

SBP Framework Standard 2: Verification of SBP-compliant Feedstock

www.sustainablebiomasspartnership.org



Version 1.0 March 2015

Documents included with this Standard:

Instruction Note 2A: Supplier Verification Programme – Requirements for Biomass Producers

Instruction Note 2B: Supply Base Evaluation Stakeholder Consultation – Requirements for Biomass Producers

Instruction Note 2C: Supply Base Report – Requirements for Biomass Producers

For further information on the SBP Framework and to view the full set of documentation see www.sustainablebiomasspartnership.org

Document history

Version 1.0: published 26 March 2015

© Copyright The Sustainable Biomass Partnership Limited 2015

Contents

| | |
|--|----|
| List of abbreviations..... | 1 |
| 1 Background..... | 2 |
| 2 Scope..... | 3 |
| 3 Normative references | 4 |
| 4 Glossary of terms and definitions | 5 |
| 5 Supply Base | 6 |
| 6 Determination of origin | 7 |
| 7 Supply Base Report..... | 8 |
| 8 Determining the need for a Supply Base Evaluation | 9 |
| 9 Implementing a Supply Base Evaluation | 11 |
| 10 Defining sub-scopes within a Supply Base Evaluation | 12 |
| 11 Rating of risk..... | 13 |
| 12 Competence to undertake Supply Base Evaluations..... | 15 |
| 13 Stakeholder consultation | 16 |
| 14 Requirements for Supplier Verification Programme evaluation | 17 |
| 15 Management system | 18 |
| 16 Mitigation measures | 19 |
| 17 Supply Base Evaluation interval..... | 20 |
| 18 Reporting on the Supply Base Evaluation..... | 21 |
| 19 Credibility of the Supply Base Report..... | 22 |
| 20 Comments or complaints..... | 23 |
| Instruction Note 2A..... | 25 |
| Instruction Note 2B..... | 25 |
| Instruction Note 2C..... | 25 |

List of abbreviations#

| | |
|-------|---|
| BP | Biomass Producer |
| CPET | Central Point of Expertise for Timber (run by DEFRA) |
| CB | Certification Body |
| CoC | Chain of Custody |
| CHP | Combined Heat and Power |
| CITES | Convention on International Trade in Endangered Species |
| DEFRA | UK Department for Environment, Food and Rural Affairs |
| DECC | UK Department of Energy and Climate Change |
| EUTR | European Union Timber Regulation |
| FM | Forest Management |
| FMS | Forest Management Scheme |
| FSC® | Forest Stewardship Council |
| GRI | Global Reporting Initiative |
| GGL | Green Gold Label |
| GHG | Greenhouse Gas |
| ILO | International Labour Organisation |
| LVS | Legality Verification Systems |
| LAV | Locally Applicable Verifiers |
| PPE | Personal Protective Equipment |
| PEFC | Programme for the Endorsement of Forest Certification |
| RRA | Regional Risk Assessment |
| RA | Risk Assessment |
| RSB | Roundtable on Sustainable Biomaterials |
| SVP | Supplier Verification Programme |
| SB | Supply Base |
| SBE | Supply Base Evaluation |
| SBR | Supply Base Report |
| SBP | Sustainable Biomass Partnership |
| SFI | Sustainable Forestry Initiative |

1 Background

The Sustainable Biomass Partnership (SBP) was formed in 2013 by European utilities that are using biomass, mostly in the form of wood pellets or chips, in large thermal generating plants. Biomass-fired power and heat generation is seen as an important technology for achieving the EU's 2020 renewable energy targets and EU member states are adopting their own national approaches to ensuring that the biomass used is legally and sustainably sourced.

SBP's objective is to develop the tools necessary to demonstrate that, as a minimum, solid biomass used for energy production meets these national requirements. The SBP Framework is designed as a clear statement of principles, standards and processes necessary to demonstrate such compliance. Wherever possible, the Framework takes into account and builds on existing regulatory mechanisms and on voluntary certification standards already applied to other forest product streams or to other biomass sources.

The SBP Framework provides a means to collect data describing the nature of the feedstock as well as data to be employed in the regulatory calculations of greenhouse gas (GHG) savings from its use. It also provides a means to demonstrate that risks to forest carbon stocks are managed and that forests' carbon sequestration capability is maintained.

Collectively, the six SBP Standards represent a certification framework, or scheme, against which organisations can be assessed for compliance by independent third-party Certification Bodies (CBs). An organisation that satisfactorily demonstrates compliance receives a certificate and is entitled to make SBP claims in relation to its biomass.

The SBP Framework is made freely available for use by all supply chain actors irrespective of whether or not they are members of SBP.

2 Scope

This document (Standard 2: Verification of SBP-compliant Feedstock) sets out how Biomass Producers (BPs) shall verify feedstock inputs against the SBP requirements, including those specified in Standard 1, the Feedstock Compliance Standard. The approach adopted here has been developed to ensure consistency with EUTR verification requirements.

Woody fuel used during the drying process of biomass shall meet the SBP requirements for SBP-compliant feedstock or Controlled feedstock.

3 Normative references

SBP Standard 1: Feedstock Compliance Standard

SBP Standard 3: Certification Systems: Requirements for Certification Bodies

SBP Standard 4: Chain of Custody

SBP Standard 5: Collection and Communication of Data

SBP Standard 6: Energy and Carbon Balance Calculation

4 Glossary of terms and definitions

Please refer to separate *SBP Glossary of Terms and Definitions* document.

5 Supply Base

The BP shall define the Supply Base (SB) for all feedstock received which is used in the production of SBP-compliant biomass. The SB is the area encompassing all places where pre-consumer feedstock was harvested from (i.e. the location of the tree stump). In recognition of the fact that the location of feedstock extraction may change from year to year, the SB should cover prospective future harvesting areas.

6 Determination of origin

- 6.1 The BP shall record the place of harvesting of inputs classified as SBP-compliant primary feedstock.
- 6.2 The BP shall record the place of harvesting and the identity of the primary wood processor responsible for the supply of inputs classified as SBP-compliant secondary feedstock.
- 6.3 The BP shall ensure that the place of harvesting is within the defined SB.
- 6.4 'Place of harvesting' in this Standard means the place of growth of the feedstock, i.e. the location of the tree stump.
- 6.5 The BP shall keep records of the origin of any feedstock supplied with certification claims from either a SBP-approved Forest Management Scheme or a SBP-approved Controlled Feedstock System.

7 Supply Base Report

7.1 The BP shall prepare a Supply Base Report (SBR) which shall be made readily accessible on the BP's website. Commercially sensitive and confidential information may be excluded from the SBR.

7.2 The complete SBR shall be sent to the SBP secretariat and SBP shall upload the SBR to the SBP website.

7.3 The SBR shall be completed using the latest version of the SBR template, which is available from the SBP website.

7.4 More detailed requirements for reporting are given in Instruction Note 2C: Supply Base Report – Requirements for Biomass Producers

7.5 The SBR shall be updated at least annually (i.e. every 12 months).

8 Determining the need for a Supply Base Evaluation

8.1 The BP shall determine if a Supply Base Evaluation (SBE) is required.

8.2 The following types of feedstock may be excluded from a SBE:

- Feedstock received with an SBP-approved Forest Management Scheme claim.
- Feedstock received with an SBP-approved Forest Management Scheme partial claim.
- Feedstock received with an SBP-approved Chain of Custody (CoC) System claim.
- Feedstock received with an SBP-approved Controlled Feedstock System claim.
- Feedstock received with an SBP-approved recycled claim.
- Feedstock sourced within the scope of the BP's own SBP-approved Chain of Custody (CoC) System certification, for example, non-certified reclaimed feedstock sourced in compliance with FSC-STD-40-007: FSC Standard for Sourcing Reclaimed Material for Use in FSC.
- Feedstock sourced within the scope of the BP's own SBP-approved Controlled Feedstock System certification, for example, non-certified feedstock sourced in compliance with the FSC® Standard for Company Evaluation of FSC® Controlled Wood, FSC-STD-40-005.
- Post-consumer tertiary feedstock sourced following the requirements of Instruction Note 4A, SBP tertiary feedstock requirements.

Note: Feedstock supplied in compliance with SFI Fiber Sourcing requirements is not considered to meet SBP-certified feedstock or Controlled Feedstock requirements.

8.3 In all other circumstances, a SBE shall be completed.

8.4 Feedstock sourced from within a SB where a SBE is completed and found to be compliant with SBP requirements (including low-risk against all indicators in SBP Standard 1. Feedstock Compliance Standard) may be classified as SBP-compliant feedstock.

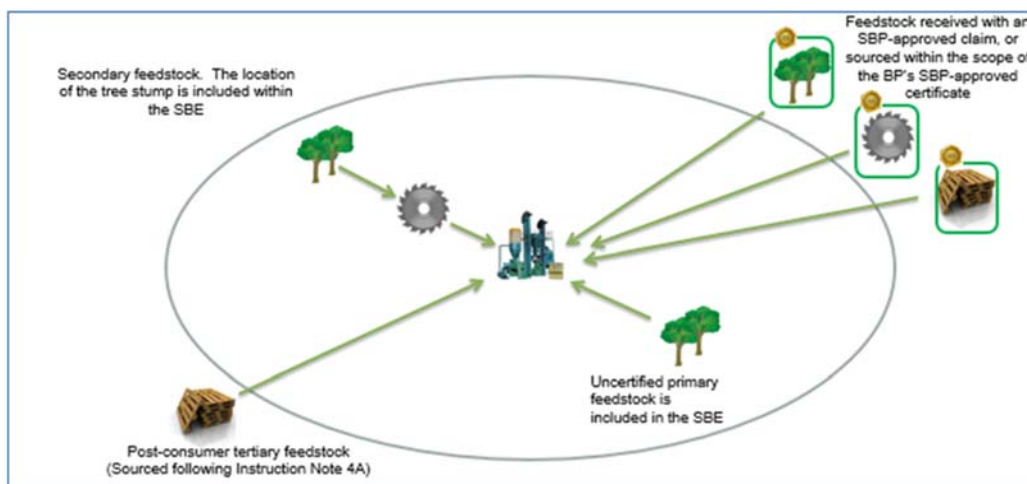


Figure 1. Feedstocks for which an SBE is required are shown within the marked ellipse.

8.5 In all cases the BP shall implement all relevant aspects of this Standard including sections: 6. Determination of origin, 7. Supply Base Report, 15. Management system, 19. Credibility of the SBR, and 20. Comments or complaints.

9 Implementing a Supply Base Evaluation

9.1 The first component of the SBE is a Risk Assessment (RA). The RA determines the risks associated with feedstock taken in by the BP and which the BP shall have to mitigate or avoid. Risk is evaluated against the SBP indicators contained in SBP Standard 1. Feedstock Compliance Standard. The RA results in a risk rating for each indicator of 'specified risk', 'unspecified risk', or 'low risk'.

9.2 The second component of the SBE is the Supplier Verification Programme (SVP). The SVP is a more detailed evaluation to re-categorise the risk rating of any indicators identified as 'unspecified risk' in the RA, as either 'specified risk' or 'low risk'.

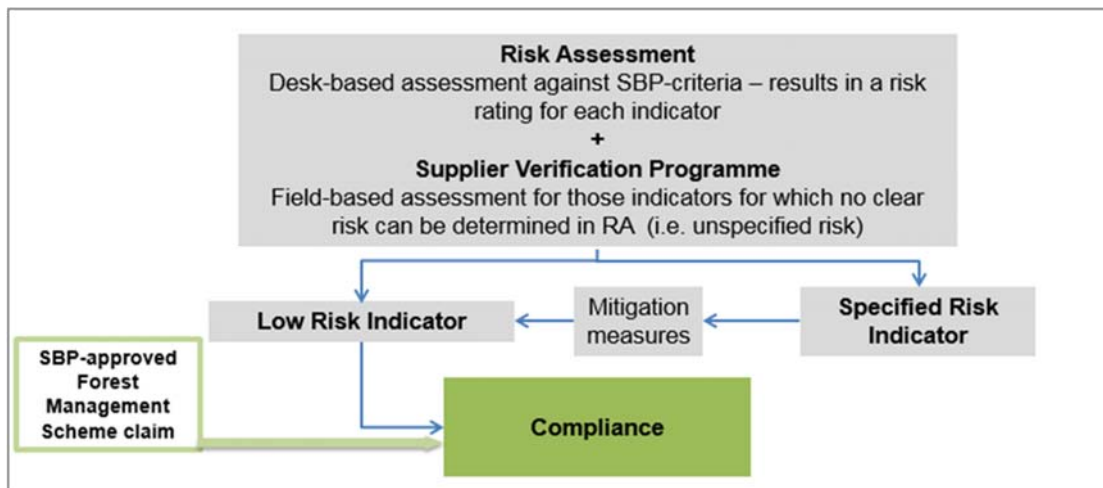


Figure 2. Diagram showing the relationship between the Risk Assessment and Supplier Verification Programme within the Supply Base Evaluation.

9.3 Feedstock shall only be classified as SBP-compliant in cases where all indicators of the SBP Feedstock Compliance Standard are rated as low risk. In cases where one or more indicator is not rated as low risk, the BP shall implement sufficient mitigation measures to change the rating to low risk (section 16). If risk cannot be brought to a 'low' then the source shall be avoided and feedstock excluded from SBP-compliant biomass.

9.4 The SBE, comprising the RA and the SVP, is the responsibility of the BP, who may undertake it in-house, or contract it out to a suitably competent organisation (section 12).

9.5 All aspects of the SBE, including the RA and SVP, may be shared or co-ordinated between BPs, for example, regionally. Each BP remains responsible for implementation of the SBE covering its own feedstock inputs.

10 Defining sub-scopes within a Supply Base Evaluation

10.1 Sub-scopes within the SB may be defined by BPs to enable the SBE to be implemented more effectively. Sub-scopes may be defined by a variety of parameters such as geographical or ecological attributes of the SB, or operational factors. Where a Supply Base covers more than one country (or regions where different legislative jurisdictions apply) then each must be considered a separate sub-scope. The use of sub-scopes will enable different mitigation measures to be put in place for feedstock with differing characteristics and risk profiles. Examples of a sub-scope include; feedstock supplied by a single supplier; feedstock harvested from a particular habitat type; a geographical area covered by a SBP-approved Forest Management Scheme from which the BP receives feedstock that does not carry a SBP-approved Forest Management Scheme claim.

10.2 There can only be a single risk rating for each indicator in a sub-scope, however, the risk rating of the same indicator between sub-scopes may be different.

Example 1: A BP identifies that the risks associated with health and safety vary between two of its suppliers. Two sub-scopes are created within the SBE, each including feedstock from one supplier, and rated respectively as low risk and specified risk. Mitigation measures must be implemented for the sub-scope rated as specified risk.

Example 2: A BP identifies that the risks associated with conservation values vary between hardwoods and softwoods sourced from two different ecosystems. Two sub-scopes are created within the SBE, each covering a different ecosystem.

10.3 A sub-scope shall always be subject to the same legislation regarding:

- Land ownership, use and harvesting rights
- Biodiversity, water, air and soil protection
- Basic labour rights and health and safety of forest workers
- Waste handling and disease control
- Licensing and replanting/regeneration requirements for tree felling.

10.4 Sub-scopes may be redefined as feedstock inputs change.

11 Rating of risk

11.1 The risk based approach follows three steps:

- a) gathering information
- b) risk assessment and
- c) management of risk

11.2 The evaluation of risk begins with an evaluation of regional rather than at an individual forest level or land unit. Credible information of low-risk is required and this should include regulatory requirements and evidence of compliance with regulatory requirements. The Transparency International corruption perception index <http://www.transparency.org/> will be one important information source.

11.3 In some cases determining the level of risk will require reference to independent published sources of information, consultation with experts and discussion with stakeholders.

11.4 In determining the risk rating consideration should be given to the likely impact of a non-compliance together with the probability of that non-compliance arising.

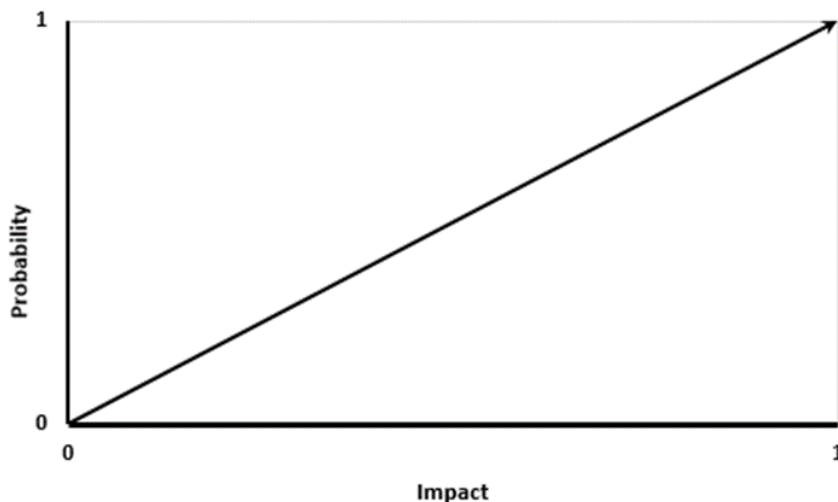


Figure 3. Risk as a function of impact and probability.

11.5 The risk rating increases with the likely impact of a non-compliance together with the probability of that non-compliance arising.

11.6 Each indicator shall be rated on the following basis:

11.6.1 Low risk: An indicator shall be rated as low risk if there is a negligible risk of non-compliance with the indicator.

11.6.2 Unspecified risk: An indicator shall be rated as unspecified risk if there is insufficient evidence available during the RA to categorise it as either specified risk or low risk. Note: An indicator can only be rated as unspecified risk during the RA.

11.6.3 Specified risk: All indicators that cannot be classified as either low risk or unspecified risk are rated as specified risk. Mitigation measures are required for any indicator which is classified as specified risk.

11.7 The following apply to the risk rating:

- 1) There shall be justification, supported by adequate documentary evidence, for any risk statement.
- 2) Evidence that there is a risk of non-compliance with an indicator shall result in a rating of either specified risk or unspecified risk, if determined during the RA, or specified risk if determined by the SVP.
- 3) The justification of ratings, and any related evidence, shall be evaluated by the CB during certification and surveillance audits.
- 4) When verifying a low risk statement, the CB is required to independently check the completeness of the risk statement and accuracy of the rating.

12 Competence to undertake Supply Base Evaluations

12.1 The BP shall ensure that the organisation undertaking the SBE has the necessary knowledge and experience to evaluate against the SBP Feedstock Compliance Standard in the local context of the SB, including:

- Knowledge of ecological and social values associated with the SB
- Knowledge of applicable laws and regulations
- Knowledge of business management practices
- Knowledge of operation of suppliers, including management systems and products
- Knowledge of the local forest resource
- Competence in evaluating SBP requirements
- Competence in implementing the SBE
- Language skills appropriate to all stakeholders
- Note-taking and report-writing skills
- Interviewing skills
- Appropriate management skills.

12.2 The organisation shall determine the competences required for achieving the objectives of the SBE, and how they shall be demonstrated or assessed.

12.3 The organisation shall establish a process for selecting and appointing an evaluation team with the required competences.

12.4 Justification for the selection of personnel shall be recorded and made available to the CB, and a summary presented in the public summary report.

12.5 The organisation undertaking the SBE shall document its processes.

13 Stakeholder consultation

13.1 Stakeholder consultation is required at the initial SBE and at the five-yearly re-evaluation.

13.2 Requirements include those detailed in Instruction Note 2B: Supply Base Evaluation Stakeholder Consultation Requirements.

13.3 The principles in Stakeholder Consultation for Forest Evaluations FSC-STD-20-006 (V3-0) EN are recommended as good practice. The BP shall also take into account any consultations undertaken as a consequence of e.g. forest operations, plant construction or planning processes, and the outcomes of stakeholder consultations associated with existing certifications of the BP's management systems.

13.4 Relevant stakeholders shall be informed of the SBE at least one month prior to the end of the evaluation. Stakeholders shall be provided with adequate information as a basis for informed comment, but may not be provided with sensitive or commercially confidential information.

14 Requirements for Supplier Verification Programme evaluation

14.1 The purpose of the SVP is to assign a risk level to those indicators where the RA was inconclusive (i.e. for indicators initially rated as unspecified risk).

14.2 The SVP might include field based assessments of indicators (for example, audit of the BP's feedstock suppliers).

14.3 The purpose, extent and nature of any SVP evaluation and the associated mitigation measures shall be documented.

14.4 More detailed requirements for SVP evaluation are given in Instruction Note 2A. Supplier Verification Programme – Requirements for Biomass Producers.

15 Management system

- 15.1 The BP shall implement a management and monitoring system to maintain compliance with the requirements of this and all other relevant SBP Standards, together with a process of review and feedback into planning (CPET S6b¹).
- 15.2 The BP management system shall be appropriate to the type, range and volume of work performed.
- 15.3 The BP management system shall document all necessary procedures.
- 15.4 The management system shall identify the personnel responsible for implementing systems and procedures.
- 15.5 Records pertaining to the SBP Standards shall be kept for at least five years.
- 15.6 The BP shall implement a management review system, which has the authority to make appropriate improvements to the management system.
- 15.7 Relevant personnel shall be informed promptly of any changes to management systems.

¹ CPET is the UK's Central Point of Expertise of Timber www.cpet.org.uk. This requirement is taken from "Category B Evidence" Criteria S6b.

16 Mitigation measures

16.1 Where an indicator is rated as specified risk, mitigation measures shall be taken to reduce the risk level to low risk.

16.2 Mitigation measures shall be justified and recorded.

16.3 The BP shall implement a plan to monitor the effectiveness of the mitigation measures, at least annually (i.e. every 12 months).

16.4 Where mitigation measures have not been effective in managing risk, and an indicator cannot be rated as low risk, further measures shall be implemented in order for the feedstock to be compliant with SBP Standard 1. Feedstock Compliance Standard. If risk cannot be brought to 'Low' then the source shall be avoided and feedstock physically excluded from SBP-certified biomass.

17 Supply Base Evaluation interval

- 17.1 The SBE shall be undertaken at least every five years and the SBR reviewed for accuracy and completeness prior to each annual audit.
- 17.2 The SBE shall be modified in accordance with changes in the SB.
- 17.3 Any significant changes likely to affect the SBE shall result in an immediate review, and, if required, revision of the SBE by the BP, to ensure that the SBE risk rating remains accurate.

18 Reporting on the Supply Base Evaluation

- 18.1 Where the BP has undertaken a SBE this shall be reported in the SBR.
- 18.2 The findings of the SBE, results of the RA and SVP and justifications, shall be recorded in the SBR.
- 18.3 The SBR shall present findings, means of verification and evidence reviewed for each indicator. The risk rating for each indicator shall be stated.
- 18.4 Any mitigation measures, together with the results of their monitoring, shall be recorded in the SBR. Results from monitoring and any subsequent changes to mitigation measures shall be updated at least once per year in an annual update of the SBR (i.e. every 12 months).

19 Credibility of the Supply Base Report

19.1 The BP shall implement measures to support the credibility of the SBR, appropriate to the context of the SB, SBE and the BP.

19.2 The SBR shall be signed off by senior management in all cases.

19.3 The following list suggests additional options to support a robust and credible SBR process. It is neither exhaustive nor normative:

- Prior to finalisation, the draft SBR should be peer reviewed by an independent and competent party
- Prior to finalisation, the draft SBR should be made available for public consultation.

20 Comments or complaints

20.1 The BP shall ensure that all comments or complaints regarding any aspect of the SBR, SBE and SBP certification are documented and promptly investigated, with remedial action being taken where appropriate.

20.2 The BP shall inform SBP of any substantiated complaints within 30 days of the completion of the BP's analysis of the complaint.

Instruction Note 2A: Supplier Verification Programme – Requirements for Biomass Producers

Adapted from Reference Source: *FSC® standard for group entities in forest management groups. FSC-STD-30-005 (V1-0) EN: Part 3: Internal Monitoring Requirements*

1.1 In the context of the SBE, the BP shall implement a SVP, comprising a monitoring and control system. This system may be devised by the BP, or build upon existing systems, examples of which include SFI Fiber Sourcing and legality verification systems. The following information shall be included:

1.1.1 A written description of the monitoring and control system

1.1.2 Annual or more frequent monitoring visits to a sample of suppliers to verify their continuing compliance with all requirements of the applicable SBP Standards, and with any additional requirements stipulated by the BP.

1.2 The BP shall define the criteria to be monitored during verification according to supplier characteristics, risk factors and local circumstances.

1.3 The BP shall define the sampling density as appropriate.

1.4 The BP may create sets of similar suppliers for monitoring purposes.

1.5 Suppliers selected by the BP for monitoring purposes should be different to those who have been selected for evaluation by the CB, except in situations where actions to address complaints or evaluate risk factors require verification.

1.6 In addition to risk-based sampling, the BP shall also use random selection techniques when selecting suppliers to be visited.

1.7 The BP shall record all results of the SVP, including any cases of non-compliance identified during its visits. The BP shall monitor the implementation of any mitigation measures required.

1.8 Additional monitoring visits should be scheduled when potential problems arise, or when the BP receives credible and relevant allegations of violations by suppliers.

Instruction Note 2B: Supply Base Evaluation Stakeholder Consultation – Requirements for Biomass Producers

Adapted from Reference Source: *FSC® Principles and criteria. FSC-STD-01-001 (version 4-0) EN*

1 General Requirements

1.1 The BP shall proactively and transparently engage affected stakeholders in its SBE planning and monitoring processes, proportionate to the scale, intensity and risk of management activities. It shall engage interested stakeholders on request.

1.2 Affected stakeholders shall be notified in advance of the SBE if feedstock harvesting is likely to negatively impact on them. They shall also be provided with opportunities for engagement in order to identify ways to avoid or reduce any negative impacts.

1.3 Interested stakeholders shall be notified at least one month in advance of the end of the SBE, and shall be provided with opportunities for engagement in management planning and monitoring processes likely to impact on their interests.

Adapted from Reference Source: *FSC-STD-20-002 (V3-0) EN. Structure, content and local adaptation of Generic Forest Stewardship Standards*

2 Stakeholder Concerns

2.1 The BP is not required to reach a consensus with stakeholders, but shall consider relevant stakeholder concerns.

3 Records

3.1 The BP shall keep the following records:

- a) Lists of individuals/organisations invited to comment
- b) Copies of any correspondence and comments received.

Instruction Note 2C: Supply Base Report – Requirements for Biomass Producers

Adapted from Reference source: *FSC-STD-20-007b (V1-0) EN, Forest management evaluations addendum – Forest certification public summary reports*

1 General requirements

1.1 The BP shall prepare a SBR which is publicly available and includes a summary of any SBE.

2 Languages

2.1 The SBR shall be made available in English, and at least one official language of the country in which the BP is located.

3 Public availability

3.1 The SBR shall be both uploaded onto the BP website and submitted to the SBP no later than ninety (90) days after the on-site closing meeting at the end of an audit by a CB.

SBP shall publish SBE public summary reports and annual updates on the SBP website.

4 Content

4.1 The report shall be concise, covering the most important features, and shall be completed using the latest version of the SBR template for Biomass Producers downloaded from the SBP website.

5 Annual updates

5.1 The SBR shall be formally updated every year (i.e. every 12 months). Each annual update shall provide actual values for the previous 12 months and forecast values for the following 12 months.

5.2 Updates shall include, as a minimum, a description of any significant changes in the SB, and where appropriate mitigation measures and risk ratings.

5.3 The BP shall provide SBP with an update of the SBR no later than ninety (90) days after the last field day of each surveillance evaluation.

5.4 Updates should be provided in the form of a revised report or additional pages, either published separately or added to the original SBR.