Joint complaint to Dutch Emissions Agency about RWE's wood pellet sourcing

To: Dutch Emissions Authority (Nederlandse Emissieautoriteit – NEa)

Re: Enforcement request – Evidence that RWE's wood pellet imports from Malaysia may not be compliant with SDE++ sustainability criteria

From: Biofuelwatch and Comité Schone Lucht

Date: 26 June 2025

Dear Sir,

We are writing to you with regards to evidence that Malaysian wood pellets imported to the Netherlands and burned in one or two RWE power stations may be sourced from suppliers who we believe to be non-compliant with SDE++ criteria even though it has been certified by the Sustainable Biomass Program (SBP). We request that you take enforcement action, assuming that the pellets, as we believe, have indeed been supplied by TreeOne MegaPellets and/or Rainbow Pellet.

According to Eurostat data, the Netherlands imported 190,985 tonnes of wood pellets from Malaysia during 2024. Pellet imports from Malaysia have been continuing since the beginning of 2025. Based on figures contained in RWE's Annual Report, we estimate RWE's wood pellet demand during 2024 to have been equivalent to total Dutch wood pellet imports, which means that the Malaysian pellets must have been burned by RWE, who are in receipt of SDE++ subsidies for burning wood.

During 2024, the Netherlands received a 20.000 tonne shipment of wood pellets from Bintulu in the Malaysian province of Sarawak. There are two wood pellet plants in Sarawak, both of them in Bintulu, however, only one of them is certified by a certification scheme accredited under SDE++, namely by the SBP. This is TreeOne MegaPellet, a subsidiary of Samling Group.

SBP has certified one other Malaysian pellet plant, Rainbow Pellet, in Pahang Province. That plant has also been certified by the Green Gold Label, specifically for the SDE+ programme. We therefore assume that they supply the majority of Dutch wood pellet imports from Malaysia, around 170,000 tonnes in 2024.

All of our observations below (see Annex) are based on the assumption that Dutch pellet imports from Malaysia during 2024 came mostly from Rainbow Pellet (approximately 170,000 tonnes) and, to a smaller extent (20,000), from Samling Group subsidiary TreeOne MegaPellet.

Based on the information presented in the Annex below, and assuming that Rainbow Pellet and OneTree MegaPellets have been supplying pellets to the Netherlands, we ask you to take enforcement action over those pellet imports under the provisions of the SDE++ scheme.

Regardless of whether our assumption about the two Malaysian suppliers of wood pellets to the Netherlands is correct, we believe that the evidence below puts SDE++ accreditation of the SBP into serious question.

We would like to receive an acknowledgement of receipt of this enforcement request.

Yours faithfully,

Almuth Ernsting, Biofuelwatch

Fenna Swart, Comité Schone Lucht

Maarten Visschers, Comité Schone Lucht

Annex 1: Information and evidence about TreeOne MegaPellet and Rainbow Pellet.
Annex 2: Imported woodpellets Netherlands and generated bio-electricity in Dutch RWE-coalplants

ANNEX 1: Information and evidence about TreeOne MegaPellet and Rainbow Pellet

TreeOne MegaPellet/Samling Group

According to the SBP Certification Body's 2024 Surveillance Audit, a "Supply Base Evaluation (SBE) was not conducted as the client exclusively sources 100% PEFC-certified." PEFC 2024 Surveillance Auditcertification for the pellet plant and for Samling Group overall was awarded by the Malaysian Timber Certification Council or Scheme (MTCC/MTCS). Last year, the Dutch government requested the PEFC to carry out an preliminary investigation by the Timber Procurement Assessment Committee (TPAC)investigation into the MTCC/MTCS after a preliminary investigation by the Timber Procurement Assessment Committee (TPAC) highlighted a lack of required transparency as a violation of the Dutch timber procurement policy with regards to the complaints procedure, the implementation of Free, Prior and Informed Consent, the conversion of forests to plantations, and the lack of stop-work orders. Nonetheless, SBP continues to be accredited to certify wood pellets under SDE++ criteria even if those pellets come from Malaysia and SBP relies on MTCC certification.

In October 2022, several NGOs working in Sarawak submitted a complaint against Samling Group to the Forest Stewardship Council. This related to illegal logging or trade in illegal wood, violation of traditional and human rights, destruction of high conservation values, and significant conversion of forests to plantations or non-forest use between 2017 and 2022. A similar complaint was submitted to PEFC/MTCS. In April 2024, Samling Group terminated its two FSC Chain of Custody certificates. In April 2025, the FSC decision panel agreed that illegal logging and destruction of high conservation value forests had indeed occurred in a national park next to a Samling concession. It highlighted that there was a risk that other violations may have happened in Samling concessions, too.

PEFC/MTCS have not responded to an identical complaint by the same NGOs, nor have they acted on the FSC decision panel's verdict.

According to the 2024 Surveillance Audit, acacia and eucalyptus logs were sourced from five Sammling Group concessions, called Licensed Planted Forests (LPF): Segan, Lana, Marudi, Kuala Baram, and Paong.

Concrete evidence of violations of the Dutch Sustainability standards:

Indicator 3.1 of the Dutch Verification Protocol states: *"Biomass is not sourced from permanently drained land that was classified as peatland on 1 January 2008, unless it can be demonstrated that the production and harvesting of the biomass does not result in water depletion of a previously undrained soil."*

A Rapid Response Report by the NGO Mighty Earth in July 2019 presented satellite images from 5.1.2019 and from 6.7.2019 which show that between those dates, 6 hectares of peat were developed, i.e. drained, in Samling's LPF0014, i.e. satellite images from 5.1.2019 and from 6.7.2019 in the Segan concession.

Indicator 3.3 states:

"*Biomass is not sourced from wood plantations that were created by means of conversion of natural forests after 31 December 1997, unless the forest manager is not directly or indirectly responsible for the conversion. Biomass originating from wood plantations that were created after 1997 by means of conversion of degraded natural forests or degraded land is exempt from this requirement on condition that this is ecologically and economically justified and that the forest manager is not directly or indirectly responsible for the degradation.*"

According to Samling Group's own information, they established all five concessions by way of converting natural forest after 31.12.1997. The Segan LPF license was issued in 1999. Samling claims that the forest converted had previously logged and was therefore not primary forest. However, regardless of whether or not this is true, it was still natural forest converted to plantations. The same applies to the Lana LPF license, the Marudi license and the Kuala Baram license, except that the latter two were awarded in 1998 (still after the 31.12.97 Dutch cut-off date). The Paong license was awarded in 2000. There, too, natural forest was converted to plantations.

A Rapid Response Report by the NGO Mighty Earth in February 2019 includes satellite images from 7.1.2019 and 16.2.2019 that show that between those dates, 44 hectares of natural forest was cleared in LPF0008, which is the Marudi License.

A Rapid Response Report by the NGO Mighty Earth in December 2018 includes satellite images from 12.9.2018 and 30.11.2018 which show that between those dates , 104 hectares of natural forest in the Lana concession were clearcut.

Indicator 7.2 states: "*Measures have been taken to protect endangered plant and animal species and, if applicable, to increase the populations and enhance the habitats of these species*".

An investigation by The Borneo Project and Bruno Manser Fond, published in 2023, summarises the findings of the Baram Heritage Survey, which was based on data collected in and by six communities in the Baram region in 2020 and 2021. That survey covered Samling Group's Paong concession. It showed an "abundance of protected fauna", including six hornbill species in the concession, contrary to what Samling Group had claimed during an Environmental Impact Assessment.

Conclusion TreeOne MegaPellet pellets
Wood pellets of TreeOne MegaPellet (20,000 tonnes in 2024) are sourced from five tree plantation concessions. In each one of them, Samling had cleared natural forest after the end of 1997, in clear violation of the Dutch sustainability standards. Furthermore, satellite evidence published by the NGO Mighty Earth shows more recent rainforest clearance and peat destruction.

WWW Rainbow Sdn Bhd ("Rainbow Pellet")

Rainbow Pellet is the only Malaysian pellet producer other than TreeOne MegaPellet that has been certified by a scheme accredited for SDE++ certification. In fact, it has been certified by two such schemes: SBP and Green Gold Label (GGL). The GGL certificate applies explicitly to the Dutch

SDE+ scheme. We therefore assume that this company supplies the large majority of the Malaysian pellets imported by the Netherlands.

SBP certification relies heavily on Rainbow Pellet's PEFC certification which, as with TreeOne MegPellet, was awarded by the Malaysian Timber Certification Scheme (see above for more information on that scheme).

Rainbow Pellet operates one pellet plant, located in Pahang Province. According to its 2024 SBP Reassessment, carried out by Control Union, the feedstock consists primarily of no longer productive rubber trees from plantations established 20-25 years ago. The rubber plantations in the sourcing areas are registered under around 236 land titles/lots.

According to the 2024 SBP Reassessment, "the company maintains parallel production of SBP-compliant and non-compliant materials, ensuring traceability through physical separation across the manufacturing process". The SBP Certifying Body has not undertaken its own audit to verify that this separation of feedstock is observed at all times but relies entirely on the company's statements. However, regardless of how reliable this company claim is.

According to ***Indicator 3.3*** of the Dutch Verification Protocol, biomass that comes under the SDE+ + scheme should not come from land converted from natural forest to plantations after 31.12.1997. Therefore, any wood from plantations established 20-25 years ago does not meet the SDE++ criteria unless it can be shown that the land had not previously been natural forest. According to the 2024 SBP Reassessment, " The Company has a strict policy of not procuring rubber trees cultivated after January 2008 until the years 2028 to 2033." This clearly does not align with the Dutch criteria, for which the cut-off date is the end of 1997, not the beginning of 2008.

According to a study of deforestation in Pahang, published in 2020, 7.59% of Pahang's forests were deforested between 1995 and 2000, and another 6.74% between 2005 and 2010: "*The finding concluded that commercial agricultural such as palm oil plantation and rubber plantation was the main proximate drivers for the deforestation in Pahang…Land use maps showed a decline in forest cover between 2000 and 2004 and a sharp decline from 2004 to 2010.*"

Clearly therefore, conversion to rubber plantations has been a key driver in Pahang for several decades.

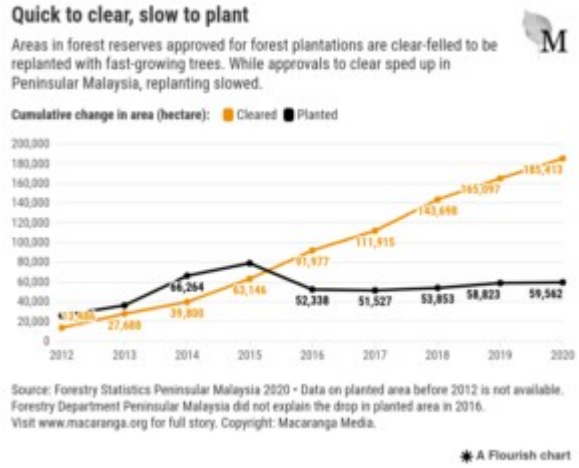
The SBP Certifying Body states that risk of wood from natural forests or from rubber plantations converted since 1.1.2008 is mitigated by two checklists drawn up by Rainbow Pellet management "to ensure that a pre-assessment of the harvesting area is carried out in collaboration with landowners and the harvesting subcontractor". Again, there is no third party auditing.

An investigation by Macaranga in collaboration with the Rainforest Investigations Network at the Pulitzer Center, published in 2022, found that, between 2012 and 2020, 77,331 ha of forests in Pahang were cleared as part of Malaysia's Forest Plantation Development Programme, yet only 3,971 ha of that land were replanted with rubber or other commercial trees.

According to the report:

"*Between 2012—2020, about 67.9% of the 185,413 ha of reserves cleared for forest plantations in Peninsular Malaysia have not been replanted. The biggest gaps are in Pahang and Kelantan.*"

Here is a graphic from the report:



In other words, rainforest clearance for rubber plantation without subsequent replanting is the norm in Pahang.

A 2022 article published by the investigative environmental magazine Mongabay quotes politician Lee Chean Chung, who was a member of the Pahang State Legislative Assembly at that time who said about the scheme under which the rubber plantations in Pahang have been established: “The loggers or operators are more interested in taking the timber rather than running the replanting scheme”. Land clearance for rubber plantation concessions, according to Lee Chean Chung, is done by way of clearcutting forests and removing all vegetation, which he states has contributed to catastrophic flooding.

Such practices are clearly not compatible with soil-protection requirements of the Dutch Verification Protocol, such as ***Indicator 4.1***: *“The Forest Management Unit where the wood is sourced is managed with the aim of retaining or increasing carbon stocks in the medium or long term.”*

Conclusion Rainbow Pellet

In conclusion, there is clear evidence that wood sourcing from rubber plantations in Pahang Province is associated with a high risk of deforestation, certainly since 31.12.1997 and very possibly since 1.1.2008, too, as well as a high risk of harm to soils and soil carbon, all of which are incompatible with the Dutch sustainable biomass criteria. In 2024 around 170,000 tonnes of wood pellets were exported to the Netherlands. At the same time, the only “assurance” that Rainbow Pellet pellets exported to the Netherlands are not linked to deforestation and/or soil depletion is voluntary certification based on the company’s own information and paperwork, with no third party auditing, and on certification by the Malaysian Timber Certification System which the Dutch government wants investigated by the PEFC following a highly critical preliminary report by the Timber Procurement Assessment Committee (TPAC).

ANNEX 2: Imported wood pellets Netherlands and generated bio-electricity in Dutch RWE-coalplants

According to Eurostat data, the Netherlands imported 1.4 million woodpellets in 2024. According to their Annual Report 2024, RWE generated 2.777 GWh (i.e. 27,770,000 MWh) biomass electricity in one or both of its two Dutch power plants, Amercentrale and Eemshaven (p.42).

Wood pellets have an average net calorific value of 4.8 MWh/tonne. 1.4m tonnes of pellets are thus equivalent to a thermal input of 6.720 GWh.

Comparing the thermal input from wood pellets to the biomass electricity generation (2.777 GWh), the net efficiency would be around 41%. This appears a credible figure for modern supercritical pulverised fuel plants. In fact, RWE gave an efficiency figure of 46% for the Eemshaven plant in the past, although efficiency will be higher for coal than biomass.