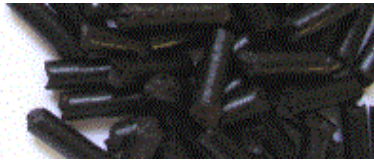


SBP

Sustainable Biomass Partnership



Sustainable Biomass Partnership
Standard #4. Chain of Custody Standard.
Version 1-2. March 2014



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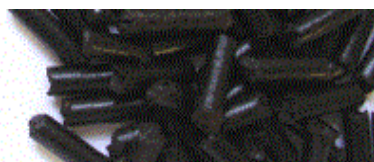
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Draft for consultation



1. Introduction

1 The Sustainable Biomass Partnership (SBP) was formed in 2013 by seven major European utilities
2 that are using biomass, mostly in the form of wood pellets, in large thermal power plants. The SBP
3 views biomass-fired power and heat generation as a key technology in achieving the EU's 2020
4 renewable energy targets and curbing climate change and requires the use of sustainable and legally
5 harvested feedstock that avoids the potential detrimental effects on the environment and social
6 welfare.

7 SBP's objective is to develop the tools necessary to provide assurance that solid biomass used for
8 sustainable energy production by its member organisations is compliant with regulations on
9 sustainability and biomass legality in European Union countries and that the sector is recognised as
10 an exemplar of good practice. The SBP Biomass Assurance Framework is designed as a clear
11 statement of principles, standards and processes necessary to demonstrate such compliance.
12 Wherever possible, use is made of credible standards already used by other forest product streams
13 and for other sustainable biomass sources.

14 2. Scope

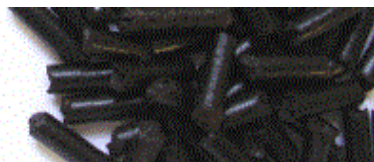
15 The starting point for the SBP Chain of Custody (CoC) is the forest Supply Base. Biomass Producers
16 and the downstream supply chain, including trade, transport, processing and end-use (energy
17 conversion), require Chain of Custody certification if those organisations or their customers wish to
18 make claims about SBP compliant products.

19 This standard specifies the requirements that, if successfully implemented, allow organisations to
20 make claims related to compliance with the Sustainable Biomass Partnership requirements.

21 SPB CoC certification is required for all parties that take legal ownership of the product and that wish
22 to sell the product as SBP-certified. Parties that are not SBP CoC certified cannot sell SBP-certified
23 products. Service providers which are part of the SBP supply chain but do not take legal ownership of
24 the Biomass (e.g. transport companies, storage platforms, etc.) may be COC certified but are not
25 required to be COC certified. They may not make claims related to SBP if they are not SBP COC
26 certified.

27 For Biomass to carry an SBP Sustainable Biomass claim there cannot have been any physical mixing
28 with material for which EUTR legality has not been demonstrated.

29



30 **3. Normative references**

31 TBC

32 **4. Terms and definitions**

33 The **Biomass Producer** is a legal entity gathering and processing biomass feedstock for conversion
34 into an end product which is suitable for power generation.

35 The **Chain of Custody** is the method by which a connection is made between information or claims
36 concerning biomass raw materials (feedstock) or intermediate products and claims concerning
37 biomass end products: it would normally include all the stages from the feedstock production until
38 the consumption of the biomass in a power plant.

39 **Controlled Feedstock:** Material that is either received with a claim that it is supplied within the
40 Scope of an SBP Approved Controlled Feedstock System or included in the SBE. If included in the SBE
41 only the Criteria specified in Table 1 of the SBP Sustainable Feedstock Standard need to have been
42 evaluated as low risk.

43 **First-step wood processor.** Any processing that transforms roundwood into materials other than
44 roundwood.

45 **SBP Approved Chain of Custody Schemes.** These are currently FSC and PEFC Chain of custody
46 schemes. Note that SFI Chain of Custody is excluded from this definition.

47 **SBP Approved Controlled Feedstock Systems.** These are currently FSC Controlled Wood and PEFC
48 Controlled Sources.

49 **SBP Approved Forest Management Schemes.** These are currently FSC and PEFC Forest Management
50 Schemes. Note that the Malaysian Timber Certification Scheme is currently excluded from this
51 definition.

52

53 **SBP Biomass Products Groups**

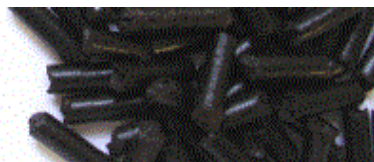
54 a) SBP Compliant Biomass. This biomass may carry an SBP Sustainable Biomass claim and is
55 received from an organisation with SBP certification.

56 b) Non-SBP Compliant Biomass. This material may not be mixed with any output carrying an
57 SBP claim.

58 c) EUTR Compliant Biomass. This material may be mixed with any output carrying an SBP
59 Sustainable Biomass claim.

60 **SBP Feedstock Product Groups**

61 a) SBP compliant Primary Feedstock. This material must either be received by the BP with a
62 claim that it is supplied within the Scope of an SBP Approved Forest Management Scheme or



63 it must be supplied from forest holdings within the Scope of an SBP Supply Base Evaluation in
64 which all Indicators are rated as low risk.

65 b) **Controlled Primary Feedstock.** This material must be received with a claim that it is supplied
66 within the Scope of an SBP Approved Controlled Feedstock System or it must be supplied
67 from forest holdings within the Scope of the SBP Supply Base Evaluation in which all
68 Indicators of the Criteria specified in Table 1 of the Sustainable Feedstock Standard are rated
69 as low risk.

70 c) **SBP compliant Secondary Feedstock.** This material is received as a residue from a first-step
71 wood processor and must be supplied EITHER within the Scope of an SBP Approved
72 Controlled Feedstock System OR from forest holdings within the Scope of the SBP Supply
73 Base Evaluation in which all Indicators of the Criteria specified in Table 1 of the Sustainable
74 Feedstock Standard are rated as low risk.

75 d) **Tertiary Feedstock.** This is either pre-consumer or post-consumer material.

76 **Pre-consumer Tertiary Feedstock**

77 • This material is received as a residue from a second-step wood processor and must
78 be supplied as compliant with EUTR requirements. An appropriate verification
79 process must be in place.

80 **Post consumer Tertiary Feedstock**

81 • For BPs implementing PEFC systems the PEFC definition of Recycled material is used
82 to define this material and corresponding PEFC requirements on determining origin
83 apply. Pre-consumer material is excluded from this definition.

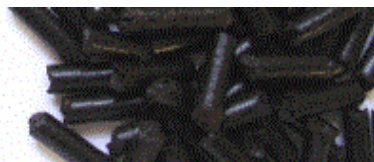
84 • For BPs implementing FSC systems the FSC Standard for Sourcing Reclaimed Material
85 for Use in FSC Product Groups or FSC-certified Projects FSC-STD-40-007 (Version 2-0)
86 EN applies. Pre-consumer material is excluded from this definition.

87 e) **SBP non-compliant Feedstock.** This is feedstock that cannot be allocated to any of the other
88 4 Feedstock Product Groups.

89 **Second-step wood processor.** Any processing that transforms the products of a first-step wood
90 processor.

91 **Service providers** are entities in the SBP supply chain who do not take legal ownership of the
92 Biomass (e.g. transport companies, storage platforms, etc.). As they do not take legal ownership
93 they are not required to be COC-certified.

94



95 **5. SBP Chain of Custody Principles**

96 The following principles apply to all supply chains certified under SBP:

97 *NOTE: Please refer to CPET Practical Guides: Category B evidence, supply chain information for*
98 *detailed guidance on interpretation.*

- 1.1 For each product carrying an SBP claim, the supply chain must be clearly described and complete, back to the forest sources for that product.
- 1.2 An adequate mechanism for preventing uncontrolled mixing or substitution must be described for each stage in the supply chain.
- 1.3 Information must be provided on how the mechanisms in 1.2 are checked/verified and that the approach used is adequate to confirm that the mechanisms described are in place and functional.
- 1.3 Evidence is provided to confirm that the information provided is accurate

99 **6. SBP implementation options**

100

101 Compliance with the SBP Chain of Custody Principles, detailed above, may be met by organisations
102 who are implementing either Option A or Option B, specified below:

103 **6.1 Option A**

104 SBP organisations are:

105 1. Compliant with FSC or PEFC CoC certification system requirements (hereafter referred to as
106 SBP Approved CoC Schemes),

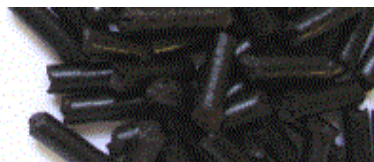
107 and

108 2. Compliant with the requirements specified in Sections 7 and 8 of this document.

109 Organisations may demonstrate that their SBP supply chain is in compliance with SBP Approved CoC
110 Schemes requirements by requesting an SBP approved certification body to assess the organisation's
111 control of SBP material against the requirements of one of the SBP Approved CoC Schemes.

112 Where the organisation already holds a valid certificate from an SBP Approved CoC Schemes the
113 scope of the SBP audit must be extended to cover the SBP material and control systems.

114 Where the organisation does not hold a valid certificate from an SBP Approved CoC Scheme the
115 organisation must also apply for a SBP Approved CoC Scheme audit and receive a valid SBP Approved
116 CoC Scheme certificate. The scope of the SBP audit must include the SBP material and control
117 systems.



118 The scope of the SBP audit must include the requirements specified in sections 7 and 8 of this
119 document.

120 **6.2 Option B**

121 Organisations implementing their own chain of custody system which they can demonstrate is in
122 compliance with the requirements specified in sections 7 and 9.

123 **7. Section 7 – Requirements for organisations implementing Options A or B**

124 **7.1 Selection of scheme requirement**

125 Organisations must nominate which options they wish to be evaluated against, namely:

- 126 • SBP Option A: SBP Approved CoC Scheme supplemented with the SBP-specific requirements
127 set out in sections 7 and 8.
- 128 • SBP Option B: SBP CoC requirements for parties without SBP Approved CoC Scheme
129 certification supplemented with the SBP-specific requirements set out in sections 7 and 9.

130 **7.2 Chain of Custody systems and mixing by Biomass Producers**

131 Biomass Producers may implement the following Chain of Custody systems;

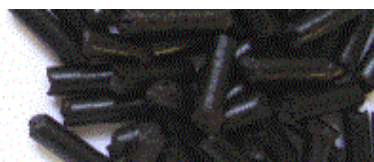
- 132 • PEFC – Physical separation (PEFC chain of custody standard, section 6.2)
- 133 • PEFC – Percentage Based Method (PEFC chain of custody standard, section 6.3), average
134 percentage method except that in mixing X % SBP-compliant feedstock + Y % Controlled
135 *Primary* Feedstock, Y must be is smaller than 30%.
- 136 • PEFC – Percentage Based Method (PEFC chain of custody standard, section 6.3), volume
137 credit method
- 138 • FSC- Transfer system (FSC chain of custody standard, section 7)
- 139 • FSC - Percentage system (FSC chain of custody standard, section 8), except that in mixing X %
140 SBP-compliant feedstock + Y % Controlled *Primary* Feedstock, Y must be is smaller than 30%.
- 141 • FSC - Credit system (FSC chain of custody standard, section 9)

142 *Note: If the credit system is used then more than 30% of the feedstock may be controlled primary*
143 *feedstock, but then less than 100% of the output will be SBP certified.*

144 If the percentage method is used then the maximum percentage of primary controlled feedstock
145 permitted is 30%.

146 At the BP, SBP-certified Biomass may contain up to 30% Controlled Primary Feedstock following Mass
147 Balance rules:

- 148 • $X \% \text{ SBP-compliant feedstock} + Y \% \text{ Controlled Primary Feedstock} = 100 \% \text{ SBP Biomass as}$
149 $\text{long as } Y \text{ is smaller than } 30\%.$ If Y is larger than 30% then the amount of SBP Biomass is $X\% /$
150 $0, 7.$ The amount of Controlled Biomass is $1 - X\% / 0, 7.$



151 At the BP, SBP-certified Biomass may contain any amount of processing residues from controlled
152 sources:

- 153 • $X \% \text{ SBP Primary Feedstock} + Y \% \text{ Controlled Secondary Feedstock} = 100\% \text{ SBP Biomass.}$

154 **7.3 Chain of Custody systems and mixing by organisations downstream of the Biomass Producer**

155 Organisations downstream of the Biomass Producer may implement the following Chain of Custody
156 systems:

- 157 PEFC – Physical separation (PEFC chain of custody standard, section 6.2)
158 PEFC – Percentage Based Method (PEFC chain of custody standard, section 6.3), volume
159 credit method
160 FSC- Transfer system (FSC chain of custody standard, section 7)
161 FSC - Credit system (FSC chain of custody standard, section 9),

162 For parties downstream of the BP, the volume of outgoing SBP-certified biomass must be equal to or
163 less than the volume of incoming SBP-certified biomass, taking into account relevant conversion
164 factors and/or losses.

165 **7.4 EUTR Compliance**

166 All inputs into a systems downstream of the BP where outputs carry an SBP claim and where mixing
167 of SBP material with non-SBP material takes place, must have been determined to be EUTR
168 compliant.

169 **7.5 SBP Registry**

170 All organisations handling pellets downstream of the Biomass Producer must operate a 'Registry'.
171 The Registry must record from an accounting perspective which Biomass Producer pellets have come
172 from and to which customer they are delivered.

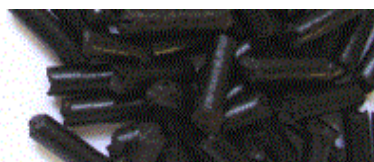
173 The quantities of physical incoming and outgoing SBP Sustainable Biomass certified material (volume
174 or weight) shall be monitored and recorded on a real-time basis in the registry.

175 The material balance of the SBP Sustainable Biomass certified material in the accounting system
176 must be positive (or zero) at any time.

177 The sum of the quantity of outgoing biomass material with specific GHG data shall never be larger
178 than the sum of quantity of incoming biomass material with the same GHG data, taking into account
179 relevant conversion factors.

180 The following information on incoming biomass material shall be recorded in the Registry.

- 181 • Type of biomass material (primary, secondary or tertiary biomass)
182 • If primary biomass, the name of tree species it originates from and, where applicable, its full
183 scientific name
184 • Supplier company and/or trade name



- 185 • Address of the supplier
186 • Date of receipt and amount (volume or weight at a standardized moisture content)
187 • Date of registration
188 • Country or State of harvest of incoming material, and where applicable region (to be defined by
189 the BP) where the timber was harvested.
190 • Description, including the trade name and type of biomass material as well as the common name
191 of incoming material
192 • GHG emissions data attached to the biomass material

193 The following information on outgoing biomass material shall be recorded in the Registry.

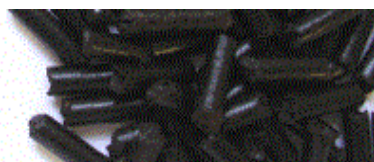
- 194 • Date of delivery and amount (volume or weight at a standardized moisture content) of outgoing
195 biomass
196 • Name and address of the recipient of outgoing material
197 • Status of the material (SBP Sustainable Biomass certified material, non SBP certified material.)
198 • GHG emissions data

199 **7.6 Feedstock inputs**

200 Feedstock suppliers do not make SBP claims and the Biomass Producer carries the responsibility for
201 determining the compliance of the inputs with the relevant requirements. Feedstock received by the
202 BP is categorized into the SBP Feedstock Product Groups, namely;

203
204 SBP Feedstock Product Groups

- 205 a) SBP compliant Primary Feedstock. This material must either be received by the BP with a
206 claim that it is supplied within the Scope of an SBP Approved Forest Management Scheme or
207 it must be supplied from forest holdings within the Scope of an SBP Supply Base Evaluation in
208 which all Indicators are rated as low risk.
- 209 b) Controlled Primary Feedstock. This material must be received with a claim that it is supplied
210 within the Scope of an SBP Approved Controlled Feedstock System or it must be supplied
211 from forest holdings within the Scope of the SBP Supply Base Evaluation in which all
212 Indicators of the Criteria specified in Table 1 of the Sustainable Feedstock Standard are rated
213 as low risk.
- 214 c) SBP compliant Secondary Feedstock. This material is received as a residue from a first-step
215 wood processor and must be supplied EITHER within the Scope of an SBP Approved
216 Controlled Feedstock System OR from forest holdings within the Scope of the SBP Supply
217 Base Evaluation in which all Indicators of the Criteria specified in Table 1 of the Sustainable
218 Feedstock Standard are rated as low risk.
- 219 d) Tertiary Feedstock. This is either pre-consumer or post-consumer material.



220 Pre- consumer Tertiary Feedstock
221 • This material is received as a residue from a second-step wood processor and must
222 be supplied as compliant with EUTR requirements. An appropriate verification
223 process must be in place.

224 Post consumer Tertiary Feedstock
225 • For BPs implementing PEFC systems the PEFC definition of Recycled material is used
226 to define this material and corresponding PEFC requirements on determining origin
227 apply. Pre-consumer material is excluded from this definition.
228 • For BPs implementing FSC systems the FSC Standard for Sourcing Reclaimed Material
229 for Use in FSC Product Groups or FSC-certified Projects FSC-STD-40-007 (Version 2-0)
230 EN applies. Pre-consumer material is excluded from this definition.

231 e) SBP non-compliant Feedstock. This is feedstock that cannot be allocated to any of the other
232 4 Feedstock Product Groups.

233

234 7.7 Outputs and claims

235 Suppliers of Biomass Material, e.g. a pellet mill, may only supply biomass with one SBP claim; 'SBP
236 compliant Biomass'.

237 Biomass Material with an 'SBP Compliant Biomass' claim will also carry a unique pellet mill
238 identification code.

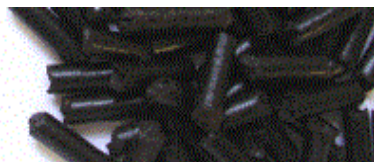
239 Biomass Material received by any organisation downstream from the Biomass Producer will be
240 allocated to one of the following three SBP Biomass Products Groups;

- 241 a) SBP Compliant Biomass. This biomass may carry an SBP Sustainable Biomass claim and is
242 received from an organisation with SBP certification.
243 b) Non-SBP Compliant Biomass. This material may not be mixed with any output carrying an
244 SBP claim.
245 c) EUTR Compliant Biomass. This material may be mixed with any output carrying an SBP
246 Sustainable Biomass claim.

247 7.8 Collection of data with the purpose of energy and carbon balance calculation

248 For each output sold with an SBP Sustainable Biomass claim the organisation must collect data to
249 enable the energy and carbon balance for that product to be calculated by the generating end-user.
250 Every Biomass Producer must make available the 12-month energy and carbon balance data to
251 customers annually. The data may be prepared by the Biomass Producer.

252 The data that must be collected and the calculations at every step of the supply chain must be
253 consistent with SBP requirements as specified in the latest version of SBP Standard #5, Standard for
254 the collection of data with the purpose of energy and carbon balance calculation.



255 Compliance with these requirements will be inspected by the Certification Body at each annual audit.

256 **7.9 Business integrity, social, health and safety requirements in chain of custody**

257 The organisation will implement the requirements of either
258 PEFC 2002:2013 section 9 Social, health and safety requirements in chain of custody,
259 Or
260 FSC-STD-40-004 V2-1 EN section 1.6 Occupational Health and Safety

261 The organisation will designed and implemented effective measures against corruption
262 proportionate to the nature and the scale of organisations.

263 The organisation will comply with all applicable laws, rules and regulations in the countries where
264 they carry out their business activities.

265 **7.10 Continual improvement**

266 Organisations shall identify any gaps in their operation with the requirements of FSC or PEFC
267 certification. Organisations shall work towards FSC or PEFC certification by developing a time bound
268 plan and then monitoring progress.

269 Organisations must implement the FSC or PEFC CoC Standard requirements for SBP material, treating
270 the SBP product groups as a 'shadow' product groups within the existing system. SBP material will
271 not necessarily enter into the scope of the FSC or PEFC certification but the FSC or PEFC CoC
272 processes and requirements will extend to the SBP material.

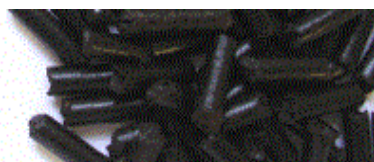
273 Certification bodies will include these SBP specific material and processes in their evaluation of SBP
274 compliance.

275 **8. Section 8 - Applicable requirements for operators implementing Option A**

276
277 Material or processes certified as compliant with SBP requirements may not be used to make claims
278 of certification or compliance with other schemes where the material or process falls outside the
279 scope of that other certification system.

280
281 Organisations must implement the FSC or PEFC CoC Standard requirements for SBP material, treating
282 the SBP product groups as a 'shadow' product groups within the existing system. SBP material will
283 not necessarily include SBO material in the scope of their FSC or PEFC certification but the FSC or
284 PEFC CoC processes and requirements must apply to the SBP material.

285
286 Certification bodies will include these SBP specific material and processes in their evaluation of SBP
287 compliance.



288 **9. Section 9 – Additional requirements for organisations implementing**
289 **Option B**

290 Organisations implementing this option may develop their own systems. These systems shall;
291 A. Ensure a credible guarantee of compliance with the SBP Chain of Custody Principles
292 identified in Section 5 of this document.

293 And

294 B. Include documented procedures, and organisational implementation, covering the following
295 elements.

296 1. Identification of the material category of material/products.

- 297 • Identification at delivery (incoming) level
- 298 • Identification at supplier level

299 2. Chain of custody method

300 3. Sale and communication on claimed products

- 301 • Documents associated with sold/transferred products
- 302 • Usage of logos and labels

303 4. Minimum management system requirements

- 304 • General requirements
- 305 • Responsibilities and authorities
- 306 • General responsibilities
- 307 • Responsibilities and authorities for chain of custody
- 308 • Documented procedures
- 309 • Record keeping
- 310 • Resource management
- 311 • Human resources/personnel
- 312 • Technical facilities
- 313 • Inspection and control
- 314 • Complaints
- 315 • Subcontracting