part well established and understood. Disputes may arise, but the court systems are more than capable of reaching resolutions. Local community interactions depend on the location of the forest land and the proximity to a recognizable community. To request each company synthesize this information to prepare a site-specific analysis to address these open-ended questions would be an extraordinarily time-consuming effort. It is suggested that the open-ended nature of this metric be modified to become a small set of targeted questions that can be answered consistently across the sector, through reasonable effort by the registrant.

RR0201-08. Discussion of strategy to manage opportunities and risks to forest management and timber production presented by climate change

A similar discussion to that above for the metrics associated with **RR0201-04** and **RR0201-06** applies to the metrics associated with **RR0201-08**. The degree of analysis and discussion required to address these metrics is substantial and, with no response framework provided for these metrics, could lead to responses that vary widely in terms of depth of analysis and comprehensiveness. The issues listed above are so complex that it would be extremely difficult for a registrant to prepare a response to the above questions in a succinct, yet comprehensive manner that would be consistent across registrants to the standard. In addition, changes in forest ecosystems occur slowly and adaptation is, in fact, possible by incorporating it into normal management. U.S. and Canadian governments currently have extensive research programs exploring aspects related to climate change adaptation of forestlands. To request each company synthesize research being undertaken at the international, national, and state/provincial level in a manner that would allow them to prepare a site-specific analysis to address these open-ended questions would be an extraordinarily time-consuming and redundant effort. It is suggested that the open-ended nature of this metric be modified to become a small set of targeted questions that can be answered consistently across the sector, through reasonable effort by the registrant.

We appreciate your consideration of our comments, and can be reached at the coordinates above if you have any questions regarding this submission.

Regards,



Kirsten Vice



T. Bently Wigley

References

National Council for Air and Stream Improvement, Inc. (NCASI). 2009. Compendium of Forestry Best Management Practices for Controlling Nonpoint Source Pollution in North America. Technical Bulletin No. 966. Research Triangle Park, NC: National Council for Air and Stream Improvement, Inc.

National Council for Air and Stream Improvement, Inc. (NCASI). 2014. Compilation of Canadian Provincial and Federal Regulations Relevant to Forest Management Activities. Special Report No. 14-03. Research Triangle Park, NC: National Council for Air and Stream Improvement, Inc.



October 5, 2015

Sustainability Accounting Standards Board
75 Broadway, Suite 202
San Francisco, CA 94111

Sustainability Accounting Standards Board,

Plum Creek is among the largest and most geographically diverse private landowners in the nation with more than 6 million acres of timberlands in forest ecosystems across the northern and southeastern United States. A publicly traded company, all of our forest ownership is certified to a third-party sustainable forest management standard.

We appreciate the opportunity to provide comments on the *Exposure Draft Standard for the Renewable Resources & Alternative Energy Sector: Forestry & Logging Sustainability Accounting Standard*. While we generally support the intention behind standard reporting and metrics, we are concerned that the exposure draft is flawed in multiple instances where it calls for information that is either not relevant, impossible to collect, or redundant or inconsistent with laws and practices followed by companies in the United States. We strongly recommend revisions consistent with our detailed comments to ensure the standard is objective, measurable and complete, and thereby useful to US companies and their shareholders.

Our detailed comments are as follows:

Sector Title: Forestry & Logging

Comment: We recommend changing the sector title from “Forestry & Logging” to “Forestry Management” as the draft guidelines focus on proposed disclosure pertaining to timberland management, not logging operations.

Company-Level Determination and Disclosure of Material Sustainability Topics

SASB has attempted to identify those sustainability topics that are reasonably likely to have a material effect on the financial condition or operating performance of companies within each SICS industry.

Comment: We recommend changing the text to read, "SASB has attempted to identify those sustainability topics that may have a material effect on the financial condition or operating performance of companies within each SICS industry."

Comment: In general, we recommend using the term "company" or "companies" in place of "registrant" or "registrants" as participating companies will likely include those who are not an SEC registrant.

Sustainability Accounting Standard Disclosures in Form 10-K

a. Management's Discussion and Analysis

Comment: We recommend the standard state that disclosures on sustainability topics can be made under one of several sections of Form 10-K, rather than under, "Management's Discussion and Analysis" and then "Other Relevant Sections of Form 10-K" as currently drafted. We believe companies can determine the appropriate Form 10-K section based on the importance of the information being disclosed. We suggest this section of the draft be revised as follows:

a. Relevant Sections of Form 10-K

It may be relevant for companies to disclose sustainability in a section of Form 10-K, in a sub-section title, "Sustainability Accounting Standards Disclosures," including, but not limited to:

- Management's Discussion and Analysis – For purposes of...
- Description of the Business – Item 101...
- Legal Proceedings – Item 103...
- Risk Factors – Item 503(c)...

b. Rule 12b-20 Securities Act Rule 408...

Guidance on Accounting for Sustainability Topics

Where not addressed by the specific accounting metrics, but relevant, the registrant should discuss the following, related to the topic:

- *The registrant's strategic approach to managing performance on material sustainability issues;*
- *The registrant's relative performance with respect to its peers;*
- *The degree of control the registrant has;*
- *Any measures the registrant has undertaken or plans to undertake to improve performance; and*
- *Data for the registrant's last three completed fiscal years (when available).*

Comment: We recommend removing "The registrant's relative performance with respect to its peers" as it is difficult to substantiate and ensure comparability across all industry participants. Comparisons to peers would therefore be meaningless and misleading.

Activity Metrics and Normalization

Comment: We recommend changing the title of this section from “Activity Metrics and Normalization” to “Activity Metrics.” We also recommend the deletion of the following, as it is not clear what is meant.

SASB recognizes that normalizing accounting metrics is important for the analysis of SASB disclosures.

Where relevant, SASB recommends specific activity metrics that – at a minimum – should accompany SASB accounting metric disclosures.

Comment: It is not clear what constitutes a “plantation forest” nor is it evident or substantiated as to why the disclosure of plantation forest versus natural forest is materially relevant.

Comment: We recommend the use of “Standard Tons” in place of “Cubic Meters” regarding “Aggregate standing timber inventory” and “Timber harvest volume” activity metrics.

Ecosystem Services & Impacts

RR0201-01. Area of forestland certified to a third-party forest management standard, percentage certified to each standard.

.03 If forestlands are certified to multiple schemes, the registrant shall not account for the acreage more than once when calculating the total percentage of forestland area certified to a third-party forest management standard.

Comment: We recommend that the standard allow companies to report certification to multiple standards. Disclosure of certification to any/all of the third-party forest management certifications referenced in “.01” supports greater transparency.

.10 Where applicable and relevant, the registrant shall describe specific policies and practices that apply to areas with protected conservation status and/or areas of critical habitat, which are defined by the International Finance Corporation (IFC) as:

Comment: We recommend that the standard reference definitions provided by relevant U.S. laws, which will support disclosure that is relevant and complete. As a U.S.-based company, publicly traded in the U.S., IFC definitions do not offer the greatest relevance.

RR0201-02. Area of forestland with protected conservation status.

.12 The registrant shall disclose the area of its forestland (by acreage) that has protected conservation status, where protected conservation status includes lands protected by international bodies, third-party organizations, or federal, regional, and local government.

.13 An area is considered to be of protected conservation status if it is located within:

- *National parks*
- *International Union for Conservation of Nature (IUCN) Protected Areas (categories I-VI)*

- *Ramsar Wetlands of International Importance*
- *UNESCO World Heritage sites*
- *Biosphere Reserves recognized within the framework of UNESCO's Man and the Biosphere (MAB) Programme*
- *Natura 2000 sites*
- *Other areas where discharges are restricted or subject to local agreements*
- *Sites that meet the IUCN's definition of a protected area: "A protected area is a clearly defined geographical space, recognized, dedicated, and managed, through legal or other effective means, to achieve the long-term conservation of nature with associated ecosystem services and cultural values"*
 - *These sites may be listed in the World Database of Protected Areas (WDPA) and mapped on ProtectedPlanet.net*

Comment: We recommend that the standard reference definition of conservation consistent with U.S. laws in place of a list of international programs. Habitat Conservation Plans (HCPs), conservation easements, and mitigation banks as per U.S. law, are relevant to U.S. listed companies, whereas international programs may not be relevant to U.S.-based timberland owners.

Comment: We recommend deletion of, "Other areas where discharges are restricted or subject to local agreements," as it is neither material nor relevant to conservation status.

RR0201-03. Area of forestland in or near endangered species habitat.

Comment: We recommend deleting the word "near" from the title of this section.

.17 For the purposes of this disclosure, "near" is defined as within five kilometers (km) of the boundary of an area of endangered species habitat.

Comment: .17 should be deleted in its entirety as critical habitat is already legally protected in accordance with U.S. law and "five kilometers" is neither legally or scientifically material. "Area of endangered species habitat" is not clearly defined, and both U.S. law and third-party forest management standards address threatened and endangered species habitat.

RR0201-04. Discussion of approach to managing risks and opportunities from ecosystem services provided by forestlands.

.21 The registrant shall discuss its approach to managing the risks and opportunities created by the ecosystem services that its forestlands provide, where:

- *Ecosystem services are defined by the United Nations Environment Program as the benefits obtained from ecosystems, which include provisioning services such as food and water; regulating services such as flood and disease control; cultural services such as spiritual, recreational, and cultural benefits; and supporting services, such as nutrient cycling, that maintain the conditions for life on Earth. Ecosystem services provided by forestlands can include monetary benefits derived from the actual use of a good or service as well as passive/non-use values, including:*
 - *Watershed services (such as water quantity and quality)*

- *Soil stabilization and erosion control*
- *Air quality*
- *Climate regulation*
- *Carbon sequestration*
- *Biodiversity*
- *Recreation and tourism (such as fishing, hunting, and hiking)*
- *Non-timber commercial forest products*
- *Cultural values (including aesthetic value, passive use, and cultural heritage)*

Comment: The indicators related to ecosystem services are addressed by existing third-party forest management standards and state Best Management Practices (BMPs).

Comment: Comprehensive measurement of the indicators for which information is required by law would be prohibitively costly to disclose in a way that is both measurable and complete.

.22 The discussion shall include:

- *The type(s) of ecosystem service(s) it currently benefits from, and how the registrant's operations optimize the benefits received.*
- *How the registrant manages risks associated with ecosystem services in its forestlands, where management actions can include decisions about harvesting, management of conservation areas or areas of high biodiversity, or conserving forested watershed.*
 - *Risks from ineffective ecosystem services management can include decreased forest productivity and timber yields, reputational concerns (e.g., those from local communities, non-governmental organizations, and regulatory agencies), permitting or harvesting restrictions, inability to capture revenues from timber and non-timber forest products, and loss of forestry management certifications.*
 - *Opportunities from effective ecosystem services management can include higher land value, increased productivity and timber yield, direct payments for timber and non-timber forest products, and improved relationships with stakeholders.*
- *The methods or models used to develop scenarios for ecosystem services, including the use of global models or scientific research provided by governmental and non-governmental organizations.*

Comment: As referenced in .21, timberlands provide ecosystem services, thus the exclusive reference to "benefits received" is misleading. It is also not clear what would constitute the "optimization" of benefits.

Comment: We manage potential risks to ecosystem services by managing our timberlands consistent with regulatory requirements, BMPs, and in accordance with a third-party forest management standard.

Comment: It is not evident that the use and subsequent disclosure of methods and models to develop scenarios for ecosystem services would offer material, comparable information.

.23 The registrant may choose to disclose the amount (in U.S. dollars) it receives for non-timber ecosystem goods and services from its forestlands, by category and type of compensation.

Comment: It is not clear why this information is materially relevant.

.25 If revenue or other payments are currently not being received or valued by the registrant, the registrant should disclose the specific areas within its forestlands that have the most potential to capture current or future revenue from ecosystem goods or services, including the projected potential revenues (in U.S. dollars) or value and when the registrant expects to realize these revenues.

Comment: It is not clear as to the reasoning for suggesting the inclusion of this information as part of the standard. Even in the event that the proposed disclosure does include proprietary information, at best the information would be conjecture and therefore not complete in its relevance.

RR0201-05. Acres of forestland in or near indigenous land.

Comment: Third-party forest management standards like the one to which all of Plum Creek's timberlands are certified, address ensuring respect for indigenous peoples' rights. Furthermore, as the topic of indigenous rights are not unique to our sector, it would be better addressed by cross-sector approach.

Comment: The material relevance of defining "near" as within five kilometers of a recognized boundary is not clear.

RR0201-06. Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and the local community.

Comment: We recommend deleting the word "procedures" from .29 to .31 as a discussion of practices is materially adequate.

.31 The registrant shall describe its processes and practices with respect to the communities in areas where it conducts business, including practices to protect:

- *Economic rights and interests, including the right to employment, fair wages, payment transparency, and respect of infrastructure and agricultural land.*
- *Environmental rights and interests, including the right to clean local air and water, as well as safe discharge and disposal of waste.*
- *Social rights and interests, including the right to adequate health care, education, and housing.*
- *Cultural rights and interests, including the right to protection of places of cultural significance (e.g., sacred sites or burial sites).*

Comment: We recommend amending .31 to reflect applicability only to communities located in states where the proposed criteria pertaining to economic, environmental, social, and cultural rights are not already covered by law.

.32 The discussion shall include how practices apply to business partners, such as contractors, sub-contractors, suppliers, and joint venture partners.

Comment: In the context of the American and Canadian legal frameworks, which include human rights and indigenous rights, the value of requiring potentially open-ended discussion is not evident.

Workforce Health & Safety

Comment: Workplace safety must be a priority for all companies. Therefore, it is not materially relevant to have guidelines unique to our sector.

.36 The scope of disclosure includes direct employees and contract employees, where:

- *Direct employees are all those employees on the registrant's payroll, whether they are labor, executive, hourly, salary, part-time, seasonal, or migrant workers.*
- *Contract employees are those who are not on the registrant's payroll, but who are supervised by the registrant on a day-to-day basis, including independent contractors and those employed by third parties (e.g. temp agencies, labor brokers, etc.).*

Comment: While we currently track incidents and hours for any contract employees under our direct supervision (e.g., temp agencies) it would be extremely laborious to monitor the thousands of logging contractors and subcontractors not under our direct supervision.

*.37 Rates shall be calculated as: (statistic count/total hours worked) * 200,000*

Comment: We recommend that the standard focus on TRIR and OSHA rates and delete .37.

Climate Change Adaptation of Forestlands

Comment: The SEC already requires disclosure regarding the financial impacts of climate change. We recommend that any further disclosure align with existing standards, such as the Carbon Disclosure Project (CDP), to which companies have been reporting for more than a decade.

Comment: The indicators that comprise this section presume a level of precision regarding location-specific climate change science that is not currently available. Furthermore, the prediction of specific potential climate change impacts falls short of the SASB measurability criteria.

.39 The registrant shall provide:

- *A breakdown, by acreage, of the geographic location of the registrant's forestlands, identification of the potential climate change risks or opportunities that may manifest within each of these regions, and the percentage of the registrant's forestlands that could be affected by these risks or opportunities.*
- *A breakdown, by volume, of the types of tree species harvested for timber in the registrant's forestlands, identification of the potential risks or opportunities presented by climate change that may manifest among these different species, and the percentage of the registrant's timber yield that could be affected by these risks or opportunities.*

- *Where relevant, the registrant shall discuss how risks and opportunities may vary between the registrant's plantation forestlands and its natural forestlands.*

Comment: In light of the fact that there are ongoing international, national, and state efforts pertaining to the assessment of climate change risks, the detailed nature of the proposed metrics constitute an unrealistic expectation. It is also not evident how the proposed criteria could be accurately and comparably measured.

Comment: "A breakdown, by volume, of the types of tree species harvested for timber in the registrant's forestlands" would not only be onerous, but would constitute conjecture and therefore neither accurate nor relevant.

.42 The registrant shall provide a discussion of the scenarios used to determine the risks and opportunities presented by climate change, including:

- *How such scenarios will manifest and the potential implications that this would have on its forestlands (e.g. how the area, health, vitality, and biodiversity of its forestlands may be affected).*
- *The methods or models used to develop these scenarios, including the use of global models or scientific research provided by governmental and non-governmental organizations (e.g. Intergovernmental Panel on Climate Change Climate Scenario Process).*

Comment: We recommend replacing "shall" with "may" as specific models may not be materially relevant.

Thank you for considering the comments I have provided on behalf of Plum Creek. I welcome the opportunity to work with SASB on the continued development of the standard for our sector. You may reach me with any questions by email at [REDACTED] or by phone at [REDACTED]

Regards,

[REDACTED]
Laura Clise
Director of Sustainability



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SFI-00001

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Executive Director, Invasive Species
Council of British Columbia, Canada

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Dean, Arthur Temple College of Forestry
and Agriculture, Stephen F. Austin
State University
Skeet Burris
Family Forest Landowner
Cypress Bay Plantation
Bob Matters
Chairperson
United Steelworkers Wood Council
Bettina Ring
State Forester
Virginia Department of Forestry
Mark Rodgers
President and CEO
Habitat for Humanity Canada
C. Tattersall (Tat) Smith
(Secretary and Treasurer)
Former Dean and Professor
University of Toronto, Faculty of Forestry

ECONOMIC SECTOR:

Craig Armstrong
President and CEO
Millar Western Forest Products Ltd.
Craig Blair (Chair)
President and CEO
Resource Management Service LLC
Daniel P. Christensen
Chief Executive Officer
Hancock Natural Resource Group
Guy Gleysteen
Senior Vice President, Time Inc.
James (Jim) Hannan
CEO and President
Georgia-Pacific LLC
David Walkem
Chief of the Cooks Ferry Indian Band
Merritt, British Columbia, and President,
Stuwix Resources Joint Venture

October 2, 2015

Sustainability Accounting Standards Board®
75 Broadway, Suite 202
San Francisco, CA 94111

Re: Comments on Forestry and Logging Standard

Thank you for the opportunity to comment on the Sustainability Accounting Standards Board's (SASB) Forestry and Logging Standard.

The Sustainable Forestry Initiative® Inc. (SFI) is an independent, nonprofit organization that is solely responsible for maintaining, overseeing and improving the internationally recognized SFI® program. Across the United States and Canada, over 250 million acres are certified to the SFI forest management standard. In addition, SFI's Fiber Sourcing Standard sets mandatory practice requirements for the responsible procurement of all fiber procured directly from the forest, whether the forest is certified or not.

1. SASB Should Rely on Forest Certification Standards and Not Create New Performance Requirements.

SFI has engaged and provided feedback on previous SASB standards that are product specific (packaging, pulp/paper, household and personal products, wood products via green building). Each of the SASB standards uses forest certification (SFI, PEFC and FSC) as a proof point to ensure the forest based products come from responsibly managed forests. SASB relies on these forest certification standards because they require third-party certification to their own performance requirements, and these forest certification standards are credible standards that other organizations such as brandowners and governments have trusted for their own assurances.

SASB's Forestry and Logging Standard is not a product standard, but instead sets requirements for land managers to practice forestry in a responsible way. The SASB standard includes metrics such as the area of forestland that is third party certified, area of forestland with protected conservation status, area of forestland in or near endangered species habitat, ecosystem services provided by forestlands, indigenous peoples' rights, worker health & safety and managing forest land for climate change. All of these metrics are covered by forest certification standards.

The SFI 2015-2019 Forest Management Standard promotes sustainable forestry practices based on 13 Principles, 15 Objectives, 37 Performance Measures and 101 Indicators. These requirements include measures to protect water quality, biodiversity, wildlife habitat, species at risk, special sites and Forests with Exceptional Conservation Value. The SFI 2015-2019 Forest Management Standard also has indicators on community involvement and social responsibility specific to indigenous peoples'. The SFI 2015-2019 Forest Management Standard is used by privately held organizations, publically held organizations, conservation organizations, indigenous and tribal land managers, as well as governments.

It's also important to note that forest certification is built on 20 years' worth of continual improvement, with requirements during the standard development process that follow such protocol like ISO's Guide 59 Code of Good Practice for Standardization. This is important because the development of these standards take place in an open and transparent forum.

SFI Standards are revised and updated every five years to incorporate the latest scientific information and to respond to emerging issues. As part of the development for the latest *SFI 2015-2019 Standard and Rules*, comments were received during two 60-day public comment periods, and input was received from 12 public workshops across the United States and Canada. About 10,000 stakeholders were invited to submit comments. Comments came from stakeholders that included public and private landowners, forest sector representatives, indigenous communities, conservation groups, industry, academia, brandowners and government officials.

Independent oversight was provided at each stage of the revision process by an External Review Panel, a distinguished group of independent experts representing conservation, professional, academic and public organizations, operating at arm's length from SFI. The External Review Panel reviewed every public comment submitted to ensure that all comments were considered, and to guarantee the Standard revision process was transparent, objective and credible. The responses to all comments are posted on the SFI website.

2. Specific Comments on the Metrics

- Overall comment - Rename the "Forestry and Logging" Standard to the "Forest Management Practices" Standard. This is a better reflection of the requirements outlined in the Standard.
- Activity Metric "Percentage of forestland are that is (a) plantation forest and (b) natural forest" - It's not clear how disclosing "natural" vs. "plantation" forest is relevant to any of the proposed "Sustainability Topics." If the counter-argument is that plantation forests have some different (presumably lesser) benefit to either ecosystem services or climate adaptability, then where is the proof of that differential?
- Overall comment on accounting metrics - Revise the Standard with two accounting metrics.
 1. Area of forestland that is third-party certified to a forest management standard, percentage certified to each standard.
 2. Area of forestland that is not certified to a third-party forest management standard.

Relying on existing forest certification standards, which has 20 years' worth of development processes and continual improvement behind the systems, should be the first accounting metric. Indicators .01 through .06 should fall under this accounting metric. If the organization does not have lands third-party certified to a forest management standard, then they should demonstrate conformance to the accounting metrics for forestland that is not certified to a third-party forest management standard

- .01 – alphabetize the certification standards in order.
- .03 - allow a company to report if they have lands certified to multiple standards. SASB shouldn't discourage an organization from reporting their commitment to both standards, and instead should reward those organizations that have put time and resources to certify their operations to multiple Standards.
- .07 – .43 SFI recommends revising all the other indicators to apply only if the landowner is not certified to a third-party forest management standard.
- .07 - Revise the following accounting metrics as follows:

RR0201-02 - Area of forestland that is not certified to a third-party forest management standard.

New .07 - The registrant shall disclose its forestland area, in acres, that is not certified to a third party forest management standard.

- Third-party forest management certifications include those promulgated by the following organizations:
 - American Tree Farm System (ATFS)
 - Forest Stewardship Council (FSC)
 - Programme for the Endorsement of Forest Certification (PEFC)
 - Sustainable Forestry Initiative (SFI)

New .08 - The registrant shall provide a brief description of its environmental management plan(s) implemented on the non-certified forestland. The indicators shall cover the following environmental, social and economic issues:

- Forest Productivity and Health – reforestation after harvests, soil productivity, management for wildfire, pests, disease, invasive exotics or other damaging agents.
 - Protection of water resources – forestry best management practices to protect water quality.
 - Protection of biodiversity – manage forests to protect and promote biodiversity, including animal and plant species, wildlife habitats and ecological or natural community types.
 - Aesthetics and recreation – manage the visual impacts of forest operations and provide for recreational opportunities.
 - Protection of special sites – manage lands that are ecologically, geologically or culturally important.
 - Legal compliance – comply with all applicable forestry and related environmental laws, statutes and regulations.
 - Community involvement and social responsibility – encourage community involvement, promote socially responsible practices and recognize and respect indigenous peoples' rights and traditional forest related knowledge.
- .10 & .11 – SFI is unfamiliar with who the International Finance Corporation (IFC) is and why they are the experts SASB relied on for protected status and critical habitat metrics. There are many experts that are more credible in the U.S. such as NatureServe and State Natural Resource Agencies, and agencies associated with the Natural Heritage, or natural inventory system. SFI recommends deleting .10 and .11 since the new proposed accounting metric (.08), "area of forestland that is not certified to a third-party forest management standard" will cover biodiversity issues. Furthermore, these additional requirements should only apply to non-certified forest area since forest certification standards (.01) address biodiversity issues in their respective standards.
 - .13 – Since forest certification standards addresses protected conservation areas, and forest certification is a requirement under .01, this requirement should only apply to non-certified forest area. SFI also advises SASB not to rely on international programs such as UNESCO and Natura as indicators for protected conservation areas specific to non-certified forestland. SASB should rely on the U.S. law for protected conservation areas and not programs that do not apply to U.S. based forest landowners. SFI recommends deleting .13 and replace with the new proposed accounting metric suggested above (.08), "area of forestland that is not certified to a third-party forest management standard."
 - .16 – the indicator related to the IUCN Red List of Threatened Species should be removed. IUCN lists Longleaf Pine on the Red List of Threatened Species, despite the fact that the southern United States hosts nearly 5 million acres of longleaf pine dominated forestlands, and tens of millions of additional acres where longleaf is present. Forest Inventory Analysis (FIA) data indicate that there are likely to be hundreds of millions of longleaf individual trees, including some 90 million mature or growing stock individuals, and perhaps 800 million seedlings. The inclusion of longleaf pine on the redlist has created an unintended consequence of dampening potential markets for longleaf pine in Europe, and therefore discouraging the management and growth of Longleaf Pine.

Diminishing the economic incentive for longleaf restoration is just one example of an unintended consequence presented by the IUCN list. SASB should rely on U.S. law when it comes to both the identification and protection of endangered species habitat. SFI recommends deleting .16 since the new proposed accounting metric (.08), "area of forestland that is not certified to a third-party forest management standard" will cover compliance with all applicable forestry and related environmental laws, Furthermore, these additional requirements should only apply to non-certified forest area since forest certification standards (.01) protect threatened and endangered species in their respective standards.

- .21 – the indicators related to ecosystem services are covered under the new proposed accounting metric (.08) "area of forestland that is not certified to a third-party forest management standard." There is an indicator specific for community involvement, recreation and social responsibility that encompass ecosystem services. Furthermore, these additional requirements should only apply to non-certified forest area since forest certification standards (.01) address ecosystem services in their respective standards.
- .26 & .27 – Since forest certification addresses Indigenous Peoples' rights, and forest certification is a requirement under .01, this requirement should only apply to non-certified forest area. The proposed new accounting metric (.08) "area of forestland that is not certified to a third-party forest management standard" addresses Indigenous Peoples' rights under the indicator specific for community involvement and social responsibility that recognizes and respects indigenous peoples' rights and traditional forest related knowledge. SASB should rely on existing laws, as well as the United Nations Declaration for the Rights of Indigenous Peoples (UNDRIP). The Declaration says that consideration should be given for Indigenous Peoples' rights to maintain and strengthen their distinct spiritual relationship with their traditionally owned or otherwise used lands and territories.
- .29 - .31 – the indicators related to social issues are covered under the new proposed accounting metric (.08) "area of forestland that is not certified to a third-party forest management standard." There is an indicator specific for social responsibility as well as legal compliance with all applicable forestry and related environmental laws, statutes and regulations. SASB should also reference the ILO Declaration on Fundamental Principles and Rights at Work, 1998 and not the ILO Core Conventions since the Core Conventions have not been ratified by the U.S. Government. Furthermore, these additional requirements should only apply to non-certified forest area since forest certification standards (.01) address social issues in their respective standards.

Thank you for consideration of our comments. I can be reached with any questions or concerns by email at

[REDACTED] or [REDACTED].

Sincerely,

[REDACTED]
Jason Metnick
Senior Vice President, Customer Affairs

Weyerhaeuser • PO Box 9777 • Federal Way, WA 98003

October 5, 2015

Sustainable Accounting Standards Board
75 Broadway, Suite 202
San Francisco, CA 94111

Sustainable Accounting Standards Board,

Subject: Public Comments on Exposure Draft Standards for Renewables – #RR201 Forestry and Logging

Thank you for the opportunity to submit comments on the exposure draft standards for the Renewable Resources and Alternative Energy Sector – “Forest and Logging Sustainability Accounting Standard.” As one of the largest timberland operators in the world and a publicly owned company, we have been meeting SEC requirements for more than 50 years and reporting material of the type that SASB proposes.

We support SASB’s stated goal of creating metrics that meet “objectivity”, “measurability”, “completeness”, and “relevance” criteria. However, in reviewing the Exposure Draft Forestry and Logging Standards, we find many instances where the proposed metrics do not meet SASB’s own stated criteria. Our summary recommendations include:

- **Revise the metrics and draw from existing forest management and finance standards developed through previous consultative processes**
 - For disclosure topic Ecosystem Services & Impacts – SASB should rely on existing forest certification systems, already referenced in the SASB standards, which have developed comprehensive measures to protect water quality, biodiversity, species at risk, special sites and forests with high conservation value. Another resource that could contribute to the revision and standardization process is the PwC-WBCSD Forest Finance Toolkit.
 - For disclosure topic Climate Change Adaptation of Forestlands – SASB should first rely on the SEC’s existing requirements to report on climate change impacts, and second on existing reporting standards that comprehensively address climate change. These include the Global Reporting Initiative (GRI) and the CDP.
- **Consolidate and create stand alone disclosure topics**
 - The Community Relations & Indigenous Rights and Workforce Health & Safety disclosure topics are cross-sectoral and should stand alone, so that one standard (per disclosure topic) applies to all industries. There is no material need to have forestry-specific standards for these disclosure topics.

Detailed comments are enclosed. We would be pleased to work directly with SASB in continuing to refine and develop metrics for this sector. I can be reached by email at [REDACTED] or on the phone at [REDACTED].

Regards,

[REDACTED]
Alicia Robbins
Resource Economist

Enclosure: Comments

Sector Title: Forestry and Logging

As an initial matter, we find that the title of the sector does not reflect the intended target participants. We recommend changing the name of the sector from “Forestry and Logging” to “Timberland Operations.” The term “logging” does not belong in the industry title, as logging is a derived activity, secondary to the management of timberland and sale of related products. The core of the standards focuses on timberland management, not logging operations.

Activity Metrics

RR0201-B: Percentage of forestland area that is (a) plantation forest and (b) natural forest

Comment: Categorization of forest management types is complex and requires more objective definitions. Moreover, distinguishing between forest management types is not demonstrated as material in the current standards.

Disclosure Topic: Ecosystem Services & Impacts (RR0201-01 - RR0201-04)

Comment: These metrics do not meet the “objectivity”, “measurability”, “completeness”, and “relevance” criteria. We recommend that SASB reorganize the metrics under this topic to follow those of existing forest certification systems, already referenced in the SASB standards, which have developed comprehensive measures to protect water quality, biodiversity, species at risk, special sites and forests with high conservation value.

Description: “Timber extraction currently has a well-established market, but it has the potential to degrade ecosystems or endanger species in the absence of action to mitigate such impacts.”

Comment: Should be changed to “Timber extraction currently has a well-established market” Extraction is a term used for non-renewable resources. Harvesting is used for renewable resources.

Comment: Overall, this description does not meet the “objectivity” criteria. Its negative approach implies that timberland owners do not currently manage their forests to sustainability standards. In fact, companies with operations in North America have many reasons to – and do – sustainably manage their forests, including one that is not really addressed here: financial. Without sustainable forest management, companies will not be financially sustainable.

RR0201-01.04 The registrant shall disclose separately the percentage of acres that is certified to each relevant forest management standard (e.g., FSC, SFI, PEFC, and ATFS) and the relevant certifications (e.g., FSC Forest Management Certification, SFI Forest Management Standard, PEFC Sustainable Forest Management certification, ATFS Individual Third-Party certification).

Comment: What purpose does differentiating “separately the percentage of acres that is certified to each relevant forest management standard” serve? Distinguishing between certification standards is not material.

RR0201-01.10 Where applicable and relevant, the registrant shall describe specific policies and practices that apply to areas with protected conservation status and/or areas of critical habitat, which are defined by the International Finance Corporation (IFC).

Comment: Rather than relying first on international standards, we suggest creating a hierarchy of standards, whereby definitions provided by relevant U.S. laws are listed first, followed by definitions by international organizations (including certification systems). This will better ensure both relevancy and completeness in the metric.

RR0201-01.11 The registrant shall disclose the degree to which its policies and practices are aligned with the International Finance Corporation's (IFC) Performance Standards on Environmental and Social Sustainability, January 1, 2012.

Comment: Rather than relying first on international standards, we suggest creating a hierarchy of standards, whereby definitions provided by relevant U.S. laws are listed first, followed by definitions by international organizations (including certification systems). This will better ensure both relevancy and completeness in the metric.

RR0201-02.13 An area is considered to be of protected conservation status if it is located within:

- *National parks*
- *International Union for Conservation of Nature (IUCN) Protected Areas (categories I-VI)*
- *Ramsar Wetlands of International Importance*
- *UNESCO World Heritage sites*
- *Biosphere Reserves recognized within the framework of UNESCO's Man and the Biosphere (MAB) Programme*
- *Natura 2000 sites*
- *Other areas where discharges are restricted or subject to local agreements*
- *Sites that meet the IUCN's definition of a protected area: "A protected area is a clearly defined geographical space, recognized, dedicated, and managed, through legal or other effective means, to achieve the long-term conservation of nature with associated ecosystem services and cultural values"*
 - *These sites may be listed in the World Database of Protected Areas (WDPA) and mapped on ProtectedPlanet.net*

Comment: The "definition" of conservation here does not meet the relevancy, completeness or materiality criteria. The definition of conservation should first reference relevant U.S. laws (see comments on .10 and .11) before referring to a group of international definitions with unclear relevance to U.S. operations. Additionally, certification systems already address biodiversity issues.

Comment: What is the purpose of including "Other areas where discharges are restricted or subject to local agreements"? An area where discharges are restricted or subject to local agreements does not necessarily mean that the area has conservation status. This does not meet the relevancy or materiality criteria.

RR0201-02.15 The scope includes protected lands that are set aside for conservation and not actively logged as well as protected lands that are actively logged by the registrant.

Comment: There appears to be some confusion between "protection" and "conservation." SASB should distinguish between permanently protected, and lands that may be temporarily set aside.

RR0201-03.16 Forestlands are considered to be in endangered species habitat if they are in or near:

- *Areas where IUCN Red List of Threatened Species that are classified as Critically Endangered (CR) or Endangered (EN) are extant;*
- *A species is considered extant in an area if it is a resident, present during breeding or non-breeding season, or if it makes use of the area for passage.*
- *Critical habitat areas of species listed on the U.S. Endangered Species Act are threatened or endangered;*
- *Critical habitat areas of species listed on the Canada Species at Risk Act;*
- *Critical habitat areas of species that meet any other relevant endangered species lists.*

Comment: See comments on .10 and .11 on creating hierarchy. Any definition of threatened and endangered species should be tied directly to legal requirements. Otherwise it will not meet the completeness, relevancy and materiality criteria. Additionally, certification systems already address threatened and endangered species habitat.

Comment: It is unclear what is intended by “other relevant endangered species lists.” How is the registrant to determine what constitutes a “relevant” list? Also, see comments above on tying directly to legal requirements.

RR0201-03.17 For the purposes of this disclosure, “near” is defined as within five kilometers (km) of the boundary of an area of endangered species habitat.

Comment: “Near” should be stricken. Critical habitat is already defined broadly. Adding a five kilometer buffer is not in itself material.

RR0201-04.21 The registrant shall discuss its approach to managing the risks and opportunities created by the ecosystem services that its forestlands provide, where:

- *Ecosystem services are defined by the United Nations Environment Program as the benefits obtained from ecosystems, which include provisioning services such as food and water; regulating services such as flood and disease control; cultural services such as spiritual, recreational, and cultural benefits; and supporting services, such as nutrient cycling, that maintain the conditions for life on Earth. Ecosystem services provided by forestlands can include monetary benefits derived from the actual use of a good or service as well as passive/non-use values, including:*
- *Watershed services (such as water quantity and quality)*
- *Soil stabilization and erosion control*
- *Air quality*
- *Climate regulation*
- *Carbon sequestration*
- *Biodiversity*
- *Recreation and tourism (such as fishing, hunting, and hiking)*
- *Non-timber commercial forest products*
- *Cultural values (including aesthetic value, passive use, and cultural heritage)*

Comment: Timber is a “provisioning” ecosystem service, similar to food and water. You should include it in the full definition, otherwise this metric does not fulfill the completeness criterion. In addition, some of the ecosystem services included in the list are either too costly to measure to satisfy both measurability and completeness, or are not material.

RR0201-04.22 The discussion shall include:

- *The type(s) of ecosystem service(s) it currently benefits from, and how the registrant’s operations optimize the benefits received.*
- *How the registrant manages risks associated with ecosystem services in its forestlands, where management actions can include decisions about harvesting, management of conservation areas or areas of high biodiversity, or conserving forested watershed.*
 - *Risks from ineffective ecosystem services management can include decreased forest productivity and timber yields, reputational concerns (e.g., those from local communities, non-governmental organizations, and regulatory agencies), permitting or harvesting restrictions, inability to capture revenues from timber and non-timber forest products, and loss of forestry management certifications.*
 - *Opportunities from effective ecosystem services management can include higher land value, increased productivity and timber yield, direct payments for timber and non-timber forest products, and improved relationships with stakeholders.*
- *The methods or models used to develop scenarios for ecosystem services, including the use of global models or scientific research provided by governmental and non-governmental organizations.*

Comment: Unless timber is included as an ecosystem service, the discussion on “optimizing” benefits would be misrepresentative and not meet the completeness criterion.

Comment: It is not evident that providing the names of the methods or models used to develop scenarios for ecosystem services would be material or create comparable metrics.

RR0201-04.25 If revenue or other payments are currently not being received or valued by the registrant, the registrant should disclose the specific areas within its forestlands that have the most potential to capture current or future revenue from ecosystem goods or services, including the projected potential revenues (in U.S. dollars) or value and when the registrant expects to realize these revenues.

Comment: Such information may be proprietary or purely conjectural. Asking for “projected potential revenues (in U.S. dollars) or value” without specifying an accounting system would lead to estimates that would not be comparable. Requiring the disclosure of such information could be misleading or create risk.

Disclosure Topic: Community Relations & Rights of Indigenous Peoples (RR0201-05 - RR0201-06)

General comment: This disclosure topic is cross-sectoral and should stand alone, so that one standard applies to all industries. There is no material need to have forestry-specific standards for this disclosure topic.

Description: “[...]Concerns over indigenous peoples’ rights arise in both developed countries such as Canada and emerging markets such as Brazil—both key forestry regions.”

Comment: Should be rephrased to “Concerns over indigenous peoples’ rights arise in both developed countries such as Canada and emerging markets such as Brazil—both key timber producing regions.”

Comment: This entire disclosure topic is not unique this sector. We recommend that SASB remove disclosure topics with consistent crossover between sectors and allow them to stand alone. This will create consistency across standards, which in turn will enable them to be more complete and comparable.

Disclosure Topic: Workforce Health & Safety (RR0201-07)

General comment: This disclosure topic is cross-sectoral and should stand alone, so that one standard applies to all industries. There is no material need to have forestry-specific standards for this disclosure topic.

Description: “Forestry and logging workers are exposed to physical risks such as the use of cutting tools, falling timber, heavy machinery and moving parts, excessive noise, working at heights, unstable and rough terrain, and exposure to the elements.”

Comment: Should be rephrased to “Forestry and logging workers are exposed to risks such as the use of harvesting tools and heavy equipment, falling trees, unstable and rough terrain, and inclement weather.”

Description: “These acute safety risks can lead to fatalities or serious injuries; the industry has one of the highest fatality rates among all U.S. industries.”

Comment: This statement is misleading. *Logging* has one of the highest fatality rates among all U.S. industries – not timberland operations per se.

Comment: This entire disclosure topic is not unique this sector. We recommend that SASB remove disclosure topics with consistent crossover between sectors and allow them to stand alone. This will create consistency across standards, which in turn will enable them to be more complete and comparable.

Disclosure Topic: Climate Change and Adaptation of Forestlands (RR0201-08)

Comment: The SEC already has existing requirements for reporting on impacts of climate change (see <http://web.law.columbia.edu/climate-change/resources/climate-change-securities-disclosures-resource-center>). If SASB finds a material reason to require further disclosure, it should draw from existing reporting standards that comprehensively address climate change. These include the Global Reporting Initiative (GRI) and the CDP.

Description: "Global climate change creates a known long-term business uncertainty for forestry and logging companies"

Comment: Should be rephrased as "Global climate change may create long-term business uncertainties for some timberland owners."

Comment: This section is predicated on the idea that location specific climate change science can provide precise information for specific locations and specific time periods. Unfortunately, existing climate change science does not provide such discrete results. A discussion of the physical risks of climate change and potential benefits is reasonable and would not be costly, but there is little ability at this time to predict specific impacts of climate change on forestlands and expected impacts to growth and yield, and in turn, revenues. Therefore, it does not meet the measurability criteria.

RR0201-08.39 The registrant shall provide:

- *A breakdown, by acreage, of the geographic location of the registrant's forestlands, identification of the potential climate change risks or opportunities that may manifest within each of these regions, and the percentage of the registrant's forestlands that could be affected by these risks or opportunities.*
- *A breakdown, by volume, of the types of tree species harvested for timber in the registrant's forestlands, identification of the potential risks or opportunities presented by climate change that may manifest among these different species, and the percentage of the registrant's timber yield that could be affected by these risks or opportunities.*
 - *Where relevant, the registrant shall discuss how risks and opportunities may vary between the registrant's plantation forestlands and its natural forestlands.*

Comment: Identification of the "potential" climate change risks to **specific** acreages in specific regions, based on best available science, would not meet the measurability criteria as specified by SASB. There are no existing models or methods that can possibly provide such detailed and accurate information. Any attempts to present such information will neither be comparable nor auditable.

RR0201-08.41 The timeline over which such risks and opportunities are expected to manifest.

Comment: Climate change is a non-linear process. Providing a timeline of risks and opportunities would not meet the measurability criterion. There are no existing models or methods that can provide such detailed and accurate information. Any attempts to present such information will neither be comparable nor auditable.



**American
Forest & Paper
Association**

October 19, 2015

Sustainability Accounting Standards Board
1045 Sansome Street
Suite 450
San Francisco, CA 94111

RE: AF&PA Comments on Renewable Resources and Alternative Energy Sector/Pulp and Paper Products Exposure Draft for Public Comment

To Whom It May Concern:

Enclosed you will find comments from the American Forest & Paper Association (AF&PA) on the Sustainability Accounting Standards Board (SASB) Renewable Resources and Alternative Energy Sector/Pulp and Paper Products Exposure Draft for Public Comment (the "Standard"). Our comments below have been informed by our review of the Containers & Packaging and Household and Personal Care Products provisional standards, the Record of Public Comment documents issued for Resource Transformation and Consumption I Sector Standards, which include Containers and Packaging and Household and Personal Care Products (the "RPC Documents"), and the Standards Outcome Report for the Renewable Resources & Alternative Energy Sector. We appreciate SASB providing additional time for us to consider your response to our question about the voluntary nature of the standards and materiality (email from Jerry Schwartz to SASB dated October 5, 2015) and to provide these comments.

The American Forest & Paper Association (AF&PA) serves to advance a sustainable U.S. pulp, paper, packaging, and wood products manufacturing industry through fact-based public policy and marketplace advocacy. AF&PA member companies make products essential for everyday life from renewable and recyclable resources and are committed to continuous improvement through the industry's sustainability initiative - *Better Practices, Better Planet 2020*. The forest products industry accounts for approximately 4 percent of the total U.S. manufacturing GDP, manufactures approximately \$210 billion in products annually, and employs nearly 900,000 men and women. The industry meets a payroll of approximately \$50 billion annually and is among the top 10 manufacturing sector employers in 47 states.

AF&PA's sustainability initiative - *Better Practices, Better Planet 2020* - is the latest example of our members' proactive commitment to the long-term success of our industry, our communities and our environment. We have long been responsible stewards of our planet's resources. Our member companies have collectively made

significant progress in each of the following goals, which comprise one of the most extensive quantifiable sets of sustainability goals for a U.S. manufacturing industry: increasing paper recovery for recycling; improving energy efficiency; reducing greenhouse gas emissions; promoting sustainable forestry practices; improving workplace safety; and reducing water use.

GENERAL COMMENTS

AF&PA Perspective on SASB Standards

AF&PA's comments should not be construed as endorsing any of the SASB standards, including the Pulp and Paper Products Standard. We also caution SASB that our comments below on the specific proposed metrics do not represent a consensus position of all AF&PA members.

Voluntary Standards and Materiality, Topics, and Metrics

SASB's October 7th response to AF&PA's inquiry on these issues was helpful in that it acknowledged that "using the term 'materiality' to describe information in a voluntary sustainability report may create unnecessary risks that an attorney should review and approve." This warning, combined with SASB's confirmation, in the same letter, that the standards it is proposing are specifically intended to be voluntary and assist companies with identifying and disclosing material information provides an important and appreciated caution to our member companies. We also note SASB's commitment that the standards it is developing not become mandatory, especially since SASB regularly meets with the Securities and Exchange Commission (SEC), and it had been reported that SASB's ultimate objective is to have the SEC mandate the use of its standards.

The Supreme Court's definition of "materiality" makes clear that it is up to each company to decide for itself which sustainability topics are material, and SASB states that it is adhering to that definition. There is a lack of clarity, however, around how the Standard is intended to be used once a company determines that a topic is material. SASB representatives have given the impression that once a company has determined a topic is material, it must use the SASB metrics for that topic. The "Guidance on Accounting of Material Sustainability Topics" in the draft Standard, however, states "SASB recommends that each company consider using these accounting metrics when disclosing its performance with respect to each of the sustainability topics it has identified as material." SASB also recommends that "companies should consider including a narrative description of any material factors necessary to ensure completeness, accuracy, and comparability of the data reported." Similarly, SASB's October 7th response states:

"Even if a company uses SASB standards to help identify and make materiality assessments, it is not bound to use SASB standards to disclose any

sustainability information that it determines to be material. Although the SASB standards can help the company disclose sustainability in a decision-useful, comparable manner to investors, *the company's use of SASB metrics in disclosing material sustainability information is voluntary.*" (emphasis added)

Our members have serious concerns about the comparability and other aspects of the metrics SASB has chosen for the Standard. We believe making it clear, as does the text above, that companies have the flexibility to use those or other metrics, as well as the ability to explain why particular metrics do or do not "ensure completeness, accuracy, and comparability of the data reported" is very important for ensuring stakeholders using the data understand its potential limitations. Therefore, SASB should retain the "consider" language in the final Standard and explain the apparent inconsistency with its public statements.

Duplication With Existing Reporting Requirements

We understand that SASB tried to choose metrics that companies already report (voluntarily or pursuant to government requirement), as a way to minimize reporting burdens and ensure the metric is viable. Choosing these metrics, however, does raise potential concerns for reporting companies. Specifically, inconsistencies are likely to occur between reports using the SASB standard (e.g., SEC reports) and other reports (e.g., a company's own sustainability report), if SASB's metrics and the way in which they are derived and reported are not exactly the same as those used in the other reports. At a minimum, this inconsistency creates confusion among stakeholders; it also creates legal risk for reporting companies. Accordingly, to the extent that a metric is subject to multiple reporting requirements, the Standard should permit the reporting company to choose which requirement it is reporting under and indicate that choice in its reports.

Assurance

SASB indicates in the Pulp and Paper Products Standard that "it is expected that registrants disclose with the same level of rigor, accuracy, and responsibility as they apply to all other information contained in their SEC filings." While AF&PA members have systems in place to ensure high quality data are publicly reported, we do not believe that some of the metrics in the Standard lend themselves to the same level of assurance as is provided in financial reporting. Metrics that are reported to government agencies are not a concern because they typically have their own assurance requirements. The methodologies for reporting other metrics, however, may allow for more flexibility in the calculation of the metric, and thus, there may be greater variation in reported information than one might typically encounter in financial documents. In the Containers & Packaging Provisional Standard, the section on assurance was removed. We would encourage SASB to remove this section from the Pulp and Paper Products

Standard, as well, to provide consistency in the SASB standards. Further, the RPC Documents implicitly acknowledge that sustainability data are not yet of the same quality as financial data, although SASB believes that sustainability data will achieve that level of quality over time. In the meantime, however, companies could face legal risk if they use the SASB standards for reporting and sustainability data are held to the same quality requirements as financial data.

SASB also should make an explicit link between its assurance requirements, and its recognition that estimates may be used, as long as the company explains the basis for the estimate. SASB should revise its statement that “SASB does not discourage the use of such estimates” to make it a more neutral statement acknowledging the reality that estimates will need to be used in reporting sustainability data.

American National Standards Institute (ANSI) Procedures

SASB’s Vision and Mission statement online states that “SASB is also an ANSI accredited standards developer. Accreditation by ANSI signifies that SASB’s procedures to develop standards meet ANSI’s requirements for openness, balance, consensus, and due process.” Finally, SASB’s “Our Process” webpage states that “[a]s an ANSI-accredited standards-setting organization, SASB follows an open, orderly process that permits timely, thorough, and open study of sustainability accounting issues.”

Adherence to ANSI *Essential Requirements* provides stakeholders with assurances that needed procedural safeguards are present. This is especially important, if, as is the case here, there is the potential for a government agency--the Securities and Exchange Commission (SEC)--to mandate the use of a standard (although, as discussed above, we strongly believe the standard should be voluntary). Government standards typically are developed through a notice and comment process and are subject to numerous due process protections for stakeholders, including in many cases, judicial review. Private standards adopted for government use should be developed with the same level of due process protection.

Office of Management and Budget (OMB) Circular A-119 requires, with limited exception, that federal agencies and departments use “voluntary consensus standards,” which are “standards developed or adopted by voluntary consensus standards bodies.”¹ The Circular also established guidelines for federal participation in the development and use of voluntary consensus standards. Specifically, the Circular provides the following attributes for a “voluntary consensus standards body”: (i) openness; (ii) balance of interest; (iii) due process; (iv) an appeals process; and (v) consensus. Section 12(d) of the National Technology Transfer and Advancement Act of 1995 (Public Law 104-113) basically codified the OMB Circular and requires that “all Federal agencies and

¹ Office of Management and Budget, Circular A-119 (Revised), February 10, 1998.

departments shall use technical standards that are developed or adopted by voluntary consensus standards bodies,” unless use of such a standard is “inconsistent with applicable law or otherwise impractical.”

By definition, private standards such as SASB’s do not include the due process protections found in the development of government standards. ANSI *Essential Requirements* closely track the procedural safeguards required by the Circular.² In its RPC Documents, SASB clarified that, even though it is an ANSI-accredited standards setting organization, it does not intend to use ANSI procedures to finalize its standards, and instead will seek comment on the proprietary procedures it intends to use.

We appreciate SASB’s direct acknowledgement that it is not using an ANSI-process, and in the spirit of complete disclosure and transparency, SASB should make clear in its standards and on its website that the standards have not been developed and are not being finalized pursuant to the ANSI procedures. We also look forward to commenting on SASB’s proprietary standards and we urge SASB to propose procedures that incorporate as much of the ANSI *Essential Requirements* as possible.

Private, Non-Consensus Standards

Generally, as required by ANSI, the Standard should avoid references to private tools or standards (e.g., Green-e, World Resources Institute (WRI) Water Risk Atlas tool, Aqueduct). Among other concerns, these tools or standards have not been developed in a consensus-based process that provides the procedural safeguards discussed above.

In addition, SASB’s adoption of a particular private tool or standard has the effect of locking in that standard for the future. Other existing tools or standards may perform similar functions and be more suitable to the Pulp and Paper Products sector, and new, innovative standards may be developed in the future. SASB shouldn’t prejudge the suitability of those standards by locking in one particular standard at this time. At a minimum, SASB should describe what the tool provides or the standard is trying to accomplish, and after identifying the tool or standard, add “or equivalent.”

Usefulness of Metrics as Indicators of Sustainability

As discussed in the “Specific Comments” section below, we do not believe that the disclosure of particular metrics provides useful, comparable, sustainability-related information for stakeholders. But, more importantly, we do not believe that a simple

² The ANSI Essential Requirements for Due Process are: openness, lack of dominance, balance, coordination and harmonization, notification of standards development, consideration of views and objections, consensus vote, appeals, written procedures, compliance with normative ANSI policies and procedures. ANSI Essential Requirements: Due process requirements for American National Standards. January 2014.

comparison of any metrics themselves would provide a complete picture of the sustainability performance of the companies that reported those metrics (or didn't report a particular metric because it is not material). Many companies explain the context for the metrics they include in their sustainability reports. Similarly, SASB should encourage stakeholders to consider the entirety of the information provided by companies that may report based on the Standard, and not to simply compare one company to another based only on the metrics.

Activity Metrics and Normalization

Along with the amount of pulp and paper production, the Standard recommends that companies also provide "total wood fiber purchased," including "all inputs that are processed to be sold as a finished good, including recycled raw materials, virgin raw materials, and goods that will be consumed directly in the production process, excluding biomass for energy use." AF&PA recommends that this metric be removed. First, it does not fit with the other activity metrics, which are measures of output; for normalization purposes, output measurements are appropriate. Second, it is duplicative of Note .54 under the RR0202-10 metric in the Wood & Fiber Sourcing & Recovery Topic.

SPECIFIC COMMENTS

AF&PA has a number of comments on specific metrics included in the Standard as discussed below. We have omitted metrics on which we do not have any comments.

We would again caution SASB that our comments below on the specific proposed metrics do not necessarily represent a consensus position of all AF&PA members. Our members have serious concerns that not all the metrics in the SASB standards can legitimately be considered "material" for every company subject to the standard.

Greenhouse Gas Emissions

Description

The description correctly notes that significant amounts of biomass are used for the industry's energy needs. In fact, on average, about two-thirds of AF&PA members' energy needs are met through the use of biomass. The description should be changed to state that "***the vast majority of such*** biomass is sourced from residuals generated during operations..." to more accurately reflect our energy profile.

Greenhouse Gas Emissions (RR0202-01) *Gross global Scope 1 emissions*

Global Warming Potential Factors (.01): The Standard references the global warming potential factors from the IPCC's Fifth Assessment Report (2013). However, companies

should be allowed the flexibility to choose the set of global warming potentials they base their emission estimates on and disclose this as part of their calculation methodologies.

Mobile Sources (.02): The Standard requires the inclusion of mobile source emissions as part of scope 1 emissions reporting, and provides examples of “marine, road, or rail”. Typically, our members may quantify emissions from the operation of mobile sources at our facilities, including through the use of emission factors applied to total fuel consumption, but they do not quantify emissions from mobile sources that transport our products, for example marine vessels. Those latter emissions would be considered Scope 3 emissions for our members and considered scope 1 emissions for the transportation entity. The Standard should be revised to better make this distinction, and only require the former category in Scope 1 reporting. Further, the referenced protocols (e.g., CDP) provide some flexibility and allow companies not to report company-owned mobile emission sources in some circumstances (e.g., data are not available) with appropriate disclosure; the Standard should include the same flexibility.

Greenhouse Gas Emissions (RR0202-02) *Biogenic carbon dioxide emissions*

We appreciate that SASB has recognized that biomass is considered “carbon neutral” under current regulatory regimes and the Standard seeks to elicit information on the role of biomass energy in the context of the “overall carbon cycle.” SASB is correct that there is a discussion underway as to the degree to which those emissions are considered “carbon neutral,” and EPA is undertaking an effort to assess biogenic CO₂ emissions through development of its EPA draft Framework for Assessing Biogenic CO₂ Emissions from Stationary Sources (Framework). As stated earlier, the vast majority of AF&PA members’ biomass energy is sourced from residuals generated during operations. In the discussions among stakeholders about the carbon neutrality issue, there is a high degree of agreement around the carbon reduction benefits of using residuals for energy. Indeed, the revised draft EPA Framework has suggested that spent pulping liquors, the dominant type of biomass residuals used for energy by AF&PA members, may even be better than “carbon neutral.” In its recent final Clean Power Plan regulating GHG emissions from power plants, EPA found that the use of certain forest-derived industrial byproducts are “likely to have minimal or no net atmospheric contributions of biogenic CO₂ emissions, or even reduce such impacts, when compared with the alternative fate of disposal.”³ Even the scientists that began the carbon neutrality debate have recognized the carbon reduction benefits of using biomass energy from residuals.⁴

³ EPA, Final Carbon Pollution Emission Guidelines for Existing Stationary Sources: Electric Utility Generating Units (Aug. 3, 2015), at 1161-62, available at <http://www2.epa.gov/cleanpowerplan/clean-power-plan-existing-power-plants>. EPA has stated that the biogenic CO₂ emissions from the use of some types of biomass feedstocks such as residuals “will not inevitably result in increased levels of CO₂ to the atmosphere, unlike CO₂ emissions from combustion of fossil fuel. *Id.* at 1161. See for example, Dr. Timothy Searchinger and Ralph Heimlich “Avoiding Bioenergy Competition for Food Crops and Land.” World Resources Institute (2015) (listing “black liquor from paper making” as “advisable” sources of biomass

Nonetheless, despite the widespread support for the carbon benefits of using biomass residuals for energy, the Standard should not require companies to report and discuss their biogenic CO₂ emissions as is required by this metric. As SASB noted there are ongoing discussions in numerous venues about the “carbon neutrality” of biomass energy. In light of these discussions, this metric should be removed in its entirety and companies would report their emissions using the protocols referenced in metric RR0202-01, which require that biogenic CO₂ emissions be reported separately from fossil fuel GHG emissions.

We strongly recommend that SASB not use or reference the EPA Framework for several reasons. First, the Framework is not yet complete and EPA may not issue a final Framework for some time; therefore, methods for calculating the biogenic accounting factor (BAF) may change in the final version of the Framework. Second, there is significant stakeholder concern that the draft Framework is overly complex, relies on complicated and uncertain modeling, and may not be workable in practice. Finally, EPA has made clear that it is not committed to using the Framework in any particular policy setting.

Greenhouse Gas Emissions (RR0202-03) *Description of long-term and short-term strategy or plan to manage Scope 1 emissions, including emission-reduction targets and an analysis of performance against those targets*

1. General Comments: While the metric that SASB is proposing is qualitative, it is very prescriptive in the requirements for what registrants shall report. AF&PA recommends dropping the word “shall” from the notes under the metric and maintaining the notes as examples of types of qualitative disclosure a company may consider.

Air Quality

Air Quality (RR0202-04) *Air emissions for the following pollutants: NO_x (excluding N₂O), Sox, volatile organic compounds (VOCs), particulate matter (PM), and hazardous air pollutants (HAPs)*

1. Value of Metric: Generally we do not see the value of this air metric, as it does not provide stakeholders with useful information on which to compare the environmental

energy use) (p. 22 and Table 3, p. 24); Dr. Timothy Searchinger, Dr. Steven Hamburg, et al., “Fixing a Critical Climate Accounting Error,” *Science* (Oct. 22, 2009) (“Instead of an assumption that all biomass offsets energy emissions, biomass should receive credit to the extent its use results . . . from the use of residues or biowastes.”). Note that Steve Hamburg is the Chief Scientist of the Environmental Defense Fund.

⁵ World Business Council for Sustainable Development. “Facts & Trends: Fresh & Recovered Fiber Complementarity”
<http://www.wbcasd.org/Pages/EDocument/EDocumentDetails.aspx?ID=16502&NoSearchContextKey=true>

performance of reporting companies. Many permit limits for these pollutants will depend on the location of the facility and whether it is in an attainment or non-attainment area, making them not comparable. Further, air emissions are a lagging indicator and since reporting companies are already highly regulated, there is little relevance to an investor having this information, so long as a company is in compliance. Accordingly, SASB should remove these metrics from the Standard.

2. NO_x, SO_x, VOCs, (PM), and HAPs: AF&PA appreciates that SASB is working through some of the technical issues associated with these metrics. Please see the NCASI comments regarding additional technical points to consider.

3. Mobile Source Emissions (.18): Air emissions from mobile sources should be removed from the definition in Note (.18) as air emissions from mobile sources are not routinely measured and reported. In addition, the magnitude of emissions from mobile sources is negligible relative to air emissions from the industry's stationary combustion sources due to the high degree of outsourced transport by the industry.

Air Quality (RR0202-05) *Number of incidents of non-compliance with air quality permits, standards, and regulations*

1. Value of Metric: We recommend SASB remove this metric from its standard due to it being duplicative of current SEC reporting requirements. According to Regulation S-K Item 103 already requires the disclosure of administrative or judicial proceedings arising from environmental laws if deemed to materially impact a company's operations. (See 17CFR § 229.103). SASB's reporting guidance states at note .25, "An incidence of noncompliance shall be disclosed regardless of whether it resulted in an enforcement action (e.g. fine, warning letter, etc.)". This disclosure guidance directly contradicts guidance from the SEC in reporting legal proceedings under Item 103 which states that companies shall disclose when:

[A]n administrative or judicial proceeding...arising under any Federal, State or local provisions that have been enacted or adopted regulating the discharge of materials into the environment or primary for the purpose of protecting the environment shall not be deemed "ordinary routine litigation incidental to the business" and shall be described if: A. Such proceeding is material to the business or financial condition of the registrant; B. Such proceeding involves primarily a claim for damages, or involves potential monetary sanctions, capital expenditures, deferred charges or charges to income and the amount involved, exclusive of interest and costs, *exceeds 10 percent* of the current assets of the registrant and its subsidiaries on a consolidated basis; or C. A governmental authority is a party to such proceeding and such proceeding involves potential monetary sanctions, unless the *registrant reasonably believes that such proceeding will result in no monetary sanctions, or in monetary sanctions, exclusive of interest*

and costs, of less than \$100,000; provided, however, that such proceedings which are similar in nature may be grouped and described generically. (emphasis added) (17CFR § 229.103)

Energy Management

Energy Management (RR0202-06) *Total energy consumed, percentage grid electricity, percentage from renewable*

General: As recognized in the description for this topic, the pulp and paper manufacturing industry is energy intensive and “energy can account for a significant share of operating costs.” AF&PA members are very focused on reducing those costs and the better metric of financial exposure is one centered on purchased energy—not total energy. That is one of the reasons why AF&PA’s *Better Practices, Better Planet 2020* energy efficiency goal is based on *purchased* energy, not *total* energy. In making this choice, we were consistent with the EPA Energy Star program and the U.S. Department of Energy predecessor program to its current Better Buildings, Better Plants program. SASB should be consistent with these programs as well, to provide the most investment-relevant information for investors. A SASB metric of purchased energy would be consistent with how government agencies and companies within this industry already report energy usage.

The description also discusses fossil fuels and states that a company’s “ability to access alternative energy sources is likely to significantly impact its financial performance.” Financial performance is just one of the reasons investors are interested in accessing information on the degree to which a company’s fuel mix is fossil fuel-based or based on renewable or alternative energy; environmental issues are relevant as well.

Therefore, AF&PA recommends that, RR0202-06 be broken into two separate metrics: “Total Purchased Energy Consumed” and “Percentage of Total Energy Consumed That is Renewable.” The “percentage of grid electricity” metric should be removed because it does not provide relevant information for investors, as the more critical issue is the amount of exposure to energy costs through purchase of all energy, not just electricity. Under this approach, note .27 would apply only to purchased energy, and note .29 would be removed.

Net Generation (.27) We appreciate the recognition of self-generated energy in the RPC Document for Resource Transformation, but we still maintain that purchased energy should be on a net basis, and that should be made explicit in the Standard. This would be consistent with most reporting protocols.

Renewable Energy (.31) We suggest removing the reference to the Green-e standard as a requirement for an energy source to qualify as “renewable.” Similarly, for the same reasons, the Low Impact Hydropower Institute standard should not be

referenced—Federal Energy Regulatory Commission (FERC) licensing should be sufficient. Many companies already report (voluntarily or as required by governments) their renewable energy usage and do not use those standards in reporting. This could lead to confusion among stakeholders as to the discrepancies between the reports. As a drafting suggestion, we recommend that SASB change “and” to “or” in the second bullet point under note .32 which lists the certifications in order to make clear that there are three independent options for biomass renewable energy and that biomass materials are not required to meet all of the three options to qualify as renewable.

SASB should also be aware that a company’s energy mix could be considered confidential business information. Given the volatility and current changes of energy markets, businesses may consider detailed disclosure of their energy management practices to be proprietary information.

Water Management

Water Management (RR0202-07) *(1) Total water withdrawn and (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress*

1. Total Water Withdrawn (.35): AF&PA members are working to reduce water use in their mills by 12 percent -- an AF&PA *Better Practices, Better Planet 2020* sustainability goal -- and have achieved a 6% reduction in 2012 from the 2005 baseline. This demonstrates significant progress in reducing the water footprint of member mills. In addition, while the pulp and paper industry withdraws a significant amount of water for its manufacturing operations, it returns about 90% of the water withdrawn. The remainder is returned to the atmosphere or is in our products and byproducts. Thus, the industry’s consumptive use of water is very low, which may be of more importance especially in water stressed areas, where removals of water from the watershed (i.e., water consumption), rather than merely water use, are of most concern. However, as discussed below, not all facilities have the ability to accurately measure the amount of water withdrawn--and it is even more challenging to measure consumptive use.

The industry’s water profile and the measurement challenges discussed in the NCASI comments previously filed illustrate some of the complications in choosing a water metric for sustainability reporting. This complexity becomes even more apparent when one considers that companies will be aggregating their individual mill water data and reporting on a global basis, while water sustainability issues clearly are very site-specific.

Accordingly, we recommend that the Standard allow companies to choose appropriate water metrics for disclosure and require discussion of why the metric was chosen and other relevant information needed to explain the water sustainability performance of the company. This is another case where simply comparing metrics does not result in

increasing an investor's understanding of the performance of different companies, and where the Standard should encourage Standard users to consider all of the information on an issue provided by a company, as we noted in our General Comments above.

However, should SASB not allow companies the freedom to choose the most accurate metric to report on their water use, we recommend that the Standard mandate reporting only of water use, as measured by effluent discharge, which is a good surrogate for a mill's water use. First, measuring and reporting of effluent discharge is standardized and common across the industry; water permits require this information to be reported to government agencies. It is a good surrogate because mills discharge most of what they withdraw. In contrast, there is no standard way to measure consumptive use in the industry (see below and NCASI comments). Second, steps commonly taken in the industry to reduce water use actually could result in greater amounts of water consumption—thereby providing an inaccurate picture of the water profile of a mill. Finally, we do not expect significant differences among mills' consumptive use of water, so there is little value to investors in making companies go through the time and expense of calculating and reporting this metric. These considerations and others led AF&PA to choose water use measured by effluent discharge as the basis for our *Better Practices, Better Planet 2020* water goal, after specifically considering and rejecting a consumptive use goal.

No matter which metric is chosen, SASB should provide specific information in the Notes acknowledging that not all facilities have the measurement capability to accurately measure the amount of water withdrawn. As discussed above, AF&PA uses effluent discharge volume as a surrogate for water use. In early drafts of standards, SASB included the following language, which supported this approach: "For registrant's operations that are not submetered in a way that allows direct measurement of water use, estimation is acceptable and shall be disclosed as such." In the RPC document for Consumption I, SASB indicated it had removed that language, but pointed to its general guidance contained in the introduction to the standard that companies should include material information about the "accuracy and comparability of the data reported." While that general guidance is helpful, we still believe that the specific text quoted about metering and measurement of water use is helpful as it explicitly acknowledges a specific issue for water measurements, in particular.

2. Consumptive Use (.37): As discussed above, we do not support mandatory reporting of consumptive use. If the metric is retained, however, we strongly recommend that the note include the following language: "There is no established methodology for measuring consumptive use in the pulp and paper industry. Accordingly, reporting companies should estimate consumptive use and describe the methodology they used to make the estimate." As discussed above regarding water withdrawals, we do not believe the general guidance on information regarding the "accuracy and comparability of the data reported" is sufficient.

3. Water Stressed Areas (.38): For the reasons discussed above, AF&PA does not support the use of private, non-consensus standards such as the World Resources Institute (WRI) Water Risk Atlas tool, Aqueduct. In addition, as discussed in more detail in the NCASI comments, the tool is designed to reflect water stress at a large regional level and it is simply incapable of accurately indicating water stress at a facility level. SASB should allow companies to describe the methods or tools they have used to determine whether their facilities are operating in water stressed areas. We understand SASB's desire to use a single tool to standardize and assist in the comparability of metrics as discussed in the RPC document. However, the limitations of the WRI tool are simply too great for it to be required as the only tool to disclose information on water risk. Further, Note .46 lists several other tools that could be used to assess risk in the context of the narrative discussion of water risks; those tools should be able to be listed in this Note as well.

Water Management (RR0202-08) *Discussion of water management risks and description of strategies and practices to mitigate those risks*

1. General Comments: SASB adopted our earlier suggestion to include a qualitative metric to allow companies the freedom to describe their unique water risks and their approaches for dealing with those risks. However, the metric in the Standard is qualitative yet prescriptive as it mandates a long list of issues companies must address. AF&PA suggests dropping the word "shall" from the notes under the metric and maintaining the notes as examples of types of qualitative disclosure a company may consider.

2. Risks Associated with Discharge of Wastewater (.43) The note seeks information on the "ability to eliminate existing and emerging pollutants of concern." We suggest SASB eliminate this note as the term is undefined. In any event, it may not be necessary to "eliminate" the pollutant from the discharge—simply operating in compliance with a permit limit would be adequately protective. At a minimum the term should be "eliminate *or reduce as needed*."

Water Management (RR0202-09) *Number of incidents of non-compliance with water quality permits, standards and regulations*

Because of the ambiguity and different thresholds for what defines a non-compliance incident in different jurisdictions, reporting a sheer number of non-compliance incidents does not capture the severity or societal, environmental and economic impacts from such incidents. At least in the U.S., and other countries that have a mature and sophisticated regulatory and enforcement system, facilities should only be required to report incidents of non-compliance with their water permit limits that result from the conclusion of formal administrative or judicial enforcement proceedings, and that a company determines is material according to SEC rules (see discussion under Air

Quality metric). Warning letters, citizen complaints, etc. are simply allegations that may or may not reflect actual non-compliance. Therefore, note .51 should be removed.

TMDLs (.50): Point source dischargers do not comply with a total maximum daily load (TMDL). Instead, TMDL requirements are incorporated into water permits through effluent limitations. Therefore, there is no need to mention TMDLs at the end of note .50.

Wood Fiber Sourcing & Recovery

Wood & Fiber Sourcing and Recovery (RR0202-10) *Percentage of wood fiber purchased (1) from third-party certified forestlands, by standard, and (2) percentage meeting other fiber sourcing standards, by standard*

1. Responsible sourcing standards for wood-based materials include the following, or equivalent (.53): As discussed above, the SASB standards should not be referencing private standards, as it is not up to SASB to determine which standards demonstrate responsible forest management practices. If, however, the Standard does list responsible sourcing standards, the American Tree Farm System (ATFS) also should be included. While the Standard does also include the phrase “or equivalent” which clearly would include ATFS, there is no reason to include the other major certification programs in the U.S. and not to include ATFS, which also is a major U.S. certification program. In addition, SASB has listed the ATFS certification in the Containers and Packaging Provisional Standard.
2. Certification Systems (.53): To be consistent with FSC and PEFC, change SFI Chain of Custody labels to Chain of Custody Certification. PEFC should also read Chain of Custody Certification instead of just PEFC Certified.
3. Multiple Systems (.55) and (.58): The Standard should allow a company to report if it has multiple certifications. SASB shouldn’t discourage an organization from reporting their commitment to all forest certification standards, and instead should reward those organizations that have put time and resources into achieving certification under multiple Standards.
4. Multiple Standards (.56): To be consistent with FSC and PEFC, delete “(certified forest content)” after SFI Chain of Custody. PEFC should also read PEFC Chain of Custody.
5. Wood From Non-Certified Forest Lands (.57): We recommend adding “but not limited to” after “including” before listing the different fiber sourcing standards. Also, in the first bullet, delete the word “certified” in front of SFI Fiber Sourcing and in the third bullet, add SFI Recycled Label.

6. Multiple Certifications (.58): The Standard should allow a company to report if they have multiple certifications. SASB shouldn't discourage an organization from reporting their commitment to all forest certification standards, and instead should reward those organizations that have put time and resources into multiple Standards.

7. Identification of Certifications (.59): The term "PEFC Recycled" should be changed to "PEFC Controlled Sources."

8. Criteria for Standards (.60): As a drafting suggestion, change "meets" to "includes". The second and third bullets are ambiguous and should be removed from this list. Further, forest management, including logging, can have a positive impact on a number of threatened and endangered species, which may not be obvious to those interpreting this information. The fourth and fifth bullets underneath this note are also likely to be considered proprietary business information by companies providing fiber and should be removed from the list. GMOs, pesticides, and other chemicals are already addressed in forest certification systems in depth, at this high a level the information provided would be useful for investors.

Wood & Fiber Sourcing and Recovery (RR0202-11) *Amount of recycled and recovered fiber procured*

General: We appreciate SASB's recognition in the "Description" and elsewhere of the various attributes of virgin fiber and recovered fiber and that there are tradeoffs in using one type of fiber or another. However, there seems to be a faulty assumption underlying the Description and the metric on "amount of recycled and recovered fiber procured." Specifically, the discussion seems to assume that companies start with a blank slate when making fiber purchasing decisions and weigh a whole host of factors when deciding to manufacture their products using virgin or recovered fiber or when deciding the percentage of each fiber to be used. In reality, while it is true numerous factors are involved in the decision, mill capabilities and customer requirements will always be the most important factors.

Further, the World Business Council for Sustainable Development's Forest Solutions Group recently released a report "Facts & Trends: Fresh & Recycled Fiber Complementarity" which examines the trends in the use of virgin and recycled fiber and the various factors affecting the decision to use one or the other or both. The report recommends taking a holistic view of the wood fiber system and states that "Comparing the environmental attributes of fresh and recycled fibers requires artificially separating the integrated wood fiber system into two parts – a fresh fiber system and a recovered fiber system. Estimating the environmental attributes of each system requires that the environmental releases from the wood fiber material life cycle be divided between the

fresh and recycled fiber systems.”⁵ Therefore the two systems (virgin and recycled) really should be viewed holistically together as they actually are components of one overall wood fiber system.

In light of the above discussion, we recommend the metric be removed and that the Standard simply require a qualitative discussion of steps companies are taking to ensure the sustainability of their fiber supply--both virgin and recovered fiber. That discussion could cover topics such as efforts to combat illegal logging, steps taken to comply with the Lacey Act, etc. as discussed in our comments on Note (.60), above.

Wood & Fiber Sourcing and Recovery (RR0202-12) *Discussion of strategy to manage opportunities and risks to wood and fiber sourcing presented by climate change*

We recommended deleting this metric from this Standard. While some of the information sought may have been appropriate for the Standard when it covered both forestry/logging and pulp and paper products, we do not believe that the information sought is readily available to pulp and paper companies. Indeed Section II.3.d, of the Standards Outcome Report (pages 22-24) recognizes that it would be challenging for pulp and paper companies to report on a similar metric. For this and a number of other reasons discussed in the Report, SASB concluded that this kind of information relating to climate change and forestlands should only be retained as a disclosure requirement in the Forestry & Logging Standard. Therefore, this metric should be removed from the Pulp and Paper Products Standard.

AF&PA appreciates the opportunity to comment on the Standard. Please contact Jerry Schwartz at [REDACTED] or [REDACTED] or [REDACTED] or [REDACTED] if you have any questions on our comments.

Sincerely yours,

[REDACTED]

Jerry Schwartz
Senior Director
Energy and Environmental Policy

⁵ World Business Council for Sustainable Development. “Facts & Trends: Fresh & Recovered Fiber Complementarity”
<http://www.wbcsd.org/Pages/EDocument/EDocumentDetails.aspx?ID=16502&NoSearchContextKey=true>



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Senior Vice President, Time Inc.
James (Jim) Hannan
CEO and President
Georgia-Pacific LLC
David Walkem
Chief of the Cooks Ferry Indian Band
Merritt, British Columbia, and President,
Stuwix Resources Joint Venture

October 2, 2015

Sustainability Accounting Standards Board®
75 Broadway, Suite 202
San Francisco, CA 94111

Re: Comments on Pulp and Paper Products Standard

Thank you for the opportunity to comment on the Sustainability Accounting Standards Board's (SASB) Pulp and Paper Products Standard.

The Sustainable Forestry Initiative® Inc. (SFI) is an independent, nonprofit organization that is solely responsible for maintaining, overseeing and improving the internationally recognized SFI® program. Across the United States and Canada, over 250 million acres are certified to the SFI forest management standard. In addition, SFI's Fiber Sourcing Standard sets mandatory practice requirements for the responsible procurement of all fiber procured directly from the forest, whether the forest is certified or not, and SFI's Chain of Custody standard is an accounting system that tracks certified forest fiber content through production and manufacturing to the end product. These standards apply to the supply chains of more than 740 organizations, representing more than 2,000 sites, in 45 U.S. states, seven Canadian provinces, and 23 countries.

We'd like to thank SASB for recognizing the value of all credible forest certification and sourcing standards. This is especially important since only 10% of the world's forests are certified to a credible forest certification standard like SFI.

Below are specific comments related to the Wood & Fiber Sourcing & Recovery Accounting Metrics.

- .53 – to be consistent with FSC and PEFC, change SFI Chain of Custody labels to Chain of Custody Certification. PEFC should also read Chain of Custody Certification instead of just PEFC Certified.
- .55 - allow a company to report if they have multiple certifications. SASB shouldn't discourage an organization from reporting their commitment to all forest certification standards, and instead should reward those organizations that have put time and resources into multiple Standards.
- .56 - to be consistent with FSC and PEFC, delete "(certified forest content)" after SFI Chain of Custody. PEFC should also read PEFC Chain of Custody.
- .57 – in the first bullet, delete the word "certified" in front of SFI Fiber Sourcing.
- .57 – in the third bullet, add SFI Recycled Label.

- .58 - allow a company to report if they have multiple certifications. SASB shouldn't discourage an organization from reporting their commitment to all forest certification standards, and instead should reward those organizations that have put time and resources into multiple Standards.
- .59 – change PEFC Recycled to PEFC Controlled Sources
- .59 - allow a company to report if they have multiple certifications. SASB shouldn't discourage an organization from reporting their commitment to all forest certification standards, and instead should reward those organizations that have put time and resources into multiple Standards.
- .60 – delete this list and replace with the following list below.
 - *Fiber sourced from illegal logging.*
 - *Fiber sourced from areas without effective social laws.*
 - *Fiber sourced from forest activities which are not in compliance with applicable state, provincial or federal laws, particularly as they may relate to:*
 - *conversion sources,*
 - *legally required protection of threatened and endangered species,*
 - *requirements of CITES (The Convention on International Trade in Endangered Species of Wild Fauna and Flora)*
 - *legally required management of areas with designated high environmental and cultural values,*
 - *labor regulations relating to forest workers,*
 - *Indigenous Peoples' property, tenure and use rights.*
- .64 – fifth bullet – add "PEFC definition of recycled content."

Thank you for consideration of our comments. I can be reached with any questions or concerns by email at

[REDACTED] or [REDACTED].

Sincerely,

[REDACTED]

Jason Methick
Senior Vice President, Customer Affairs

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100 North Point Center East
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Georgia 30022-8246
USA

Public Comment on SASB #RR0202 draft

Industry Standard : PULP & PAPER PRODUCTS

A- Disclosure Topic : Greenhouse Gas Emissions

Disclosure topic not included that is material to a reasonable investor

Only Scope 1 emissions are taken into consideration in the standard, exclusion of emissions related to electricity consumption (scope 2) is going to bring confusion about actual performance of industries. Those relying more on fuel than on electricity will be penalized, furthermore, this does not help discriminating between operations using different sources of electricity with different emission factors associated.

Scope 2 should be included.

B- Incidents of non-compliance (RT0202-05 and RR0202-09)

The reporting on these incidents should be limited to those generating penalties, fines, administrative follow-up, etc. Daily management requires the tracking on any difficulty met in operation, this is part of continuous improvement and principle of ISO 14001 certification. Reports may be emitted internally on incidents and immediate remediation taken which do not impact in any way the external stakeholders. Therefore, this is not a good practice to request for the reporting of each and every incident. Furthermore, the application of such a request will result in different interpretation of the definition of an incident, eventually reducing the efficiency of the environmental management system, which would be the opposite result from the one sought.

C- Accounting Metrics

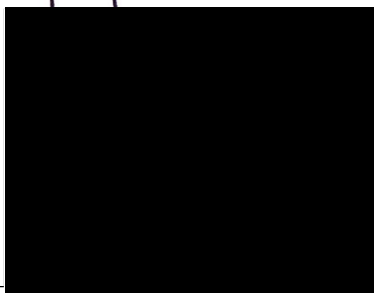
Additional or alternate accounting metrics should be available

Examples:

- 1) Greenhouse Gas Emissions (RR0202-01) : this is not sufficient to report in CO₂e, this is necessary to precise the emissions factors used
- 2) Biogenic carbon dioxide emissions (RR0202-02) : reference to EPA is provided, alternate references should be possible to use.

- 3) Air quality (RR0202-04) : other emissions such as NOx and SOx may be irrelevant and should remain optional to report on, at the minimum, alternate units such as kgs vs metric tons should be possible to use given the quantities measured.
- 4) Air-dried metric tons (RR02020-A and RR0202-B) may not be the most usual metric used for measuring paper production. Another usual metric is to consider balanced humidity paper (which incorporates the water content). In addition this should be clarified whether companies should report on gross production or saleable production, or any choice as long as this is clearly stated.

Attested by :

Name :	Juliette Audren
Acting as :	Corporate Sustainability Manager
Done at :	Quimperlé
Date :	October 02, 2015
Signature :	

Vertaeon LLC

Two Ravinia Drive, Suite 500
Atlanta, GA 30346

October 5, 2015

Sustainability Accounting Standards Board
1045 Sansome Street, Suite 450
San Francisco, CA 94111

Dear SASB Team,

Thank you for this opportunity to provide comments for *Renewable Resources & Alternative Energy Sector – Pulp & Paper Products Exposure Draft Standards*.

About Vertaeon LLC:

Vertaeon is a boutique advisory firm with 50+ years of combined experience in the manufacturing sector. Vertaeon offers comprehensive program development, strategy frameworks, and, most importantly, implementation support for organization-wide initiatives at industrial companies including Paper & Packaging Sector. Focus areas include enterprise risk assessments, business strategy, and corporate sustainability. Vertaeon assists clients in developing and positioning sustainability programs as key strategic initiatives, with particular emphasis on identifying and focusing on ongoing links to enterprise risk and business growth strategy, our other two focus areas.

Our advisory and implementation services are powered by analytical tools that leverage information collected over the years to provide insights back to Business & Functional Units via data aggregation & analytics. Based on these insights, our goal is to identify opportunities for improving operational excellence, optimizing resource uses, exceeding stakeholder expectations, reducing costs and sustaining market growth.

General Comments:

Vertaeon also participated in the Industry Working Group (IWG) for the Pulp & Paper Sector and has reviewed the Draft Standards from the following point of view: sustainability-related indicators that reflect potential uncertainty and topics that can have a negative impact to company results in terms of revenue or profit. In addition, the review was done based on what can contribute to company's risk profile and potential mitigation via development of appropriate sustainability indicators.

Towards the above, we propose adding two indicators – Workplace Health & Safety (employee perspective) and Product Lifecycle (reuse/recycle or disposal). The remainder of our comments focuses on the applicability and appropriateness of proposed indicators on p.8 of the Standard.

Specific Comments:

New Indicators

Workplace Health & Safety

Pulp & Paper industry is a process industry which uses chemical processes including chemical pulping that requires high temperature and pressure. This exposes employees and contractors to potential unsafe conditions if not monitored and corrected on a continuous basis. The industry has made (and continues to make) significant improvements in workplace health & safety – and these improvements are actively captured and tracked using appropriate metrics. An unexpected safety incident or poor performance can cause recordable injuries, lost time/productivity, occupational health issues, new equipment and in extreme situations fatalities. This in turn can cause operational, financial, legal and more importantly reputational risks for the company.

Unlike most of the other sustainability indicators, the safety indicator points to a vital aspect: human health and life. A serious incident can also have a direct impact on investor perception and stock prices as evidenced by many recent examples. Monitoring Safety and reporting on it can also benefit the local communities. In addition, the SASB survey to the Pulp & Paper IWG ranks Workplace Health & Safety as #5, above Air Quality.

Recommended Indicators:

- Recordable injury rate, fatalities, near-miss frequency rate for employees & contractors
- Comparison to baseline and targets

Product Lifecycle:

Use of products was not addressed in terms of reuse, disposal or lifecycle management. Paper companies produce wide-ranging products for office and printing applications, construction materials, food manufacturing etc. One metric that could be relevant is *percentage recycle and/or reuse of relevant product segment*.

Comments on the Indicators Proposed in the Draft Standards

GHG Emissions:

➤ RR0202-01. Scope 1 Emissions:

This is relevant, cost-effective, comparable and auditable. Furthermore, alignment with CDP Guidance and definitions of WRI/WBCSD helps with consistent reporting.

Transportation (Section 02): This is considered as Scope 3 emission (unless otherwise company car use etc.) – *therefore, we recommend removing this requirement from Section 02.*

Calculations (section 07): While methodology is captured via other reporting questionnaires, based on the relevance aspect, this many not be required under the MD&A section of 10K. *Propose removing this.*

➤ RR0202-02 Biogenic Emissions:

This topic or metric may be premature since there is significant policy and regulatory uncertainty? Relevance may also depend upon % biomass in the fuel sources used.

Air Quality:

➤ RR0202-04. Air Emissions:

This is cost-effective, comparable and auditable. However, reporting of air emissions for pollutants such as NO_x, SO_x, VOCs, particulate matter (PM), and Hazardous Air Pollutants (HAPs) are already part of comprehensive Federal and State reporting requirements. *We propose removal of these metrics, especially the ones already subjected to control requirements as part of existing regulations.*

From an investor perspective, a much more relevant metric that addresses performance and uncertainty is the adequate reporting of company performance in the above – as discussed in RR0202-05, - for instance, the number of incidents of non-compliance with air quality permits, standards and regulations.

Energy Management:

➤ RR0202-06. Total energy consumed, % grid electricity, % from renewables: This is cost-effective, comparable and auditable. While Sections 27-30 address reporting of the energy purchased from various sources, there is no section *reporting targets for energy use reduction or baseline comparison. Recommend adding these metrics in a separate section.* (Refer to similar topic under RR0202-03.15, emission reduction targets)

Water Management:

- RR0202-07. Total water withdrawn, water consumed and RR0202-08. Water management risks and mitigation strategies:

Several sections correspond to CDP 2015 Water Information Request. *Recommend alignment with CDP Guidance and Questionnaire to reduce reporting burden.* [Refer to SASB RR0202-01 Sections 01-06 for similar approach.]

Wood & Fiber Supply Management:

- RR0202-10 & 11: Wood fiber purchases, % recycled fiber:

Leading companies in the Pulp & Paper sector address this as a key issue and many have goals set towards purchases from certified sources. *Propose adding goal, target certified sourcing and baseline comparison.*

- RR0202-12: Discussion of strategy to manage opportunities and risks to wood and fiber sourcing presented by climate change

This may be difficult, to quantify/compare/audit, and remains unsubstantiated. In addition, climate change scenarios and impact timelines are macro, long-term topics. Propose removing this metric.

On behalf of Vertaeon, thank you for the opportunity to provide feedback to the Exposure Draft Standard for Pulp & Paper Sector. Please contact Rekha Menon-Varma at [REDACTED] [REDACTED] to discuss any questions or comments.

Sincerely,

Rekha Menon-Varma
Managing Partner

Vertaeon LLC

Weyerhaeuser • PO Box 9777 • Federal Way, WA 98003

October 5, 2015

Sustainable Accounting Standards Board
75 Broadway, Suite 202
San Francisco, CA 94111

Sustainable Accounting Standards Board,

Subject: Public Comments on Exposure Draft Standards for Renewables – #RR0202 Pulp and Paper Products

Thank you for the opportunity to submit comments on the exposure draft standards for the Renewable Resources and Alternative Energy Sector – “Pulp and Paper Products Sustainability Accounting Standard.”

We support SASB’s stated goal of creating metrics that meet “objectivity”, “measurability”, “completeness”, and “relevance” criteria. However, in reviewing the Exposure Draft Pulp and Paper Products Standards, we find many instances where the proposed metrics do not meet SASB’s own stated criteria.

Detailed comments are enclosed. We would be pleased to work directly with SASB in continuing to refine and develop metrics for this sector. I can be reached by email at [REDACTED] or on the phone at [REDACTED].

Regards,

Ara Erickson

Sustainability and Communications Manager

Enclosures:

- Comments
- AWC Biomass Carbon Neutrality brief

Sector Title: Pulp and Paper Products

Activity Metrics

RR0202-A and RR0202-B: Paper and Pulp Production

It is necessary to provide more information about what constitutes “production”.

Manufacturing facilities measure gross production, saleable production and a number of other “production” metrics. We recommend this metric be volume of saleable product, as reported in annual financial reports.

Disclosure Topic: Greenhouse Gas Emissions

First, in the introduction section of this topic, the statement that “GHG emissions from the use of biomass are generally not covered by regulatory regimes, as biomass is considered carbon neutral” is not entirely true. While the carbon dioxide emissions from biomass are considered carbon neutral, the non-carbon GHG emissions are not excluded from regulatory regimes or accounting standards.

RR0202-02

We recognize that the carbon neutrality of biomass could be a relevant topic to investors. However, the on-going policy debates and uncertainty around how to measure biogenic carbon emissions makes this topic unsuitable for inclusion in these standards. We recommend this metric be removed since it does not meet the “objectivity”, “measurability”, and “completeness”, criteria as defined by SASB. It is particularly concerning that the SASB standards would include reference to a draft, and still much debated, framework.

See attached biomass carbon neutrality brief prepared by the American Wood Council for more information.

Disclosure Topic: Air Quality

RR0202-04

We recommend removing air emissions from the standards. It is nearly impossible to compare this data from one company to another, as most of this data is collected or estimated as part of production estimates and using emission factors that can vary greatly from site to site. Air emissions are already highly regulated by regional and federal agencies. Investors might be interested in whether or not a company is in compliance with these regulations, but the actual emissions will not provide investors with meaningful metrics or comparable values across companies

RT0202-05

Question: Should this be RR0202-05?

The definition of “non-compliance” is too subjective to be included in these standards. For example, a warning letter does not constitute a company’s non-compliance with a regulation,

permit or standard. Asking companies to provide a quantitative measure of non-compliance will not be objective or comparable.

Disclosure Topic: Energy Management

RR0202-06.32

There is either a typo in this section or the description of the scope of renewable energy from biomass is inaccurate and in direct violation of ANSI's Commercial Terms. If the "and" in the last sentence is incorrect and is intended to be "or," then the definitions could be sufficient for these standards. If it is intended to be "and," there are a number of concerns.

First, third-party certification to sustainable forestry standards is not related to the renewability of a resource. If the intention is to show that the biomass is from sustainably managed forests, using certification as a proxy is not appropriate. It is recommended that the standard refer to fiber from "responsible or certified" wood as defined by ASTM D7612, rather than certification to third-party standards.

Second, the definition of "eligible renewable" for biomass in the Green-e standard is arbitrarily complex and would require the ability to trace the biomass source not only back to the acre of land but back to the part of the tree from which it came. Furthermore, it would be difficult to show compliance with the eligible renewable criteria without certification to the green-e standard. The result is the equivalent of SASB endorsing a particular proprietary standard, which is a violation of ANSI's Commercial Terms. Any reference to private standards should always include the phrase "or equivalent."

In earlier comments, we recommended changing the biomass criteria to be in compliance with State-level biomass energy definitions or renewable portfolio standards. We are pleased to see this option included in this description, but it needs to be listed as an option, not as an additional requirement.

Disclosure Topic: Water Management

RR0202-07.35

We are disappointed that the numerous comments submitted throughout this process regarding the inherent inaccuracies of measuring water withdrawn are not reflected in these draft standards. Companies are most often regulated on water discharge, not water intake, and thus do not have sufficient measurement tools to provide comparable, auditable or cost-effective metrics. It is recommended that water discharge be allowed as a proxy for water intake.

RR0202-07.37

Additionally, being able to accurately and comparably quantify the amount of water consumed during production is challenging, not cost-effective and based on a multitude of estimates. By

requiring this information be included in SEC filings, we risk discouraging companies to continue sharing water efficiency improvements with other stakeholders.

RR0202-07.38

The reference to WRI's Water Risk Atlas tool needs to include an "or equivalent" option.

RR0202-08

The definition of "non-compliance" is too subjective to be included in these standards. For example, a warning letter does not constitute a company's non-compliance with a regulation, permit or standard. Asking companies to provide a quantitative measure of non-compliance will not be objective or comparable.

Disclosure Topic: Wood and Fiber Sourcing and Recovery

RR0202-09.53

The SFI and PEFC chain of custody references should be further clarified to state "chain of custody certifications."

RR0202-09.56

The reference to "SFI Chain of Custody (certified forest content)" should be changed to "SFI Chain of Custody".

RR0202-09.57

The reference to "SFI Certified Fiber Sourcing Standard" should be changed to "SFI Fiber Sourcing Standard" and "SFI Recycled Label should be added to the list of recycled fiber standards.

RR0202-09.59

The reference to "PEFC Recycled" should be changed to "PEFC Controlled Sources".

RR0202-09.60

We recommend the criteria be replaced with the following:

- *Fiber sourced from illegal logging.*
- *Fiber sourced from areas without effective social laws.*
- *Fiber sourced from forest activities which are not in compliance with applicable state, provincial or federal laws, particularly as they may relate to:*
 - *conversion sources,*
 - *legally required protection of threatened and endangered species,*
 - *requirements of CITES (The Convention on International Trade in Endangered Species of Wild Fauna and Flora)*
 - *legally required management of areas with designated high environmental and cultural values,*
 - *labor regulations relating to forest workers,*

- *Indigenous Peoples' property, tenure and use rights.*

RR0202-12.67

The second bullet either needs to be edited to reference “political and social risks presented by climate change” rather than just “political and social risks” or it needs to be deleted. A discussion these risks not associated with climate change is not relevant in this section.

RR0202-12.68

This section is predicated on the idea that climate change science can provide precise information for specific locations, time periods or tree species. Current climate change science does not provide such discrete results. While a discussion of the physical risks of climate change and potential benefits is reasonable and would not be costly, there is little ability at this time to predict specific impacts of climate change on forestlands and expected impacts to growth and yield, and in turn, a manufacturer’s ability to procure raw material. Therefore, it does not meet the measurability criteria.

RR0202-12.70

Climate change is a non-linear process. Providing a timeline of risks and opportunities would not meet the measurability criterion. There are no existing models or methods that can provide such detailed and accurate information. Any attempts to present such information will neither be comparable nor auditable.



June 2015

Wood products manufacturers use biomass from manufacturing and sustainable forestry operations to produce energy, providing significant carbon reducing benefits to the environment. In fact, on average, approximately 78 percent of the energy from AWC member facilities is generated from carbon-neutral biomass. **AWC urges policymakers to continue to recognize the industry's unique biomass use as carbon neutral.** EPA's revised draft Accounting Framework to regulate biogenic carbon is a step in the right direction.

SCIENCE OF THE NATURAL CARBON CYCLE

As forests grow, carbon dioxide (CO₂) is removed from the atmosphere via photosynthesis. The CO₂ absorbed by trees is converted into organic carbon, stored in woody biomass, and oxygen is returned to the atmosphere. Trees release their stored carbon as a number of compounds, including CO₂, when they die, decay or are combusted, completing the carbon cycle. As noted, carbon in biomass returns to the atmosphere regardless of whether it is burned for energy, allowed to biodegrade or lost in a forest fire. The carbon neutrality of sustainably managed forest biomass is a scientifically supported fact.

The greenhouse gas (GHG) benefits of energy from biomass harvested from sustainably managed forests has been recognized repeatedly by an abundance of studies, agencies, institutions, legislation and rules around the world, including guidance from the United Nations (UN) Intergovernmental Panel on Climate Change (IPCC) and the reporting protocols of the UN Framework Convention on Climate Change.

ACCOUNTING FOR CO₂ IN BIOMASS ENERGY

In 2011, EPA announced it would regulate biogenic emissions under the Clean Air Act's New Source Review program. EPA issued a rule to defer the regulations for three years (which expired in July 2014) and proposed an *Accounting Framework for Biogenic CO₂ Emissions From Stationary Sources* (Accounting Framework) which recognized the GHG reduction benefits of energy produced from mill residuals and byproducts.

On Nov. 19, 2014, EPA issued its revised draft Accounting Framework, 14 technical appendices and a related policy memorandum to EPA's regional offices. In the memorandum, EPA makes a preliminary finding that the use of certain forest-derived industrial byproducts and waste-derived feedstocks for energy are carbon

AMERICAN WOOD COUNCIL

The American Wood Council (AWC) is the voice of the North American wood products manufacturing industry, providing information on wood design, green building, and environmental regulations and advocating for balanced government policies that affect wood products.



neutral. While EPA recognized that there are carbon benefits from using other manufacturing residuals for energy, complete carbon neutrality could depend on the absence of a current alternative market for the residuals; but it remains unclear how this determination would be made. In addition, EPA indicates that the use of whole trees, or roundwood, for energy may be carbon neutral so long as they are “sustainably derived,” but it is also unclear how that determination would be made. Further, and importantly, the Accounting Framework recognized that carbon is sequestered in wood products that leave manufacturing facilities.

INDUSTRY’S RESPONSIBLE AND EFFICIENT BIOMASS USE

The broad forest products industry is the largest producer and user of bioenergy of any industrial sector and has long-standing operations in the United States. The creation and use of biomass energy in wood products mills is integral and incidental to the manufacture of products such as lumber, panels and engineered wood products. Wood products mills convert biomass residuals to energy while manufacturing carbon-sequestering biobased products that are useful to society. Carbon benefits from the forest products industry include:

- providing biomass power by utilizing forest and mill residuals;
- reducing the industry’s and our nation’s reliance on fossil fuels and reducing GHG emissions while simultaneously meeting society’s needs for forest products;
- reducing potential GHG emissions that otherwise would result from residual disposal (e.g., methane from decomposition); and
- reducing GHG emissions through replacement of alternative fossil-fuel-produced products that have significantly higher GHG emissions.

AWC RECOMMENDATIONS

- EPA needs to amend the Framework and accompanying memorandum to provide greater certainty on the carbon neutrality of forest products manufacturing residuals, waste-derived biomass, and how EPA will determine whether roundwood used for energy is “sustainably-derived.”
- Energy from all types of biomass residuals from both manufacturing and forests should be acknowledged for reducing GHG emissions. These wood residuals would have released CO₂ to the atmosphere anyway even if they had not been used to displace non-renewable fossil fuels.
- Biomass used to create energy should be treated as carbon neutral where the growth rate of forests is greater than or equal to harvest levels.
- Carbon sequestered in wood products should be recognized for both removing atmospheric carbon and providing alternatives to products that have high GHG profiles.
- Public policies should not construct artificial mandates or incentives, which disrupt the nation’s existing efficient and balanced forest biomass markets.
- Public policies should recognize that sustainably managed forests and forest products sequester and store carbon and reduce GHGs.



NATIONAL COUNCIL FOR AIR AND STREAM IMPROVEMENT, INC.

October 2, 2015

Sustainability Accounting Standards Board
75 Broadway, Suite 202
San Francisco, CA 94111

To Whom It May Concern:

The National Council for Air and Stream Improvement, Inc. (NCASI) is pleased to provide the following comments on the Public Exposure Draft Standard for Public Comment: *Pulp & Paper Products Sustainability Accounting Standard*.

NCASI is a non-profit environmental research institute that seeks to create credible scientific information required to address the environmental information needs of the forest products industry in North America. NCASI conducts surveys, provides advice regarding technically appropriate methods of conducting environmental field measurements, undertakes technical studies such as scientific literature reviews and research compilations, and sponsors scientific research by universities and others to document the environmental performance of industry facility operations and forest management, and to gain insight into opportunities for further improvement in meeting sustainability goals.

The nature of NCASI's research provides us with a unique lens on the development of metrics related to documenting the performance of forest products industry operations, given our research into the development and field application of sampling and analytical test methods, along with over 70 years of experience in reviewing and treating data that characterize environmental releases from the sector. With this background in mind, we offer the following comments on the Draft Standard:

RR0202-04. Air emissions for the following pollutants: NO_x (excluding N₂O), SO_x, volatile organic compounds (VOCs), particulate matter (PM), and hazardous air pollutants (HAPs)

.19 *The registrant shall disclose emissions released to the atmosphere by emissions type. Substances include:*

- *Oxides of sulfur (SO₂ and SO₃) reported as SO_x*

The proposed standard requires the reporting of SO_x emissions. SO_x is defined as the sum of SO₂, SO₃ and H₂SO₄. Except for plants that manufacture sulfuric acid, most source emissions of

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SO_x are the result of combustion of fuels which contain sulfur. It is well documented that no more than 2-3% of SO₂ converts to SO₃/H₂SO₄ in combustion sources. In general, most pulp and paper facilities (and indeed, most sectors with combustion units) do not conduct tests for SO₃/H₂SO₄ emissions from their sources. Thus, if facilities are required to report SO_x emissions for SASB purposes, they either would need to use emission factors or to conduct expensive source tests. However, the uncertainty in any stack measurement is greater than 2-3%; therefore, the reporting of SO₃/H₂SO₄ as part of SO_x emissions would not add to the understanding of total SO_x emissions from a source. We recommend that for the Pulp & Paper Standard, SASB limit SO_x reporting to SO₂ to make the process of reporting much simpler without affecting the overall significance of the data.

- *Particulate matter (PM); reported as the sum of PM₁₀ and PM_{2.5}, or all particulates less than 10 micrometers in diameter*

Currently, pulp and paper facilities are required to report their filterable PM emissions in three different forms – total particulate matter (PM), particulate matter with aerodynamic diameter equal to or less than 10 micrometers (PM₁₀) and particulate matter with aerodynamic diameter equal to or less than 2.5 micrometers (PM_{2.5}). In addition, under certain regulations, material in the stack gas which may condense at ambient conditions is included in the definition of PM. There are significant differences and limitations to the methods that are used to measure these forms of PM. These differences result in facilities obtaining and providing different information regarding source PM emissions. Thus, it is important to understand these differences before choosing the PM parameter required to be reported under the Pulp & Paper Standard for SASB purposes.

The most widely used form of PM which is tested and reported by pulp and paper sources is total filterable particulate matter. Total filterable PM is almost universally measured using EPA Method 5, although outside of the US some jurisdictions have given their own number to this method. Method 5 measures the PM that is captured on a filter maintained at a defined temperature outside the stack. Total filterable PM is also referred to as “front-half catch” or just “total PM.” Some jurisdictions require facilities to also measure the material that during sampling collects in the impingers that are located downstream from the filter in the PM sampling train and include that in the definition of total PM. Thus, depending upon jurisdiction, facilities may report different information when reporting total PM. However, if “total filterable PM” reporting is required, all facilities will report data which can be compared to each other.

In addition to total filterable PM or total PM, some jurisdictions require facilities to report their PM₁₀ emissions. In the US, the current definition of PM₁₀ includes both filterable and condensable components. This is, however, not the case in all countries. For example, Canada does not require condensable PM to be included when reporting PM₁₀. Thus, unless PM₁₀ reporting specifies filterable PM₁₀ only, different data are likely to be reported by facilities in different countries.

The current method for measuring filterable PM₁₀ is EPA Method 201A. Method 201A is, however, not applicable to sources with wet control devices such as scrubbers. For such sources, US EPA recommends that facilities report their total filterable PM measured with Method 5 as filterable PM₁₀. This results in overstating the filterable PM₁₀ emissions from most sources with

wet control devices and will not allow one to compare filterable PM₁₀ emissions from a dry source to PM₁₀ emissions from a wet source. In addition to the challenges associated with interpreting and comparing source filterable PM₁₀ emissions data, the current EPA method for measuring condensable PM, Method 202, is subject to interferences which cause a positive bias to the reported results. To reduce the bias, US EPA revised Method 202 in December 2010. Since the method bias has not totally been eliminated, it is highly likely that Method 202 will undergo changes in the future to address its limitations. These method-related issues will make it difficult to interpret the differences in PM₁₀ emissions between sources or for a particular source over a period of time.

The discussion above for PM₁₀ also applies to PM_{2.5}. Method 201A, which is also used to measure PM_{2.5}, is not applicable to wet sources. In the US, facilities with wet control devices are required to also report their total filterable PM emissions measured with Method 5 as their filterable PM_{2.5} emissions. Thus, under the current conditions, no meaningful comparison can be made between filterable PM_{2.5} emissions from dry- and wet-controlled sources due to the inherent differences between the methods of measuring such emissions. Comparison between sources located in different countries would similarly be challenging due to differences in the definition on PM_{2.5}.

Given the uncertainties associated with the measuring and reporting of PM₁₀, PM_{2.5} and condensable PM, it seems logical to require only the reporting of “total filterable PM” to SASB. This would put all source reporting on a common basis and allow for a comparison of PM emissions between sources equipped with different types of control devices or for a given source over a period of time.

RR0202-06. Total energy consumed, percentage grid electricity, percentage renewable

.03 The registrant shall disclose purchased grid electricity consumption as a percentage of its total energy consumption

The US pulp and paper industry generates substantial amounts of electricity for sale through the efficient use of onsite combined heat and power systems. Total sales of electricity from the US paper industry were 8,152 million kWh in 2010.¹ The ability to credit sold electricity in .03 should be considered.

RR0202-07. (1) Total water withdrawn and (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress

.35 The registrant shall disclose the amount of water (in thousands of cubic meters) that was withdrawn from all sources, where:

- *Water sources include surface water (including water from wetlands, rivers, lakes, and oceans), groundwater, rainwater collected directly and stored by the*

¹ US Energy Information Administration (EIA) Manufacturing Energy Consumption Survey (MECS) Results. 2014. Electricity: Components of Net Demand:
http://www.eia.gov/consumption/manufacturing/data/2010/pdf/Table11_1.pdf

organization, wastewater obtained from other entities, municipal water supplies, or other water utilities.

Water withdrawals at pulp and paper facilities are sometimes not measured or are not measured with the same degree of accuracy as water discharges, which are required to be measured with calibrated meters and reported pursuant to an NPDES water discharge permit. For the US pulp and paper industry it is estimated that 90% of total water inputs to a mill are returned to surface waters (NCASI 2009) meaning that, for the US pulp and paper industry, water withdrawals and water discharges closely correspond. The same principal is true for pulp and paper mills in Canada and Europe, given their highly similar manufacturing processes. The standard should explicitly allow for estimated water discharge values to be used to satisfy this reporting requirement.

.37 The registrant shall disclose the amount of water (in thousands of cubic meters) that was consumed in its operations, where water consumption is defined as:

- *Water that evaporates during withdrawal, usage, and discharge;*
- *Water that is directly or indirectly incorporated into the product or service;*
- *Water that does not otherwise return to the same catchment area from which it was withdrawn, such as water returned to another catchment area or the sea.*

Water consumption is a challenging metric to quantify because evaporative losses that constitute around 90% of consumptive water losses at pulp and paper facilities are typically not measured. NCASI has developed the NCASI Water Consumption Tool to facilitate mill specific estimates of water consumption at pulp and paper facilities. The NCASI Water Consumption Tool calculates mill-specific estimates of water consumption based upon measured or estimable department level mill process information.

Requiring the reporting of a quantitative estimate of water consumption will add a substantial reporting burden to the pulp and paper industry that is currently not required within any other disclosure program. For complex, integrated pulp and paper facilities the time requirements to develop a detailed estimate of water consumption, even with the NCASI Water Consumption Tool to facilitate calculations, can be in the 20 to 40 person hour range. The standard should therefore make reference to published estimates of water consumption (e.g., NCASI 2009) rather than requiring site-specific water consumption reporting or, if the metric is retained, it should explicitly allow for estimated water consumption values to be used to satisfy this reporting requirement.

RR0202-11. Amount of recycled and recovered fiber procured

0.65 The registrant shall discuss any environmental lifecycle tradeoffs between use of recycled and recovered fiber versus virgin fiber in its products, where:

- *An environmental lifecycle tradeoff is defined as an environmental benefit or consequence of sourcing one type of fiber over another.*

- *Environmental lifecycle benefits from using recycled and recovered fiber can include, but are not limited to, reducing the need for deforestation, lower GHG emissions from paper in landfills and reducing landfill waste.*
- *Environmental lifecycle consequences of using recycled and recovered fiber can include increased resource consumption and air emissions during the transportation and processing of fiber.*

NCASI recently compiled available scientific and technical literature into a report related to environmental lifecycle tradeoffs between recovered and virgin (or “fresh”) fiber. This material has been published by the World Business Council for Sustainable Development (WBCSD 2015) (see attached document). The report notes that some of the environmental and resource implications of increased paper recovery and utilization seem relatively clear on the surface. Increasing paper recovery, for instance, reduces the amounts of used paper requiring disposal. Increasing recovered fiber utilization reduces demand for fresh fiber. When examined carefully, however, it becomes clear that the effects of paper recovery and utilization on environmental quality and resource depletion are complex. Many studies have been undertaken over the last several decades attempting to understand these complexities. The result has been a growing recognition that increasing recovery and utilization involves many environmental trade-offs and well as a variety of co-benefits (see, for instance, EEA 2005, Finnveden and Ekvall 1998, NCASI 2011, NCASI 2013, Villanueva and Wenzel 2007, Wenzel and Villanueva 2006).


In many studies, recycling is assumed to displace fresh fiber and it is often assumed that the reduced demand for fresh fiber allows forest carbon stocks to increase as harvesting is reduced. In reality, the effects of increased use of recovered fiber on forest carbon stocks are unclear. In some locations, especially where wood-producing land is privately owned, a reduction in demand for wood increases the likelihood that the land will be converted from forest to other more profitable uses (Hardie et al. 2000, Lubowski et al. 2008).

While it is possible to draw several general conclusions about the effects of recycling as an alternative to other end-of-life options, it is more difficult to compare the environmental attributes of fresh and recycled fiber and to understand the effects of increased use of recycled fiber in specific products. Comparing the environmental attributes of fresh and recycled fibers requires artificially separating the integrated wood fiber system into two parts – a fresh fiber system and a recovered fiber system. Estimating the environmental attributes of each system requires that the environmental releases from the wood fiber material life cycle be divided between the fresh and recycled fiber systems. In life cycle assessment, this is usually done using decision rules called allocation methods. There is no single correct allocation approach for studies of systems involving paper recycling, though they frequently reflect value judgments made by the analyst, and yet allocation decisions can significantly affect the results of such studies (Finnveden 2000, NCASI 2012, Cederstrand et al. 2014).

Due to all the factors discussed above, although the environmental benefits of recycling are generally recognized, it is very difficult to determine whether the use of recycled fiber within a specific product will lead to measurable environmental benefits. Therefore, we suggest that this metric (**RR0202-11. 0.65**) be deleted from the Pulp & Paper Standard.

We appreciate your consideration of our comments, and can be reached at the coordinates above if you have any questions regarding this submission.

Regards,



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