



Standards Development Process

SBP Standard 2: Feedstock Verification

Revision Draft v1 for Public Consultation

(for status see document history on page ii)

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A Purpose

- Standard 2 sets out how an organisation shall assess and manage the risks within its Supply Base related to the requirements and impacts identified within Standard 1.
- The SBP system is based on a regional risk-based approach to identifying and managing risks. Organisations seeking certification are required to understand the risks that the requirements are not being met within the region it sources from (the Supply Base). Organisations also need to ensure that those risks are managed and if possible reduced to a low level.
- Managing these risks depends on the organisation itself but also on its due diligence systems with other relevant operations within its supply chains.
- Only Feedstock that has verifiably low risk can be SBP certified.

B Scope

- For use by organisations seeking or holding an SBP certificate and sourcing Feedstock that is sold without an SBP claim and/or from an entity that is not SBP-certified.

C How to use this document

- This Standard is for use in conjunction with Standard 1, which outlines the principles, criteria and indicators that must be met for SBP-compliant Feedstock. See also Standard 4 for generic management system, Chain of Custody (CoC), claims and trademark requirements.
- Requirements within Standard 2 are numbered and use the terms 'shall' or 'must'. Other elements of Standard 2 are for information or guidance.

D Normative references

[to be completed]

E List of abbreviations

[to be completed]

Current Standard 2	Proposed text of revised Standard 2	
5 Supply Base	1	1 Supply Base Definition and Mapping
	Intent	To describe the Supply Base (SB) and what is being sourced from it, in order to be able to identify possible threats and impacts of biomass sourcing.
	Guidance	<p>The order in which an organisation undertakes the Supply Base Definition and Mapping and ensuring Traceability to the Supply Base should depend on the status of sourcing already underway.</p> <p>If the organisation is already sourcing from the SB then traceability may come first in order to allow the organisation to identify the extent of the SB which needs to be defined and mapped.</p> <p>If the organisation has not yet started sourcing from the SB it may choose to define it first and then establish traceability to it.</p>
The BP shall define the Supply Base (SB) for all feedstock received which is used in the production of SBP-compliant biomass.	1.1	The organisation shall define and map its Supply Base.
	1.1.1	The SB Definition and Mapping shall include the Place of Harvesting for all Feedstock received that is used in the production of biomass that carries an SBP claim.
	1.1.2	<p>The SB Definition and Mapping shall include which type of Feedstock is used (primary, secondary, and/or tertiary).</p> <p>It shall also indicate which Feedstock category is being sourced. Categories are set out in Annex 1: Feedstock Definitions.</p>
	1.1.3	The SB Definition and Mapping shall include all Relevant Operators and stages within the biomass supply chain from the Place of Harvesting up to and including the organisation's own operations.
	1.1.4	Complex supply chains require additional definition, and shall include a brief description of the main relevant operators within it.

	1.1.5	The description of the Supply Base and accompanying maps shall be appropriate to its size and any variation within it.
	1.1.6	Maps shall be available to the Certification Body (CB).
	1.1.7	Geographic and other boundaries of the Supply Base shall be defined and justified.
	1.1.8	If any sub-scopes are defined these shall be described, mapped and justified. (see Box 1)
The SB is the area encompassing all places where pre-consumer Feedstock was harvested from (i.e. the location of the tree stump)	Definitions	<p>Place of Harvesting: The place of growth of the Feedstock, i.e. the location of the tree stump.</p> <p>Relevant operators:</p> <ul style="list-style-type: none"> • The organisation itself • Any entity or individual(s) in the supply chain that provides the organisation with goods or services integral to, utilized in or for the production of the organisation’s goods or services and which may be responsible for any impacts identified within Standard 1: <ul style="list-style-type: none"> ○ Suppliers ○ Contractors ○ Sub-contractors <p>Feedstock: All woody material, from the forest and from trees outside forests, used in the production of biomass including Feedstock included in biomass and that used for drying during the production of biomass. Feedstock includes all such materials from primary, secondary and tertiary sources. Feedstock includes all such material whether it comes from fully or partially SBP-endorsed sources or not. (see Standard 2 Annex 1: Feedstock Definitions)</p> <p>Biomass: Biomass includes material to be used for energy derived from Feedstocks.</p>

	1.2	The organisation shall describe and categorise, by the mix of inputs, its Feedstock profile.
	1.3	The organisation shall keep records of Feedstock inputs.
	1.3.1	The records of Feedstock inputs shall show the relative volumes of different Feedstock inputs used.
	1.3.2	The records of Feedstock inputs shall include identification of volumes of primary, secondary and tertiary Feedstock used, and a description of the inputs, including species.
	1.4	<p>The organisation shall categorise its mix of Feedstock as the relative portions and/or volumes coming from:</p> <ul style="list-style-type: none"> • SBP endorsed RRA with only low risks • SBP endorsed RRA showing specified risks • Fully SBP-endorsed sources • Partially SBP-endorsed sources • All other sources with no SBP-endorsed status
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 the Origin	2	2 Traceability to the Supply Base
	Intent	To verify that the organisation is only sourcing from within the defined SB.
	2.1	The organisation shall trace its Feedstock back to the defined Supply Base. To do so the organisation shall ensure that the Place of Harvesting is within the defined SB.
6.1 The BP shall record the place of harvesting of inputs classified as SBP-compliant primary feedstock.	2.2	The organisation shall maintain records of the Place of Harvesting of all Feedstocks.

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.	2.3	The organisation shall record the identity of all suppliers of Feedstock by Feedstock category.
6.3 The BP shall ensure that the place of harvesting is within the defined SB.		[Text moved to 2.1.]
6.4 'Place of harvesting' in this Standard means the place of growth of the feedstock, i.e. the location of the tree stump.		[Text to be moved to the Glossary]
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.		[Covered in 1.4]
	2.4	Where the organisation is physically mixing Feedstocks from different sources it shall demonstrate that it is not mixing non-compliant Feedstocks with that which is SBP-compliant.
	3	3 Supply Base Evaluation
8 Determining the need for a Supply Base Evaluation	Intent	To decide which elements of the SBE are needed.
	Info	<p>Components of a Supply Base Evaluation</p> <p>The SBE is a Due Diligence System to help identify, assess and manage any risks that the requirements set out in S1 are not met. It has various essential stages - information gathering, risk assessment and risk management. Within the SBE these stages are:</p> <p>A review of Feedstock Compliance Standard (Standard 1) against local legislation:</p> <p>To identify any conflicts between the requirements within Standard 1 and legal requirements within the Supply Base.</p> <p>Designation any Supply base sub-scopes required:</p>

		<p>The organisation needs to decide if it should break down its Supply Base into sub-areas where the risks of non-compliance with Standard 1 are uniform in order to be better able to assess and manage those risks (see Box 1).</p> <p>The development of Supply Base Verifiers (SBVs):</p> <p>SBVs identify the information needed in the form of evidence or means of verification that are appropriate to the Supply Base and which allow the risks of the impacts identified in Standard 1 to be assessed.</p> <p>The SBVs facilitate the assessment of the risks, that organisations must manage, in the context of the defined Supply Base.</p> <p>Undertaking a Risk Assessment (RA):</p> <p>The RA determines the risks associated with Feedstock sourced by the organisation and which the organisation shall have to mitigate or avoid. Risk is evaluated against the SBP indicators relative to the identified impacts contained in SBP Standard 1: Feedstock Compliance Standard. The RA results in a risk rating for each indicator of 'specified risk', or 'low risk'.</p> <p>Planning Risk Management (RM):</p> <p>Risk management is an opportunity for the organisation to reduce the risk level to low when an indicator is rated as specified risk in the organisation's Risk Assessment or in an SBP-endorsed Regional Risk Assessment.</p>
	<p>3.1</p>	<p>The organisation shall be responsible for developing, implementing, and maintaining a SBE.</p>
<p>Standard 1, IN1A</p> <p>3.1 The BP will review the SBP Feedstock Compliance Standard (SBP Standard 1) to:</p> <p>a) Identify any aspects that may conflict with legal requirements in the area to which the Standard applies, and evaluate any effects on certification, in discussion with the affected parties;</p> <p>NOTE: Conflicts are considered to exist where a legal obligation prevents the implementation of some aspect of the generic standard. A</p>	<p>3.2</p>	<p>The organisation shall review the Feedstock Compliance Standard (SBP Standard 1) to:</p> <p>a. Identify any aspects that may conflict with legal requirements in the area to which the Standard applies, and evaluate any effects on certification, in discussion with the affected parties;</p> <p>[NOTE: Conflicts are considered to exist where a legal obligation prevents the implementation of some aspect of the generic standard. A conflict is not considered to exist if the requirements of the generic standard exceed the minimum requirements for legal compliance.]</p> <p>b. Identify any instances where indicators include performance thresholds lower than the minimum legal requirement in the region concerned. When such instances are identified,</p>

<p>conflict is not considered to exist if the requirements of the generic standard exceed the minimum requirements for legal compliance.</p> <p>b) Identify any instances where indicators include performance thresholds lower than the minimum legal requirement in the region concerned. When such instances are identified, the relevant thresholds should be modified to ensure that they meet or exceed the minimum legal requirements; and</p> <p>c) Add specific indicators (with appropriate means of verification, if required) and/or cross-references to appropriate documentation, in order to conform with relevant national and local forest laws or administrative requirements.</p>		<p>the relevant thresholds should be modified to ensure that they meet or exceed the minimum legal requirements; and</p> <p>c. Add specific indicators (with appropriate Means of Verification or SBVs, if required) and/or cross-references to appropriate documentation, in order to conform with relevant national and local forest and other laws or administrative requirements.</p>
<p>Standard 1, IN1A</p> <p>3.2 The BP will only modify or add to the indicators in order to:</p> <p>a) Take account of the regional forest management context;</p> <p>b) Take account of regional environmental, social and economic perspectives;</p> <p>c) Ensure that the Standard is appropriate to the country and region concerned;</p> <p>d) Ensure that the Standard is appropriate to the characteristics of the SB concerned; or</p> <p>e) Address issues of concern to stakeholders in the region concerned, if applicable in the context of the Standard.</p>	<p>3.2.1</p>	<p>The organisation shall only add to the indicators in order to:</p> <p>a. Take account of the regional forest and tree management context;</p> <p>b. Take account of regional environmental, social and economic perspectives;</p> <p>c. Ensure that the Standard is appropriate to the country and region concerned;</p> <p>d. Ensure that the Standard is appropriate to the characteristics of the Supply Base concerned; or</p> <p>e. Address issues of concern to stakeholders in the region concerned, if applicable in the context of the Standard.</p>

<p>Standard 1, IN1A</p> <p>3.3 Any proposed changes to Indicators must be approved by the SBP prior to implementation.</p>	<p>3.2.2</p>	<p>Any proposed additions to indicators must be approved by SBP prior to implementation.</p>
<p>4.1 The BP will consult stakeholders to inform the LAV development process.</p>		<p>[Moved to the stakeholder engagement section.]</p>
<p>4.2 The BP is not required to develop a consensus with stakeholders, but it will seek to address relevant stakeholder concerns.</p>		<p>[Moved to the stakeholder engagement section.]</p>
<p>4.3 The BP will contact relevant stakeholders in the country or region concerned, one month prior to the Supple Base Evaluation. The following are examples of relevant stakeholder groups:</p> <ul style="list-style-type: none"> a) Any registered committee or working group developing forestry standards; b) The state forest service; c) Regional NGOs that are involved or have an interest in social or environmental aspects of forest management, either at national or sub-national level, in the locality of the SB to be evaluated; d) Representatives of indigenous peoples and local communities involved or interested in forest management, either at national or sub-national level, in the locality of the SB to be evaluated; e) Representatives of forest workers; f) Representatives of forest harvesting industry/forest owners associations; 		<p>[Moved to the stakeholder engagement section.]</p>

<p>g) Forest research and education institutions; and</p> <p>h) Forest industries and associations.</p>		
<p>5.1 The BP will keep the following records:</p> <p>a) Lists of individuals/organisations invited to comment; and</p> <p>b) Copies of all correspondence and/or comments received with respect to modifications of the Standard Supply Base Report.</p>		<p>[Moved to the stakeholder engagement section.]</p>
	<p>3.3</p>	<p>The organisation shall establish Supply base sub-scopes if they deem it necessary to do so.</p>
<p>10 Defining sub-scopes within a Supply Base Evaluation</p>		<p>Sub-scopes within a Supply Base Evaluation</p>
<p>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</p>	<p>Box 1 Info</p>	<p>Sub-scopes are areas within the SB where the risks of impacts identified within Standard 1, and by extension the verifiers, risk of non-compliance with the requirements of Standard 1 and risk management requirements, are deemed to be uniform.</p> <p>This uniformity can be:</p> <ul style="list-style-type: none"> • Jurisdictional – the same laws and enforcement authorities apply across the area; • Environmental – similar forest, habitat or ecosystem types, species composition, presence of high value biodiversity, climatic and soil conditions etc • Social – the same ownership and resource access patterns, areas used by a coherent community, similar labour and employment patterns, operations impact on a single community, etc • Economic – the same or closely similar management structures, a consistent group of relevant operators, biomass is supplying the same market, etc • Feedstock type – the same or closely similar risks of impacts of Feedstock categories (see Annex 1)

<p>carry a SBP-approved Forest Management Scheme claim.</p>		<p>The organisation should break their Supply Base down into sub-scopes to enable a more effective and/or accurate identification of Supply Base Verifiers, Risk Assessment and to develop a more effective Risk Management Plan.</p> <p>Examples of a sub-scope can include, but are not limited to:</p> <ul style="list-style-type: none"> • Feedstock supplied by a single supplier; • Feedstock harvested from a particular habitat type/species or using a particular harvesting method; • Feedstock sourced from land under particular ownership – e.g. private versus state land; • Feedstock sourced from a particular non-forest landscape – such as farmland, shelterbelts, urban areas, road and rail side plantings etc • a geographical area covered by a SBP-endorsed Forest Management Scheme from which the BP receives Feedstock that does not carry a SBP-endorsed Forest Management Scheme claim. • Areas with the same legislation regarding elements within Standard 1 such as: <ul style="list-style-type: none"> ○ 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
<p>8.1 The BP shall determine if a Supply Base Evaluation (SBE) is required.</p>	<p>3.4</p>	<p>The organisation shall evaluate its feedstock sourcing to determine the scope of the Supply Base Evaluation (SBE) needed for its defined Supply Base.</p>
	<p>3.5</p>	<p>The organisation shall justify the scope of the SBE required based on its mix of Feedstocks.</p>
<p>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.</p>	<p>3.6</p>	<p>The organisation shall determine which of the following elements of a SBE, are needed:</p> <ul style="list-style-type: none"> • The development of Supply Base Verifiers (SBVs). • Undertaking a Risk Assessment (RA).

<p>Feedstock Compliance Standard. The RA results in a risk rating for each indicator of 'specified risk', 'unspecified risk', or 'low risk'.</p> <p>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'.</p>		<ul style="list-style-type: none"> Planning Risk Management (RM). 																																
<p>8.2 The following types of feedstock may be excluded from a SBE:</p> <ul style="list-style-type: none"> 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 	<p>Info</p>	<p>The following components of an SBE shall apply when any Feedstock is identified as coming from these sources:</p> <table border="1" data-bbox="931 635 2074 1273"> <thead> <tr> <th>Scope of SBE needed:</th> <th><i>Supply Base Verifier dev</i></th> <th>Risk Assessment</th> <th>Risk Management</th> </tr> </thead> <tbody> <tr> <td>Source of Feedstock:</td> <td></td> <td></td> <td></td> </tr> <tr> <td>RRA 100% - ie: RRA with all low risks</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>RRA <100% - ie: RRA with some specified risks</td> <td>Possible GAPS</td> <td>Possible GAPS</td> <td>GAPs</td> </tr> <tr> <td>No RRA available</td> <td>yes</td> <td>yes</td> <td>yes</td> </tr> <tr> <td>SBP-recognised certification scheme</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Partially certified or certified against a scheme that meets some of the SBP requirements</td> <td>GAPs</td> <td>GAPs</td> <td>GAPs</td> </tr> <tr> <td>No certification</td> <td>yes</td> <td>yes</td> <td>yes</td> </tr> </tbody> </table>	Scope of SBE needed:	<i>Supply Base Verifier dev</i>	Risk Assessment	Risk Management	Source of Feedstock:				RRA 100% - ie: RRA with all low risks	-	-	-	RRA <100% - ie: RRA with some specified risks	Possible GAPS	Possible GAPS	GAPs	No RRA available	yes	yes	yes	SBP-recognised certification scheme	-	-	-	Partially certified or certified against a scheme that meets some of the SBP requirements	GAPs	GAPs	GAPs	No certification	yes	yes	yes
Scope of SBE needed:	<i>Supply Base Verifier dev</i>	Risk Assessment	Risk Management																															
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No certification	yes	yes	yes																															

<p>FSC® Standard for Company Evaluation of FSC® Controlled Wood, FSC-STD-40-005.</p> <ul style="list-style-type: none"> • Post-consumer tertiary feedstock sourced following the requirements of Instruction Note 4A, SBP tertiary feedstock requirements. <p>Note: Feedstock supplied in compliance with SFI Fiber Sourcing requirements is not considered to meet SBP-certified feedstock or Controlled Feedstock requirements.</p>		<p>Where GAPs are identified, due to partial compliance of a source or Regional Risk Assessment then they shall be filled within the SBE.</p>
	<p>3.7</p>	<p>The organisation shall regularly review the scope of its SBE and revise it as required.</p>
<p>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.</p> <p>17.2 The SBE shall be modified in accordance with changes in the SB.</p>	<p>3.7.1</p>	<p>The organisation shall review the scope of its SBE prior to each annual audit and update it as necessary to reflect changes in its supplied Feedstock and/or changes to risks in the supply base.</p>
<p>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.</p>	<p>3.7.2</p>	<p>Any changes in the Supply Base or supply chain which might reasonably affect the Risk Assessment conclusions or alter the required Risk Management Measures of an SBE shall result in an immediate review and, if deemed necessary, revision of the SBE by the organisation.</p> <p>Such changes include but are not limited to:</p> <ul style="list-style-type: none"> • Introduction of new legislation and/or jurisdictional changes • New Feedstock sources being proposed • New main suppliers and/or contractors being used • Failure of any Risk Management Measures to address the specified risks
	<p>3.7.3</p>	<p>The organisation shall revise its SBE every 5 years.</p>
<p>12 Competence to undertake Supply Base Evaluations</p>	<p>3.8</p>	<p>Competence to undertake Supply Base Evaluations</p>

<p>12.3 The organisation shall establish a process for selecting and appointing an evaluation team with the required competences.</p>	<p>3.8.1</p>	<p>The organisation shall establish a process for selecting and appointing an evaluation team (entity or individual(s)) with the required competences.</p>
<p>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:</p> <ul style="list-style-type: none"> • 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. 	<p>3.8.2</p>	<p>The organisation shall ensure that the evaluation team (entity or individual(s)) undertaking the SBE has/have and can demonstrate the necessary competence, knowledge and experience to evaluate the organisation's Supply Base and associated supply chains against SBP Standard 1 and the identified impacts, including, but not limited to knowledge of:</p> <ul style="list-style-type: none"> • Ecological and social values • Applicable laws and regulations • Business management practices • The operation of suppliers and contractors, including management systems and products • Competence in evaluating SBP requirements • Competence in due diligence systems • Language skills appropriate to all stakeholders • Note-taking and report-writing skills • Stakeholder engagement skills
<p>12.2 The organisation shall determine the competences required for achieving the</p>		<p>[Covered by 3.6.2.]</p>

objectives of the SBE, and how they shall be demonstrated or assessed.		
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.		[Not required.]
12.5 The organisation undertaking the SBE shall document its processes.		[Not required.]
	3.9	Conclusions of the Supply Base Evaluation
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.	3.9.1	Where results of the Risk Assessment(s) conclude Low Risk , then those sources shall be considered SBP-compliant.
	3.9.2	Where results of the Risk Assessment conclude Specified Risk , then those sources shall be considered non-compliant, the source(s) shall be avoided, and the Feedstock physically excluded from SBP-certified biomass.
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.	3.9.3	Where results of the Risk Assessment conclude Specified Risk, but subsequent monitoring of Risk Management Measures concludes Low Risk, then those sources may be considered SBP-compliant.
9 Implementing a Supply Base Evaluation		

IN2C – 5 Annual updates		
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).		[Not required.]
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.		[Not required.]
18 Reporting on the Supply Base Evaluation	4	4 Supply Base Reporting
18.1 Where the BP has undertaken a SBE this shall be reported in the SBR	4.1	The organisation shall prepare a report on its Supply Base following the most recent version of the Supply Base report (SBR).
	4.2	The organisation shall update its SBR annually, and each time the SBE is revised.
Standard 1 - Instruction Note 1A: Instructions for Biomass Producers for the development of Locally Applicable Verifiers	5	5 Developing Supply Base Verifiers
1 Scope This section sets out the requirements for the development Locally Applicable Verifiers (LAVs) required in the absence of an SBP-endorsed Regional Risk Assessment. The LAVs will facilitate evaluation of the risk that Biomass Producers (BPs) must manage in their own local contexts.	Intent	As part of an approach to due diligence, Supply Base Verifiers (SBVs) are required to identify the information needed either in the form of pre-existing evidence or to develop new evidence that are appropriate to the supply base and which enable the risks of the impacts identified in SBP Standard 1: Feedstock Compliance Standard to be assessed. By developing these verifiers to be more specific to the SB and Feedstocks used by the organisation the SBVs facilitate the assessment of the risks, that organisations must manage, in the context of the defined Supply Base.
	Info	Nature of Supply Base Verifiers:

		<p>Document X (will) list potential and significant generic impacts that sourcing Feedstock can have in relation to the indicators within Standard 1. Not all of these impacts will necessarily manifest within a particular Supply Base or Feedstock type.</p> <p>Document X (will) also describes some possible Indicator Specific Means of Verification that could be used to assess whether the risk of these impacts coming about are being adequately assessed and managed. Not all of this evidence will be available in every Supply Base.</p> <p>That is why there is a need to develop an understanding of which impacts are significant within the defined Supply Base, amongst the relevant operators in the supply chain and for the Feedstock types that are being sourced by the organisation. That is also why a review of available verifiers is useful to understand where evidence needs to be found to assess and manage risks.</p> <p>This process can also be useful in helping to identify any relevant additional guidance or the need for such guidance.</p> <p>Developing Supply Base Verifiers must not remove or weaken the indicators set out in Standard 1 – but it aims to add context specific to the situation.</p> <p>SBVs must not alter the intent of the indicators and do not need to be approved by SBP.</p> <p>Where possible SBVs should make use of credible, third party and published sources of information. This should be augmented where needed with an organisations own work utilising best practice where available. Interviews with relevant stakeholders within and outside the organisation can also be a significant source of information.</p>
	<p>5.1</p>	<p>SBVs shall be developed to identify the type and sources of information needed to assess</p> <ul style="list-style-type: none"> • Whether there are laws within the SB that address the identified impacts, such as <ul style="list-style-type: none"> ○ List of all relevant laws ○ Publicly available information concerning whether the relevant laws address the identified impacts – e.g. NGO reports, news coverage • Whether the laws are enforced to address the identified impacts, such as <ul style="list-style-type: none"> ○ List and assessment of competent authorities and agencies ○ Publicly available information concerning whether the relevant authorities are effective – e.g. NGO reports, news coverage

		<ul style="list-style-type: none"> ○ Relevant Compliance & Enforcement frameworks? ● Whether relevant operators within the SB are implementing legal compliance and/or best practice to address the identified impacts, such as <ul style="list-style-type: none"> ○ List all relevant regional and local Best Management Practices (BMPs) and/or Standard Operating procedures (SOPs) available and an assessment of whether they address the identified impacts ○ Description of the organisation's due diligence process with its suppliers and contractors ● Whether there is or is planned monitoring of outcomes relative to the impacts, such as <ul style="list-style-type: none"> ○ Monitoring protocols ○ Research projects
<p>2.1 The BP will specify appropriate means of verification for every indicator, and may also develop additional guidance for indicators.</p> <p>SBP approval is not required for adaptation of means of verification or guidance.</p>		[Not required.]
11. Rating of risk	6	6 Risk Assessment
<p>Standard 1, IN1A, 7.1 Where a RRA has been endorsed by the SBP that RA and its means of verification will replace the LAVs.</p>	INTENT	<p>A Risk Assessment is required to evaluate the risk for indicators within the SB following a rigorous risk evaluation framework.</p> <p>In order to identify:</p> <ul style="list-style-type: none"> ● Low risk ● Specified risk <p>A Risk Assessment is required in the absence of an SBP-endorsed Regional Risk Assessment and/or when Feedstock is from a source which is only partially compliant with the SBP standard.</p> <p>In the case of a partially compliant Feedstock source a Risk Assessment must be conducted against the identified gaps in the compliance.</p>

	<p>6.1</p>	<p>Nature of a Risk Assessment:</p> <p>The Risk Assessment shall:</p> <ul style="list-style-type: none"> • Assess whether there are laws in place that address the requirements and identified impacts in SBP Standard 1: Feedstock Compliance Standard and SBVs • Assess whether these laws are being enforced within the SB • Assess whether there is implementation of legal compliance and/or best practice to meet the requirements of SBP Standard 1: Feedstock Compliance Standard in the relevant operators: <ul style="list-style-type: none"> ○ Assess whether BMPs/SOPs in the relevant operators address Standard 1 ○ Assess and verify the implementation of BMPs and SOPs by relevant operators ○ Assess due diligence by the organisation of other relevant operators' implementation • Assess whether there is monitoring and evaluation of the efficacy of relevant operators to meet indicator requirements.
	<p>6.2</p>	<p>The organisation shall conduct a Risk Assessment to determine the level of risk of sourcing Feedstock that cannot be verified as SBP-compliant against SBP Standard 1: Feedstock Compliance Standard indicators using identified SBVs.</p>
	<p>6.3</p>	<p>The organisation shall assess risks within all relevant suppliers and contractors within its SB and supply chain.</p> <p>The organisation shall:</p> <ul style="list-style-type: none"> • conduct and record a due diligence process on its current and potential suppliers and contractors to assess their risk and compliance with SBP standard requirements. • require their current and potential suppliers and contractors to assess the risk and compliance with the standard with any other organisations that they sub-contract or source from. • require their suppliers and contractors to accept the right of the organisation's certification body and internal staff to audit the supplier or contractor for conformity with this standard.

	Guidance	Third party certification of suppliers and contractors against elements of the SBP standards may reduce the risk or their non-compliance and meet these due diligence requirements.
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.	Info	<p>The organisation should begin its Risk Assessment (RA) at the regional level, rather than at the level of an individual forest or land unit.</p> <ul style="list-style-type: none"> • The assessments of laws and their enforcement should be undertaken at the level of the SB or sub-scope as by definition they will apply uniformly within each; • The assessment of best management practices and its monitoring and evaluation may also be at a SB or sub-scope level but must also include an assessment of the quality of how individual relevant operators apply such best practice and undertake monitoring and evaluation within their own organisations and on the land they manage <p>Any gap or shortfall identified at any of the 4 steps need to be filled by appropriate actions or further evidence in order to manage the identified risk and allow progress through to the next step of the decision tree.</p> <p>For instance, a lack of relevant laws or inadequate enforcement of those laws identified in step 1 or 2 can be mitigated by implementing appropriate BMPs (as identified in step 3).</p> <p>A gap or shortfall identified at step 4 leads to a SPECIFIED RISK which must be managed.</p>
11.2 see above	6.3	The organisation shall gather relevant information to allow it to assess risks within the SB. This shall reference current, credible, independent published/attribution (in the case of consultation) sources of information in its RA.
11.6 Each indicator shall be rated on the following basis:	6.4	<p>The organisation shall assign a single risk rating for each indicator, and for each indicator per sub-scope if used.</p> <p>The risk rating of the same indicator between sub-scopes may be different.</p> <p>Each indicator shall be assigned a risk rating on the following basis:</p>
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.	6.4.1	<p>Low risk:</p> <p>An indicator shall only be categorised as low risk if there is evidence of negligible risk of non-compliance with the indicator.</p>

<p>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.</p>		
<p>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.</p>	<p>6.4.2</p>	<p>Specified risk: All indicators that cannot be categorised as low risk shall be considered specified risk. Risk Management measures are required for any indicator which is classified as specified risk. The nature of each specified risk must be clearly detailed to ensure that adequate Risk Management Measures can be identified</p>
<p>11.7 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.</p>		
<p>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.</p>		<p>[Covered in 6.4.1 above.]</p>
<p>11.7 1) There shall be justification, supported by adequate documentary evidence, for any risk statement.</p>	<p>6.5</p>	<p>The organisation shall provide justification, supported by adequate evidence, for its final determination of risk rating(s) for all indicators in its RA. This information shall be drawn from the identified SBVs and shall include more than one source of evidence for the justification if available. This information shall be included in the organisation's SBE report.</p>
	<p>6.6</p>	<p>The RA shall be signed off by senior management in the organisation.</p>

	6.7	The organisation shall regularly review the need to revise its Risk Assessment and/or risk ratings.
	6.8	The organisation shall review its RA for accuracy and completeness prior to each annual audit and update it as necessary to reflect changes in its supplied Feedstock and/or changes to risks in the supply base.
	6.9	<p>Any changes in the Supply Base or supply chain which might reasonably affect the Risk Assessment conclusions shall result in an immediate review and, if deemed necessary, revision of the RA by the BP to ensure that the RA remains accurate.</p> <p>Such changes include but are not limited to:</p> <ul style="list-style-type: none"> • Introduction of new legislation and/or jurisdictional changes • New Feedstock sources being proposed • New main suppliers and/or contractors being used
	6.10	The organisation shall revise its RA every 5 years and update it as necessary.
	7	7 Risk Management
	Intent	<p>A Risk Management Plan needs to be developed and implemented to reduce specified risks to low or to avoid specified risk sources, in order to achieve SBP compliance.</p> <p>The purpose of Risk Management is to put actions or requirements in place, directly with relevant operators, to effectively reduce risks or if that is not possible to avoid sourcing Feedstock that does not comply with SBP requirements (Standard 1) when an organisation's RA, or an SBP-endorsed Regional Risk Assessment, concludes specified risk for one or more indicators within the Supply Base.</p> <p>Risk Management describes the actions required to reduce, avoid or otherwise manage a risk's impact or likelihood. There are four general types of strategies for controlling risk: acceptance, avoidance, transference and mitigation.</p> <p>In the SBP system, risk acceptance is only allowed for low risks. Risk transference is not allowed.</p>

		<p>Risk mitigation - is a risk management strategy used by organisations to reduce the impact or the likelihood of a risk being realized. This strategy limits an organisation's exposure by taking specific actions.</p> <p>Risk Avoidance - is a risk management strategy used by organisations to eliminate all exposure to the risk. It may also include not performing a process, or selecting a different raw material for example.</p>
16.1 Where an indicator is rated as specified risk, mitigation measures shall be taken to reduce the risk level to low risk.	7.1	Risk Management is required when an indicator is rated as specified risk for Feedstock relative to the identified impacts in Standard 1.
Standard 1, IN1A, 7.1 Where a RRA has been endorsed by the SBP that RA and its means of verification will replace the LAVs.	7.2	The organisation shall implement any Risk Management measures proposed by SBP (e.g. in guidance documents) or SBP-endorsed RRAs.
	7.3	Where there are no Risk Management measures proposed by SBP, the organisation shall develop its own based on available best practice, knowledge of its specific suppliers and risk factors, and other relevant factors.
	7.4	<p>The organisation shall develop and implement a Risk Management Plan.</p> <p>The RMP shall identify actions required by relevant operators to address all specified risks, covering the:</p> <ul style="list-style-type: none"> • Risk management actions required or • Which Feedstock need to be avoided.
16.2 Mitigation measures shall be justified and recorded.	7.5	Risk Management Measures shall be justified and documented, with records of implementation maintained.
16.3 The BP shall implement a plan to monitor the effectiveness of the mitigation measures, at least annually (i.e. every 12 months).	7.6	The organisation shall maintain and implement a documented procedure for monitoring the effectiveness of its risk management measures at least every 12 months.

<p>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.</p>	<p>7.7</p>	<p>Where initial Risk Management Measures are found to have not been effective in managing risk, further measures shall be implemented, monitored and deemed effective in order for the feedstock to be considered compliant with SBP Standard 1.</p>
	<p>7.8</p>	<p>The Risk Management Plan shall be signed off by senior management in the organisation.</p>
	<p>7.9</p>	<p>The organisation shall regularly review the effectiveness of its RMP in managing specified risks to low-risk rating and the need to revise it.</p>
	<p>7.9.1</p>	<p>Any failure of any Risk Management Measure to address the specified risks and which might reasonably alter the required Risk Management Measures shall result in an immediate review and revision of the RMP by the organisation to ensure that it remains effective.</p>
	<p>7.9.2</p>	<p>The organisation shall review its RMP prior to each annual audit and update it as necessary.</p>
	<p>7.9.3</p>	<p>The organisation shall revise its RMP every 5 years and update it as necessary.</p>
	<p>7.10</p>	<p>The organisation shall continue to conduct and record a due diligence process with relevant operators (see 5.2).</p>
	<p>7.11</p>	<p>The organisation shall stop sourcing from suppliers and working with contractors that fail to manage any specified risks when requested to.</p>
<p>13 Stakeholder consultation</p>	<p>8</p>	<p>8 Stakeholder Engagement</p>
<p>13.1 Stakeholder consultation is required at the initial SBE and at the five-yearly re-evaluation.</p>	<p>8.1</p>	<p>The organisation shall engage with its stakeholders, with the specific intention of seeking feedback on its SBE, including:</p> <ul style="list-style-type: none"> • its SBVs, • Risk Assessment and Risk Ratings, and

13.2 Requirements include those detailed in Instruction Note 2B: Supply Base Evaluation Stakeholder Consultation Requirements.		<ul style="list-style-type: none"> The Risk Management Plan and monitoring procedures where applicable.
	8.2	The organisation shall engage with its stakeholders each time the SBE is revised or every five (5) years - whichever is earliest.
13.3 The principles in Stakeholder Consultation for Forest Evaluations FSC-STD-20-006 (V3-0) EN are recommended as good practice.	Info	The principles in Stakeholder Consultation for Forest Evaluations FSC-STD-20-006 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.	8.3	The organisation 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 organisation's management systems.
4.2 The BP is not required to develop a consensus with stakeholders, but it will seek to address relevant stakeholder concerns.	8.4	The organisation shall seek to address relevant stakeholder concerns. It is not required to achieve a consensus with stakeholders.
4.3 The BP will contact relevant stakeholders in the country or region concerned, one month prior to the Supply Base Evaluation.	8.5	The organisation shall contact relevant stakeholders in the country or region concerned.
	8.6	The organisation shall contact relevant stakeholders in time to allow them at least one month's time to provide feedback before the documents are finalised.
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	8.7	The organisation shall provide Stakeholders with adequate information as a basis for informed comment, but do not have to provide sensitive or commercially confidential information.

<p>provided with sensitive or commercially confidential information.</p>		
<p>The following are examples of relevant stakeholder groups:</p> <ul style="list-style-type: none"> a) Any registered committee or working group developing forestry standards; b) The state forest service; c) Regional NGOs that are involved or have an interest in social or environmental aspects of forest management, either at national or sub-national level, in the locality of the SB to be evaluated; d) Representatives of indigenous peoples and local communities involved or interested in forest management, either at national or sub-national level, in the locality of the SB to be evaluated; e) Representatives of forest workers; f) Representatives of forest harvesting industry/forest owners' associations; g) Forest research and education institutions; and h) Forest industries and associations. 	<p>Info</p>	<p>The following are examples of relevant stakeholder groups:</p> <ul style="list-style-type: none"> a. Any registered committee or working group developing forestry standards; b. The state forest service; c. Regional NGOs that are involved or have an interest in social or environmental aspects of forest management, either at national or sub-national level, in the locality of the SB to be evaluated; d. Representatives of indigenous peoples and local communities involved or interested in forest management, either at national or sub-national level, in the locality of the SB to be evaluated; e. Representatives of forest workers; f. Representatives of forest harvesting industry/forest owners' associations; g. Forest research and education institutions; and h. Forest industries and associations.
<p>5.1 The BP will keep the following records:</p> <ul style="list-style-type: none"> a) Lists of individuals/organisations invited to comment; and b) Copies of all correspondence and/or comments received with respect to modifications of the Supply Base Report. 	<p>8.8</p>	<p>The organisation shall keep the following records:</p> <ul style="list-style-type: none"> a. Lists of individuals/organisations invited to comment; and b. Copies of all correspondence and/or comments received with respect to the SBE and its components.

	8.9	The organisation shall provide those stakeholders engaged with feedback on their comments and the final SBR.
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Annex 1: Feedstock Definitions

