

Standards Development Process



# SBP Standard 1: Feedstock Compliance

Revision Draft v1 for Public Consultation

*Explanatory Note*

Sustainable Biomass Program  
[sbp-cert.org](http://sbp-cert.org)

# **Revision Draft v1 for Public Consultation Standard 1 Explanatory Note**

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# Contents

<b>1</b>	<b>Overall approach</b>	<b>2</b>
<b>2</b>	<b>Details</b>	<b>4</b>
2.1	Background and Scope	4
2.2	Principle 1 – Legality: changes and explanations	6
2.3	Principle 2 – Biomass sourcing: changes and explanations	7
2.4	Principle 3 – Carbon: changes and explanations	14
2.4.1	Details and explanations of text changes	14
2.4.2	Forest Carbon Group: Proposal 1: Guidance	17
2.4.3	Additional proposals to SBP relating to its ongoing commitment to carbon	19
2.5	Principle 4 – Biomass benefits people and communities: changes and explanations	20
2.6	Pro-active Engagement: a proposal for commenting in public consultation	29

# 1 Overall approach

## Structure of Indicators

- Throughout the document we have structured the Indicators similar to following example: “The organisation has implemented appropriate control systems and procedures for verifying that operations are legal.”

This is to ensure that Indicators are a combination of process and outcome – that is the implementation of a management system (control systems and procedures) in order to ensure that an outcome is achieved (in the example: operations are legal).

- SBP will clarify, in interpretative documentation, that the intent of the current Standard when it uses terms such as ‘verify’ is to ensure that the desired outcome is delivered. However, it is recognised that it is not always possible for an organisation to be (themselves) required to ensure that forests, land and trees are managed sustainably if that organisation does not directly own and manage the land.
- At the same time, there is a desire to move from process to outcome indicators, but no consensus has been reached on the desirability or practicality of changing to only outcome Indicators, either in terms of applicability by organisations or auditability by Certification Bodies.
- It was felt that the proposed structure gives equal weight to both process and outcome elements of the Indicators.

## Examples of Means of Verification

- Each indicator will be accompanied with examples of the Means of Verification (MoV) that are the evidence that an organisation or Certification Body should be looking for in order to assess and manage the risks that an indicator is not being complied with.
- Working Group A (WGA) has not yet finally settled on how MoVs will be presented in a future Standard.
- Generic MoVs and how they are to be used to assess and manage risks in the Supply Base have been moved to Standard 2.
- MoVs that are specific to particular indicators have been moved to a standalone document that potentially could be updated independently of the whole Standard document. This standalone document will be part of the public consultation of Revision Draft v2 in Q4/2021. The current consultation focuses on input to the overall approach and on Principles and Indicators in Standard 1.

## Reorganising Criteria and Indicators

- Where possible we have sought to group related Criteria together and to combine Indicators or parts of Indicators that address similar issues or require similar approaches.
- We have also tried to split indicators, when multiple issues have been placed in the current Standard [the Standard which is currently in force] in the same Indicator.

## Maintain or enhance

- Where possible we have drafted Criteria and Indicators to require that values such as biodiversity, ecosystems or community benefits are maintained or enhanced.
- In some cases, the current Standard already requires this.
- There was a split of views, within WGA, over whether the Standard should require organisations to deliver positive benefits and outcomes, beyond avoiding harm or damage to such values or whether organisations could be expected to deliver such benefits at scale, that is, outside of land directly managed for biomass or amongst direct employees. Opportunities to do so vary depending on the scale and type of operator.
- The compromise was to require maintaining OR enhancing, so that if an opportunity was available the Standard would not be seen as a reason not to deliver such benefits while falling short of requiring all organisations to do so.

## 2 Details

### 2.1 Background and Scope

	Standard 1 revision draft text in light yellow box.
	Questions for public consultation in light red box.
No. in proposed S1	Section title
1	<b>Background</b>
	This section has been changed from a description of the development of SBP and the Standards to focus more on the nature and functioning of the Standards themselves.
2	<b>Scope</b>
	We are proposing to change to using the term Organisation rather than Biomass Producer, to make the Standard more generic and applicable to different types of operators within the biomass supply chain. There was broad consensus, during the revision process, that some environmental and social risks occur within the wider biomass supply chain. This risk is likely to be higher in emerging markets than it is in the markets where SBP currently operates.
	Text has also been added to specify that the Standard applies to trees outside forests as well as to forests. This has resulted in a number of text changes within the document where it was felt current wording restricted the Standard to application within forests. For example, 'forest' has been replaced with 'land' and 'forest management' with 'operations'.
	There is also text that clarifies that the Supply Base is everything upstream from the organisation, that is between the place of harvest and the organisation. It emerged, during the revision process, that organisations and Certification Bodies have not been dealing with this issue consistently – some see the Supply Base as everything upstream from the organisation others as only within the forest. It was felt that consistency was needed and that a sustainable biomass industry should be concerned about impacts wherever they occur within its supply chain. However, it was also recognised that the scope of influence of the biomass industry in general was low due to its low economic value compared to other economic actors and drivers of forest/land management.
2.1	<b>General Principles</b>

	We have changed the term 'legally and sustainably sourced' to 'legally and responsibly sourced' in order to better reflect an understanding that this is a risk-based Standard and that sustainability is not a fixed point but a concept with related processes.
	There is new text that establishes the principles of regional and risk-based management within this Standard.
	We have added text that includes a narrative description of the risk-based and regional approach.
	Instructions on which feedstocks need to be evaluated have been moved to Standard 2.
	We have added text to describe the limits of organisations (scope of influence) over the Supply Base and supply chain. We are aware that not all operators are equally able to influence third parties that directly manage the forests, trees and land that the organisation is sourcing from. As a risk-based Standard the requirement is on organisations to do what they can to reduce the risk of non-compliance by third parties, whether suppliers or contractors.
	We have added text to clarify that the role of organisation is therefore to have appropriate systems and procedures in place to assess and manage the risks in other organisations.
	References to CPET in this text have been removed, as they are no longer needed.
<b>2.2</b>	<b>Normative elements in this Standard</b>
	The participating organisation is the unit of certification for this Standard and shall implement these requirements in their sourcing of feedstocks. This section lists the specific requirements:
	<ul style="list-style-type: none"> <li>• To undertake a Supply Base Evaluation</li> </ul>
	<ul style="list-style-type: none"> <li>• To implement procedures to verify that feedstock is compliant</li> </ul>
	<ul style="list-style-type: none"> <li>• For the organisation to ensure that suppliers and contractors are also compliant</li> </ul>
	<ul style="list-style-type: none"> <li>• For the organisation to comply with other SBP Standards</li> </ul>
	Additional text clarifies what elements of guidance are normative – in particular making clear that the term 'shall' means text is normative even in guidance.
	The text also requires Certification Bodies to verify the organisation and its suppliers and contractors.
<b>2.3</b>	<b>The role of the Organisation</b>
	This section clarifies that it is the responsibility of the organisation for ensuring compliance with the Standard in their own operations and for taking all reasonable efforts to ensure it in all suppliers and/or contractors within the Supply Base and supply chain from the place of harvesting of the feedstock to the organisation's operations.

<b>2.4</b>	<b>Locally Applicable Verifiers</b>
	Elements relating to how this Standard is implemented have been removed to Standard 2.
<b>2.5</b>	<b>Components of a Supply Base Evaluation</b>
	Elements relating to how this Standard is implemented have been removed to Standard 2.
<b>2.6</b>	<b>SBP-endorsed Regional Risk Assessments</b>
	Elements relating to how this Standard is implemented have been removed to Standard 2.
<b>2.7</b>	<b>Evidence appropriate to the scale of the operation</b>
	Elements relating to how this Standard is implemented have been removed to Standard 2.
<b>3</b>	<b>Normative references</b>
	Updated with new document titles.
<b>4</b>	<b>Glossary of terms and definitions</b>
	Becomes a separate document.

## 2.2 Principle 1 – Legality: changes and explanations

No. in proposed S1	Notes on the main changes proposed
<b>1</b>	<b>Principle 1 – Legality</b>
<i>Note</i>	<p>We have moved requirements in Criterion 1.1 (The Supply Base is defined relating to defining and mapping the Supply Base and Traceability) to Standard 2.</p> <p>We have combined several of the current Indicators covering different aspects of legality:</p> <p>1.2 The forest owner and manager hold legal use rights to the forest (CPET L1).</p> <p>1.3 There is compliance with the requirements of local, national and applicable international laws, and the laws applicable to Forest Management (CPET L2).</p> <p>1.4 All applicable royalties and taxes have been paid (CPET L3).</p>



	1.5 There is compliance with the requirements of CITES (CPET L4). Moved 1.6 on land rights to the Social Principle within Standard 1
<b>1.1</b>	<b>Criterion: Operators and operations are legal</b>
<i>Note</i>	The Criterion aims to clarify that it is not just the feedstock itself that needs to be legal but also the organisation's sourcing and handling of it.
<b>1.1.1</b>	<b>Indicator</b> The organisation has implemented appropriate control systems and procedures for verifying that: Operations are legal. That must include: <ul style="list-style-type: none"> <li>▪ Legality of ownership and/or land and resource use.</li> <li>▪ Feedstock is legally harvested, supplied and produced, including in compliance with CITES and EUTR or other applicable legal trade requirements.</li> <li>▪ Payments for harvest rights and timber, including duties, relevant royalties and taxes related to timber harvesting, are complete and up to date.</li> </ul>
<i>Note</i>	Combined all legality requirements together for streamlining, but kept and amalgamated relevant guidance and updated sources of information.
<b>1.1.2</b>	<b>Indicator</b> The organisation has implemented appropriate control systems and procedures for verifying that: There is adequate protection of the land from unauthorised activities, such as illegal logging, mining and encroachment.
	Kept as standalone Indicator since compliance depends on third parties not just the organisation itself as with the other legality indicators above.

## 2.3 Principle 2 – Biomass sourcing: changes and explanations

No. in proposed S1	Notes on the main changes proposed
<b>2</b>	<b>Principle 2 – Biomass sourcing does not harm the environment</b>
	We have tried to streamline how the Standard deals with environmental issues. This Principle is made up of parts of the current:

	<ul style="list-style-type: none"> <li>• Criterion 2.1: Management of the forest ensures that features and species of outstanding or exceptional value are identified and protected (CPET S8a; S8c)</li> <li>• Criterion 2.2: Management of the forest ensures that ecosystem function is assessed and maintained, through both the conservation/set-aside of key ecosystems or habitats in their natural state, and the maintenance of existing ecosystem functions throughout the forest (CPET S5; S5a; 8b)</li> <li>• Criterion 2.4: Management of the forest ensures that forest ecosystem health and vitality is maintained (CPET S7)</li> </ul>
2.1	<b>Criterion: Biodiversity is maintained or enhanced</b>
2.1.1	<p>The organisation has implemented appropriate control systems and procedures to ensure that: Key species, habitats and ecosystems and other areas of high conservation value in the Supply Base are maintained or enhanced. This shall include that all such values and sites in the Supply Base are:</p> <ul style="list-style-type: none"> <li>▪ Identified and mapped;</li> <li>▪ That the potential threats from management activities to them are identified and evaluated; and</li> <li>▪ That key ecosystems and key habitats are conserved or set aside in their natural state.</li> </ul>
	<p>2.2.1 includes 2.2.1 to 2.2.4 of the current Standard. Amalgamation of biodiversity, high conservation values, key ecosystems and key habitat issues into a single Indicator (identify/assess/maintain) and removal of redundant Indicators. In many cases, the same evidence is used to address the current Indicators so amalgamation is believed to be an efficient and practical step.</p>
	<p>We have included more general guidance drawn from HCV Resource Network (HCVRN) and a requirement to justify which HCV/hcv approach is being followed. We recognise that the HCV approach as developed by the HCVRN is widely considered as best practice but were concerned that appropriately qualified assessors may not be universally available. We believe that SBP should take a role in helping organisations to move towards following the HCV approach.</p>
	<p><b>Public consultation question:</b> Should SBP adopt the HCV approach from the HCVRN or allow different approaches to high conservation value assessments and management?</p>
	<p><b>Proposal from WGA to SBP for additional action:</b> To undertake supply base level HCV assessments using the HCVRN 'HCV Screening for Landscapes and Jurisdictions' toolkit.</p>
2.1.2	<p>The organisation has implemented appropriate control systems and procedures to ensure that: Biodiversity is protected.</p>
	<p>We decided to keep a separate Indicator to deal with general biodiversity as opposed to the highest value/special sites and values covered by 2.1.1. This Indicator is framed now to focus on more general considerations related to maintaining a diversity of flora and fauna in the production landscape.</p>

	<p>It was felt that there could not be a requirement to “enhance” biodiversity etc as a baseline part of the Standard as not all organisations would necessarily have the opportunity to do so. It should feature strongly as an element of the proposed Principle 5.</p> <p>It was agreed however that the Standard should not be written in a way that would limit an organisation if there were opportunities to enhance such values.</p> <p>We felt that there is an increasing range of best practice and guidance available on how to ensure that biodiversity is well managed.</p>
	<p><b>Proposal from WGA to SBP for additional action:</b></p> <p>To collate the latest guidance and best management practices in biodiversity.</p> <p>For example, best practices promoted by state and federal agencies and forest certification standards include, but are not limited to, protection of:</p> <ul style="list-style-type: none"> <li>• Stand level diversity through retention of Streamside Management Zones (SMZs)</li> <li>• Snags, coarse and fine woody debris/brush piles, irregular stand boundaries</li> <li>• Development and enhancement of forest “edges”</li> <li>• Protection of nesting trees</li> <li>• Protection of isolated wetlands and springs etc.</li> <li>• Landscape level diversity by promoting a mosaic of stand ages and types, considering the timing and juxtaposition of harvests for hardwood management</li> </ul>
2.2	<p><b>Criterion: Ecosystems, their productivity, functions and services are maintained or enhanced</b></p>
	<p>This new criterion includes parts of the following current criteria:</p> <ul style="list-style-type: none"> <li>• Criterion 2.2: Management of the forest ensures that ecosystem function is assessed and maintained, through both the conservation/set-aside of key ecosystems or habitats in their natural state, and the maintenance of existing ecosystem functions throughout the forest (CPET S5; S5a; 8b)</li> <li>• Criterion 2.3: Management of the forest ensures that productivity is maintained (CPET S6; S6a; S6e)</li> <li>• Criterion 2.4: Management of the forest ensures that forest ecosystem health and vitality is maintained (CPET S7)</li> </ul>
2.2.1	<p><b>Indicator</b></p> <p>The Organisation has implemented appropriate control systems and procedures for verifying that:</p> <p>Feedstock is not sourced from land that had one of the following statuses in January 2008 and no longer has that status:</p> <ul style="list-style-type: none"> <li>• Wetland</li> <li>• Peatland</li> <li>• Continuously forested areas</li> <li>• Natural forest that has been converted to production plantation</li> <li>• Land spanning more than one hectare with trees higher than five metres and a canopy cover of between 10% and 30%, or trees able to reach those dimensions</li> </ul>

	This text is included in order to ensure REDII compliance.
	<p><b>Guidance specifies that</b> this indicator addresses direct land use change due to feedstock sourcing. WGA debated whether the Standard should address indirect land use change (iLUC) but could not come to a consensus on whether or how to do it. It was felt to be a lower risk in woody biomass for energy production than for other bio-energy feedstocks. Request to cover iLUC in the further guidance on forest carbon that is being developed.</p>
	<p><b>Public Consultation question:</b> Is there value in the Standard including requirements about iLUC in relation to woody biomass sourcing and, if so, how could they be formulated?</p>
2.2.2	<p><b>Indicator</b> The organisation has implemented appropriate control systems and procedures for verifying that: There is assessment of impacts on ecosystems, their productivity, functions and services in the Supply Base, and planning, implementation and monitoring of actions to minimise them.</p>
	Biodiversity has been removed from the guidance for this Indicator since it is covered in the biodiversity criterion above.
2.2.3	<p><b>Indicator</b> The Organisation has implemented appropriate control systems and procedures for verifying that: Management maintains or improves soil quality.</p>
	<p><b>Guidance</b> The following impacts shall be assessed and if necessary, management measures implemented in the field to ensure that:</p> <ul style="list-style-type: none"> <li>• Erosion is minimised</li> <li>• Organic matter content is enhanced</li> <li>• Nutrient balance, fertility and cycling is maintained</li> <li>• Contamination is prevented and minimised</li> <li>• Compaction is prevented and minimised</li> </ul> <p>Other impacts that could be identified and mitigated include:</p> <ul style="list-style-type: none"> <li>• Salinisation and alkalinisation</li> <li>• Acidification</li> <li>• Soil biodiversity impacts</li> <li>• Sealing</li> <li>• Soil water management</li> </ul>

	Generic or global impacts of woody biomass production and harvesting have been identified in the guidance to allow organisations and Certification Bodies to understand what risks need to be assessed and managed to ensure compliance. This aims to give greater clarity when considering if a Supply Base Evaluation is robust. We have tried to identify the significant impacts that are more or less universal – but which may not always be high risks in every situation.
	<b>Public Consultation question:</b> We would like to hear stakeholders' views whether we have identified all significant impacts.
2.2.4	<b>Indicator</b> The organisation has implemented appropriate control systems and procedures for verifying that: The removal of residues minimises harm to ecosystems.
	<b>Guidance</b> Likely impacts of residue removal include but are not limited to: <ul style="list-style-type: none"> <li>• Impacts of the process of residue removal as well as the absence of that material once removed</li> <li>• Impacts on soil quality – fertility, organic matter content, structure and compaction, water retention and chemistry;</li> <li>• Impacts on carbon storage</li> <li>• Impacts on biodiversity - availability of dead organic matter serving as a niche and food source for wildlife</li> <li>• Impacts on tree and stand regeneration including fire risk</li> <li>• Impacts on access and amenity</li> </ul>
	Generic or global impacts of woody biomass production and harvesting have been identified in the guidance to allow organisations and Certification Bodies to understand what risks need to be assessed and managed to ensure compliance. This aims to give greater clarity when considering if a Supply Base Evaluation is robust. We have tried to identify the significant impacts that are more or less universal – but which may not always be high risks in every situation.
	<b>Public Consultation question:</b> We would like to hear stakeholders' views on whether we have identified all significant impacts.
	We are aware that the question of residue removal is one where the industry is being challenged and feel that there is likely to be some research, best practice and guidance which we are unaware of.
	<b>Public Consultation question:</b> We would like to call for ideas and further information on the impacts of residue removal on ecosystems and best practice guidance on how to minimise them?
2.2.5	<b>Indicator</b>

	The Organisation has implemented appropriate control systems and procedures for verifying that: The impacts on ground water, surface water and water downstream from operations are minimised.
	<b>Public Consultation question:</b> We would like to call for ideas and further information on the impacts of biomass production on water resources (in particular quantity issues) and best practice guidance on how to minimise them?
	Impacts on water may include but are not limited to: <b>Quality:</b> <ul style="list-style-type: none"> <li>• Diffuse and point pollution</li> <li>• Siltation/sedimentation</li> <li>• Eutrophication and deoxygenation</li> <li>• Acidification</li> <li>• Insolation and temperature impacts</li> <li>• Riparian habitat change</li> </ul> <b>Quantity:</b> <ul style="list-style-type: none"> <li>• Soil and ground water depletion</li> <li>• Surface runoff</li> <li>• Flood mitigation</li> <li>• Drainage of wetlands and peat soils</li> </ul>
	Generic or global impacts of woody biomass production and harvesting have been identified in the guidance to allow organisations and certification bodies to understand what risks need to be assessed and managed to ensure compliance. This aims to give greater clarity when considering if a Supply Base Evaluation is robust. We have tried to identify that significant impacts that are more or less universal – but which may not always be high risks in every situation.
	<b>Public Consultation question:</b> We would like to hear stakeholders’ views on whether these are the right global impacts.
2.2.6	<b>Indicator</b> The Organisation has implemented appropriate control systems and procedures for verifying that: Air quality is not adversely affected by operations.
	Impacts on air include but are not limited to: <ul style="list-style-type: none"> <li>• Particulates from machinery and use of fire</li> </ul>

	<ul style="list-style-type: none"> <li>• NOx and ammonia – from fertility management</li> <li>• VOCs – from use of fuels and other chemicals</li> </ul>
	<p>Generic or global impacts of woody biomass production and harvesting have been identified in the guidance to allow organisations and certification bodies to understand what risks need to be assessed and managed to ensure compliance. This aims to give greater clarity when considering if a Supply Base Evaluation is robust. We have tried to identify that significant impacts that are more or less universal – but which may not always be high risks in every situation.</p>
	<p><b>Public Consultation question:</b> We would like to hear stakeholders' views on whether these are the right global impacts.</p>
2.2.7	<p><b>Indicator</b> The Organisation has implemented appropriate control systems and procedures for verifying that: There is controlled and appropriate use of chemicals, and that Integrated pest management (IPM) is implemented wherever possible in operations.</p>
2.2.8	<p><b>Indicator</b> The Organisation has implemented appropriate control systems and procedures for verifying that: Methods of waste disposal minimise negative impacts on forest ecosystems</p>
2.2.9	<p><b>Indicator</b> The Organisation has undertaken analysis to show that feedstock harvesting:</p> <ul style="list-style-type: none"> <li>▪ Does not exceed the long-term production capacity of the forest,</li> <li>▪ Avoids significant negative impacts on productivity and</li> <li>▪ Ensures long-term economic viability.</li> </ul> <p>Harvest levels are justified by inventory and growth data.</p>
	<p>Relevant ecological functions and values may include:</p> <ul style="list-style-type: none"> <li>• Forest and tree regeneration and succession</li> <li>• Genetic, species and community diversity</li> <li>• Threat and/or presence and spread of invasive, non-native species</li> <li>• Natural cycles affecting productivity of the forest or other ecosystem</li> </ul>
	<p>Text has been added to cover invasive species.</p>
	<p>Generic or global impacts of woody biomass production and harvesting have been identified in the guidance to allow organisations and certification bodies to understand what risks need to be assessed and managed to ensure compliance. This aims to give greater clarity when considering if a</p>

	Supply Base Evaluation is robust. We have tried to identify that significant impacts that are more or less universal – but which may not always be high risks in every situation.
	<b>Public Consultation question:</b> We would like to hear stakeholders’ views on whether these are the right global impacts.
2.2.10	<b>Indicator</b> The Organisation has implemented appropriate control systems and procedures for verifying that: The health, vitality and other services provided by forest and other ecosystems in the Supply Base are maintained or enhanced.
2.2.11	<b>Indicator</b> The Organisation has implemented appropriate control systems and procedures for verifying that: Natural processes, such as fires, pests and diseases are managed appropriately.
2.2.12	<b>Indicator</b> Genetically modified trees are not used.

## 2.4 Principle 3 – Carbon: changes and explanations

### 2.4.1 Details and explanations of text changes

No. in proposed S1	Notes on the main changes proposed
	Current Indicator 2.9.1 (Feedstock is not sourced from areas that had high carbon stocks in January 2008 and no longer have those high carbon stocks) has been moved to Ecosystem functions.
3.1	<b>Criterion</b> Option 1: As a result of sourcing feedstocks, carbon stocks in the supply base are maintained or increased. Option 2: As a result of sourcing feedstocks, carbon stocks in the supply base are not adversely affected.
	WGA felt strongly that this criterion should acknowledge that forest carbon assessment must take account of the demand from biomass at a Supply Base level and not be undertaken in the absence of biomass demand. This was felt to be the appropriate scale to assess the carbon risk, as this is



	<p>the scale at which foresters maintain their forests and therefore the scale at which forest carbon is maintained/increased. The guidance here says organisations should seek evidence of dynamic response, which is one way they might consider this causal relationship.</p> <p>WGA considered in some detail whether to include carbon sequestration within the headline criterion. Many felt that maximising sequestration was important, but WGA ultimately decided that there was a climate benefit where forest carbon stocks were maintained and increased. It was felt that estimating changes in carbon stocks will ultimately require a consideration of rates of sequestration. The guidance below states that organisations should “establish systems and procedures to monitor the rate of carbon sequestration and storage within the Supply Base”.</p> <p>Note that this carbon approach is currently only being applied to biomass sourced from forests. The Forest Carbon Sub-group is yet to consider in detail how to approach carbon associated with non-forest biomass.</p> <p>In the absence of available, agreed and practical GHG methodologies, the group is taking an approach to avoid types of biomass, or some biomass practices, which do not have a low risk of maintaining or increasing forest carbon. WGA is not prepared to accept biomass types which may have a negative carbon stocks impact on the forest and to make up those carbon emissions elsewhere in the biomass’ GHG savings calculation. The Forest Carbon Sub-group would be pleased for consultation views on the formulation of the criterion in both the positive and negative.</p>
<p><b>3.1.1</b></p>	<p><b>Indicator</b></p> <p>Option 1: The organisation shall undertake a risk assessment of the impacts of biomass harvesting on forest carbon within the supply base, to ensure that forest carbon stocks are maintained or increased, and uses the assessment to justify feedstock sourcing decisions. The organisation shall provide justification for the time frame applicable to the assessment.</p> <p>Option 2: The organisation shall undertake a risk assessment of the impacts of biomass harvesting on forest carbon within the supply base, to ensure that forest carbon stocks are not adversely affected, and uses the assessment to justify feedstock sourcing decisions. The organisation shall provide justification for the time frame applicable to the assessment.</p>
	<p>Forest Carbon Sub-group interrogated a number of different binary pass/fail Indicators, but these were considered to be suboptimal and too inflexible to deal with the huge variety of different forestry, ecology and harvest practices, which always threw up exceptions. This risk assessment was a pragmatic solution for avoiding biomass types which do not maintain or increase forest carbon stocks.</p> <p>WGA? [The group] has removed time period from the criterion and instead believes a risk assessment should occur over a justifiable time period. For certain forests, the appropriate time period may be annual where forest carbon is stable. For forests where there are large natural disturbances, where there are significant natural cycles to take account of, or for significant market shocks, time periods of 10 years or longer may be appropriate. The organisation should provide justification for the time period used, and this may take consideration of locally relevant issues including rotations, natural disturbances and market shocks. The supplementary guidance must offer further examples of good practice. The European Commission’s REDII LULUCF operational guidance (still under consultation) and technical guidance<sup>1</sup> suggests the period 2000-2009 could be used, or justifying an alternative time period. The Forest Carbon Sub-group is still considering how best to comply with the REDII Article 29(7) Land Use, Land Use Change and Forestry (LULUCF) requirements and will propose additional text for the Standard before the end of the Standards Development Process.</p> <p>The Forest Carbon Sub-group would be pleased for consultation views on the formulation of the indicator in both the positive and negative.</p>
	<p><b>Guidance</b></p>

<sup>1</sup> [https://ec.europa.eu/energy/sites/default/files/rediibio\\_final\\_report\\_version\\_2.pdf](https://ec.europa.eu/energy/sites/default/files/rediibio_final_report_version_2.pdf)

	<p>The organisation shall undertake assessment and provide justification for sourcing feedstock within the following contexts:</p> <ul style="list-style-type: none"> <li>• Regions where growth &lt; drain. The Organisation must provide justification for the time period to which the assessment applies</li> <li>• Slow growing forest</li> <li>• High carbon stock areas (definitions and examples of high carbon stock areas are found in the standalone guidance.)</li> <li>• Stumps and roots</li> <li>• Where demand for biomass could lead to diversion of feedstock from long term carbon stores</li> </ul> <p>To inform the risk assessment and feedstock sourcing decision, the Organisation should also:</p> <ul style="list-style-type: none"> <li>• Consider whether there is evidence of dynamic response in the forest to increased economic demand for feedstock, measured over a justifiable period, providing evidence of its impact on carbon</li> <li>• Consider whether a robust carbon estimation needs to be undertaken; this might include a carbon stock and flow assessment, and should be based on best available data and methods</li> <li>• Establish systems and procedures to monitor the rate of carbon sequestration and storage within the Supply Base</li> <li>• Utilise relevant economic data on demand for alternative products in local markets to demonstrate the lack of alternative market for the fibre. The organisation may also provide evidence of systems in place to avoid using feedstocks which are high value or which may be used to produce longer use products.</li> </ul> <p>Where there is uncertainty about the assessment of carbon impact, the organisation should take a conservative approach. Conservative means a consideration of the full range of potential carbon impacts and takes action to ensure that there is a low risk of negative impacts on carbon stocks within the supply base.</p> <p>Requirements elsewhere in the Standard are relevant for ensuring forest carbon stocks are maintained or increased, including those relating to forest productivity, ecosystem functions, soil carbon, residue removals, regeneration/restocking of forests etc. The standalone guidance identifies those sustainable forest management activities which have relevance to forest carbon stocks and advises how they may be taken into account in the forest carbon risk-based regional assessment.</p>
	<p>WGA believes these five considerations are a good starting point for a risk assessment in avoiding 'bad biomass'. The Forest Carbon Sub-group has proposed that SBP develop supplementary guidance, which must include examples of evidence and good practice, as well as appropriate definitions (e.g. for 'slow growing' or 'high carbon stock').</p> <p>WGA is not identifying these five instances as 'bad biomass' per se, but rather that are associated with higher risks of not maintaining or increasing carbon. It was felt there were exceptions for all of these instances and that feedstocks drawn from these contexts should be assessed and justified. In particular, the Forest Carbon Sub-group recognised that slow growing forests, such as boreal forests in Northern Europe or Canada, have a long history of well managed forestry with good carbon outcomes, and for which using material from these forest is appropriate. Slow growing forests are recognised as higher risk on the grounds that, being slower to sequester carbon, take longer to recover from adverse circumstances.</p> <p>The group identified the need for biomass to avoid diverting feedstocks from higher value and longer use product markets, in order to ensure a low carbon approach. This is a key carbon "counterfactual". WGA felt that the price incentive will already drive this behaviour but felt it important to establish this as a principle to ensure only good biomass is used in bioenergy. WGA also considered whether there was a need to avoid the use of</p>

biomass which would otherwise remain stored in the landscape for appreciable periods. WGA was unable to reach agreement on this topic, with many in the group believing the above indicators will achieve this outcome. The group may review this topic again, particularly if the consultation highlights this as an issue, and in developing the guidance.

WGA felt that it was important that evidence was sought that the forest will respond positively to being managed. The guidance must set out examples of good/bad practice, including for both established forests, but also to advise organisations that collect material from forests that have newly come into management.

Certain members of the group felt strongly that this should be an indicator. However, on balance the group felt there was insufficient agreement and understanding around existing carbon methodologies, tools and data to make this an indicator in its own right. This is offered as one way to inform the risk assessment and feedstock sourcing decision. WGA feels this signals a direction of travel. In proposal 2, the group seeks commitment from SBP to further investigate carbon methodologies, tools and data and to consider whether/how to adopt/adapt a methodology for use in the Standard.

This approach to forest carbon is intended to link with biomass's supply chain emissions, such that a zero ('0') can be input into the forest carbon component of biomass's carbon calculation. Put another way, forests are managed in such a way that, on a regional basis, the forest is not releasing carbon but is maintaining or increasing forest carbon stocks – this means that when considering the various components of carbon emissions that make up the REDII biomass carbon methodology, there is no need to add any emissions from the forest sector to add to the supply chain emissions.

There were a breadth of views about whether biomass should aim to support increased carbon sequestration or storage on the land. Some felt that maintaining forest carbon stocks can be the best outcome for certain forests. There were also concerns that increasing sequestration can lead to intensification which may not achieve the desired carbon and biodiversity benefits – others felt that other sustainability requirements in the standard would prevent this from happening. On balance the group felt that monitoring the rate of sequestration and storage is an important starting point. This aims to ensure the industry establishes the tools and skills needed for the future when it is hoped that the industry can undertake carbon estimations.

Given the importance of this criterion in delivering SBP's climate impact, it was felt important that organisations should aim to take a conservative approach, rather than only taking a 'top of the error bar' approach. The guidance must give examples of what a conservative approach means in practice. The definition of conservative refers to taking action to ensure there is a low risk of negative impacts – this wording is intended to ensure the concept of conservative here is consistent with the risk approach applied across the standards to other issues such as biodiversity, soil health etc.

WGA acknowledged that it can be unhelpful and burdensome to repeat requirements in more than one part of the standard, indeed it is redundant to do so. However, on balance the group were content to support this signposting of issues which are integral for the management of forest carbon. It is hoped that it becomes clear to users or other readers of the standard that there is more to this requirement is underpinned by other sustainable forest management practices and behaviours.

WGA is yet to consider how to apply this approach to non-forest biomass or to biomass taken from restoration projects which may provide only non-carbon benefits.

## 2.4.2 Forest Carbon Sub-group: Proposal 1: Guidance

### Request to SBP to develop further guidance:

The Standard only has space for high level guidance and examples of means of verification. There is a need to provide additional clarity on the approach to forest carbon, given that the indicator 3.1.1 is not a binary yes/no gate, but rather requires a risk assessment of carbon that needs to be based on best available evidence and techniques.

Each forest or region has specific circumstances and considerations that may need to be considered in undertaking a regional risk assessment of forest carbon stocks and sequestration rates. Forest carbon may vary according to the region's climate, ecology, age and class distribution, rotation lengths, mortality/disease, species mix, regeneration approach (planted or natural regeneration), quantity of thinning/clearing carried out, fertiliser use, levels of residue collection and use, productivity in different size classes, productivity by species and other factors. These various factors cannot be clearly summarised in guidance within the Standard.

**The guidance should include advice and examples of evidence for:**

- Establishing an appropriate region boundary/size for undertaking a forest carbon assessment, drawing on SBP's Supply Base Evaluation approach. The guidance may provide relevant links to Standard 2.
- Appropriate mitigating action if a region is not assessed to be low-risk of compliance with the criterion. This guidance should advise taking a conservative approach to assessing forest carbon risks, including providing examples of what this means in practice.
- Using feedstocks from a region where growth is less than drain. The guidance should indicate how to undertake a growth: drain estimate and/or provide relevant examples. This should include examples of "justifiable period", including guidance on how to appropriately consider natural disturbances and natural forest cycles within this time period (as well as how to estimate future removals driven by conventional forest products (saw logs, chip 'n saw, etc.) and removals destined for energy purposes); the evidence required to demonstrate that there is increased carbon sequestration from improved management regimes; and how to assess/avoid over-intensification of harvest. This may include a consideration of whether a forward looking estimate/model should be used, comparing to a fixed year, or using a rolling time period; and how we can ensure that harvest does not cause a decrease in growth: drain ratios.
- Using feedstocks from slow growing forest regions. The guidance should provide indicative examples of good practice and assessment of whether use of fibre from salvage, thinning and other management options is appropriate. The guidance should provide examples of how carbon impacts are measured, what evidence is acceptable and data sources that are appropriate.
- Using biomass from regions with high carbon stock. These areas should be defined. Areas designated by international or national law or by the relevant competent authority for nature protection purposes, including in wetlands and peatlands, must be protected. Guidance should advise how to identify and protect such areas in regions and countries where Governance is weak. Guidance on the use of fibre resulting from conservation, salvage and other management of high carbon stock forests. The guidance should clarify that old growth forests should not be harvested for biomass, except under specific circumstances. The guidance should also provide examples of how carbon impacts can be monitored, what evidence is acceptable and sources that are appropriate.
- Dynamic response in forest to increased economic demand for feedstock. The guidance should provide relevant examples and examples including how evidence on the impact of this dynamic response on forest carbon can be demonstrated.
- Examples of low risk feedstock types or preferred actions, such as:
  - the use of fast decaying residues, provided this avoids levels of residue removals that lead to high risks of degradation of site/soil/ecosystem quality.
  - feedstocks from operations that would happen anyway, such as end of life felling, salvage, phytosanitary, safety. It is likely that in some of these instances, the harvests is taking place primarily for higher-value products, biomass is receiving just the lower value residues
  - feedstocks that would be unsuitable for use for higher value uses, such as sawn timber products.

- feedstocks, such as small roundwood, that would otherwise be burnt without energy recovery or sent to landfill.
- feedstock from pest or disease control operations, providing a management plan has been approved for the management of these natural disturbances.
- How to undertake a rigorous carbon estimation, including examples of relevant methods, methodologies and data. The guidance should provide links to some relevant methodologies and tools, which SBP should commit to updating as best practice develops.
- How to approach biomass material from forest regions where restoration projects have occurred that may have led to a long term carbon reduction, despite other improvements (e.g. in forest health, resilience, biodiversity/ecosystem benefits, reduced fire risk, long term carbon stabilised).
- Appropriate use of certain potentially high carbon risk feedstocks types, such as stumps, roots and longer use wood products.
- Examples of appropriate systems of evidence that avoid the diversion of biomass from longer use products, and examples of appropriate practices (for example wood unsuitable for use for sawn timber products, or small roundwood that would otherwise be burnt without energy recovery or sent to landfill etc).

The guidance should indicate those sustainable forest management activities required elsewhere in SBP's standard that are necessary for forest carbon stocks to be maintained or increased, and advise how they should be taken into account in the forest carbon risk based regional assessment. This may include a reference to:

- Maintaining or increasing forest productivity (current standard criterion 2.3).
- Maintaining ecosystem functions, including maintaining or increasing soil carbon, appropriate processes for residual removals to minimise harm (current standard criterion 2.2).
- Maintaining or increasing below ground carbon, including soil organic content enhanced and nutrient carbon balance/cycles maintained.
- Forests not being harvested only for biomass.
- Appropriate regeneration of forests, whether natural regenerated or replanted.
- Appropriate harvesting approaches and the circumstances under which use of forest residues are appropriate (including guidance on thinnings, leaving behind stumps etc).

### 2.4.3 Additional proposals to SBP relating to its ongoing commitment to carbon

Given that best practice and understanding of forest carbon continues to develop, the Forest Carbon Sub-group felt that SBP should commit to a number of other actions, in addition to taking forward this revision to the forest carbon criterion in the Standard. These were felt to be important and urgent and should be undertaken as soon as practicable.

SBP should commit to:

- Clarifying SBP's contribution to climate ambitions. This should include a consideration of the changing role biomass may play over the next 30 years in the transition to a net zero world, both for bioenergy and in the bioeconomy. This should also include a consideration of whether/how SBP can move to an ambition to increase forest carbon and how this might be measured and applied.

- Clarifying the carbon and climate benefit claims that can and cannot be made for individual CHs, and for SBP as a whole, as a result of the way it assesses, mitigates and reports the carbon and climate impacts of certified biomass. SBP should be clearer about what certification can demonstrate/assure with regard to forest carbon, supply chain emissions and overall carbon savings. To maintain credibility, SBP should be careful about over claiming. This clarification should consider the effect of relying on the REDII calculation and reporting and whether additional or alternative approaches are required.
- Developing further robust and extensive guidance for undertaking a forest carbon risk assessment, including how forest carbon is measured and what evidence is acceptable. This guidance should be available when the new standard comes into force and align with REDII BIO guidance. Forest Carbon theory and practice is in a process of continual improvement, so SBP should regularly review whether the guidance needs updating (see below for items it should include).
- Collecting data and undertaking monitoring, evaluation and verification of forest carbon across the regions it certifies, to improve understanding of SBP’s forest carbon impact. SBP should report on its findings. SBP should also consider how else it can improve its understanding of forest carbon, such as through research, use of tools and technology, and through collaborations with other experts and relevant stakeholders. This might include looking at forest inventory datasets, remote sensing and other tools, to better understand the impacts of biomass on forest carbon.
- Undertaking a status report for forest carbon accounting, with a mind to adopting or adapting an appropriate and robust methodology for use in the standard. This report should review and benchmark existing forest carbon methodologies and tools to consider how they can practically be applied on the ground. The report should also consider how it might mutually recognise different forest carbon methodologies. The report should give consideration to carbon insurance and pay-it-forward approaches to carbon accounting, that is, in developing a report on appropriate carbon methodology for SBP to utilise, consideration should be given to whether the approach should include a level of assurance that carbon will be stored at a regional level, such as through some form of insurance (e.g. paying to insure that in the event of carbon not being maintained/increased, carbon is sequestered elsewhere), or by only permitting carbon/biomass removal once that material has been certified as having sequestered sufficiently carbon (“pay it forward” accounting). In light of this report, SBP should update the forest carbon guidance, and consider when to revise the standard to make the use of these tools/methodologies a requirement. SBP should consider whether it can support CHs in this regard, such as by developing an appropriate tool or guidance.

## 2.5 Principle 4 – Biomass benefits people and communities: changes and explanations

No. in proposed S1	Notes on the main changes proposed
4	<b>Principle 4 – Biomass benefits people and communities</b>
	<p><b>General changes:</b></p> <ul style="list-style-type: none"> <li>• Added guidance that clarifies that the indicator applies to the organisation as well as its suppliers and contractors</li> <li>• We have increased the guidance for many of these indicators and made some of it normative (where it says ‘shall’). This text is largely drawn from Social Accountability 8000 (Social Accountability International 2014)</li> </ul>

	<ul style="list-style-type: none"> <li>• We have listed ILO conventions in sources of further information</li> <li>• We have made the ILO core conventions normative</li> </ul>
<b>4.1</b>	<p><b>Criterion</b> Decent working conditions are provided and labour rights are safeguarded.</p>
	<p>Brought together a number of current criterion and indicators relating to workers, including:            Criterion 2.7: The basic labour rights of forest workers are safeguarded            Criterion 2.3: Management of the forest ensures that productivity is maintained            Criterion 2.6: Appropriate mechanisms are in place for resolving grievances and disputes, including those relating to tenure and use rights, to Forest Management practices and to work conditions            Criterion 2.8: Appropriate safeguards are in place to protect the health and safety of forest workers</p>
<b>4.1.1</b>	<p><b>Indicator</b> The organisation has implemented appropriate control systems and procedures for verifying that: Freedom of Association and the effective recognition of the right to collective bargaining are respected in the workplace.</p>
	<p><b>Added a definition in glossary:</b>  <b>Workers:</b> All employed persons including public employees as well as self-employed persons. This includes part-time and seasonal employees, of all ranks and categories, including labourers, administrators, supervisors, executives, contractor employees as well as self-employed contractors and sub-contractors. (Source: ILO Convention C155 Occupational Safety and Health Convention, 1981).</p>
<b>4.1.2</b>	<p><b>Indicator</b> The organisation has implemented appropriate control systems and procedures for verifying that: Feedstock is not supplied using any form of compulsory labour.</p>
	<p><b>Added definitions in glossary:</b>  <b>Documents</b> include the original identification papers of workers (from SAI8000)  <b>Fees</b> include any 'deposits' upon commencing employment. (from SAI8000)  <b>Forced or compulsory labour:</b>            All work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily (from ILO <u>Forced Labour Convention, 1930 No. 29</u>)</p>
<b>4.1.3</b>	<p><b>Indicator</b> The organisation has implemented appropriate control systems and procedures to verify that: Child labour is not used.</p>

	<p><b>Definitions in glossary:</b>  <b>Child labour</b> is defined as any work performed by a child younger than 15 or younger than the age stipulated below, except as provided for by ILO Recommendation 146  <b>Definition of a child:</b> any person less than 15 years of age, unless the minimum age for work or mandatory schooling is stipulated as being higher by local law, in which case the stipulated higher age applies in that locality</p>
4.1.4	<p><b>Indicator</b>  The organisation has implemented appropriate control systems and procedures for verifying that:  Workers are not discriminated against in respect of employment and occupation.</p>
	<p><b>Definitions in glossary:</b>  <b>Discrimination:</b>  Any distinction, exclusion of preference which has the effect of nullifying or impairing equality of opportunity and treatment in employment or occupation based on the following conditions: race, national or territorial or social origin, caste, birth, religion, disability, gender, sexual orientation, family responsibilities, marital status, union membership, political opinions, age or any other condition that could give rise to discrimination (from AFI)</p>
4.1.5	<p><b>Indicator</b>  The organisation has implemented appropriate control systems and procedures for verifying that:</p> <ul style="list-style-type: none"> <li>• A Decent Living Wage is established and paid, or</li> <li>• At least the legal minimum or industry standard wage is paid.</li> </ul>
	<p>We are aware that thinking on pay has evolved in recent years and are keen to see the industry respond to this when possible, particularly in relation to decent living wages.</p>
	<p><b>Definitions in glossary:</b>  <b>Decent Living Wage:</b> The remuneration received for a standard work-week is sufficient to afford a decent standard of living for the worker and its dependent family; the calculation should not take into account overtime (from RSPO)  <b>Decent Standard of Living</b> is a level of remuneration (wages and benefits) which can provide a worker and her dependent family with adequate food, water, shelter, education, healthcare, transport, clothing and other essential provisions (from RSPO)</p>
4.1.6	<p><b>Indicator</b>  The organisation has implemented appropriate control systems and procedures for verifying that:  Working hours are fair.</p>
	<p>An additional requirement which separates out working hours from other conditions to give it more focus on the Standard.</p>
4.1.7	<p><b>Indicator</b></p>



	The organisation has implemented appropriate control systems and procedures for verifying that: Regular employment is provided.
	A new requirement aimed at avoiding unfair employment practices.
<b>4.1.8</b>	<p><b>Indicator</b></p> <p>The organisation has implemented appropriate control systems and procedures for verifying that: Workers have adequate access to</p> <ul style="list-style-type: none"> <li>• Health care provision</li> <li>• Sickness benefits</li> <li>• Retirement benefits</li> <li>• Invalidity benefits</li> <li>• Death benefits</li> <li>• Workers' compensation</li> </ul>
	<p><b>Public Consultation question:</b></p> <p>Are there any other in-work welfare benefits that should be available?</p>
<b>4.1.9</b>	<p><b>Indicator</b></p> <p>The organisation has implemented appropriate control systems and procedures for verifying that: Training is provided for all workers including contactors in order to allow them to implement the conditions set out in all elements of the SBP standard relevant to their responsibilities.</p>
	Text has been amended to clarify that this related to all aspects of sustainability and Standard 1 and not just productivity as specified in the current text.
<b>4.1.10</b>	<p><b>Indicator</b></p> <p>The organisation has implemented appropriate control systems and procedures for verifying that: Workplace grievances and disputes are resolved.</p>
	We have separated out workplace from community disputes and grievances.
<b>4.1.11</b>	<p><b>Indicator</b></p> <p>The organisation has implemented appropriate control systems and procedures for verifying that: Safeguards are put in place to ensure the health and safety of workers.</p>
<b>4.1.12</b>	<b>Indicator</b>

	The organisation has adequate systems and procedures in place to ensure that: Suppliers and contractors are paid and treated fairly.
	A new requirement that aims to establish a more equitable relationship between organisations and their suppliers and contractors.
	<b>Added Definitions in glossary:</b> <b>Supplier and contractor:</b> Any entity or individual(s) in the supply chain that directly provides the organisation with goods or services integral to, utilised in or for the production of the organisation's goods or services. Also includes any sub-contractors (from SAI800)
<b>4.2</b>	<b>Criterion</b> Biomass production benefits communities.
	Combines elements of the current text: Criterion 1.6: Harvesting does not violate traditional or civil rights Criterion 2.2: Management of the forest ensures that ecosystem function is assessed and maintained, through both the conservation/set-aside of key ecosystems or habitats in their natural state, and the maintenance of existing ecosystem functions throughout the forest (CPET S5; S5a; 8b) Criterion 2.3: Management of the forest ensures that productivity is maintained (CPET S6; S6a; S6e) Criterion 2.5: Management of the forest ensures that legal, customary and traditional tenure and use rights of indigenous peoples and local communities related to the forest, are identified, documented and respected (CPET S9) Criterion 2.6: Appropriate mechanisms are in place for resolving grievances and disputes, including those relating to tenure and use rights, to Forest Management practices and to work conditions (CPET S10)
<b>4.2.1</b>	<b>Indicator</b> The organisation has implemented appropriate control systems and procedures to verify that: There is assessment of the likely social and community impacts of feedstock sourcing, and planning, implementation and monitoring to minimise them.
	New indicator to introduce a social impact assessment requirement (there is already one for env 2.2.1 and economic 2.3.3). It is intended to cover the 'social' elements of the Ecosystem Services currently under Indicator 2.4.1.
	Impacts include, but are not limited to: <ul style="list-style-type: none"> <li>• Loss of tenure and use rights</li> <li>• Loss of access to areas with cultural, social and economic values used by communities</li> <li>• Loss of adequate access for recreation (from 2.4.1)</li> <li>• Provision of employment and economic opportunities</li> <li>• Health and welfare impacts on communities</li> </ul>

	<ul style="list-style-type: none"> <li>Any potential impacts on food, water and other basic needs should be identified (from 2.5.2)</li> <li>Impacts of and on gender, racial or religious equality</li> </ul>
	Generic or global impacts of woody biomass production and harvesting have been identified in the guidance to allow organisations and certification bodies to understand what risks need to be assessed and managed to ensure compliance. This aims to give greater clarity when considering if a Supply Base Evaluation is robust. We have tried to identify that significant impacts that are more or less universal – but which may not always be high risks in every situation.
	<p><b>Public Consultation question:</b> We would like to hear stakeholders' views on whether these are the right global impacts.</p>
<b>4.2.2</b>	<p><b>Indicator</b> Analysis shows that feedstock harvesting and biomass production positively contribute to the local economy, including employment.</p>
	<p>We have included text at the guidance to make the results actionable – i.e.: feedback to operations/ monitoring to minimise them</p> <ul style="list-style-type: none"> <li>The organisation should seek to increase the positive contributions to the local economy identified in the analysis.</li> </ul>
<b>4.2.3</b>	<p><b>Indicator</b> The organisation has implemented appropriate control systems and procedures for verifying that: Legal, customary and traditional tenure and use rights of indigenous people and local communities related to the forest and other land, are identified, documented and respected.</p>
	We have combined current Indicators 1.1.6 and 2.5.1.
	Added definition for Civil rights, Customary rights, Indigenous people.
<b>4.2.4</b>	<p><b>Indicator</b> The organisation has implemented appropriate control systems and procedures for verifying that: Production of feedstock does not endanger food, water supply or subsistence means of communities, where the use of this specific feedstock or water is essential for the fulfilment of basic needs.</p>
	We are proposing the HCVRN approach as the best way to address social issues but are aware of possible limitations to its widespread use.
	<p><b>Added definitions in glossary:</b>  <b>Basic needs</b>  Sites and resources fundamental for satisfying the basic necessities of local communities or indigenous peoples (for livelihoods, health, nutrition, water, etc...), identified through engagement with these communities or indigenous peoples (from HCVRN – HCV 5)  <b>Cultural values</b></p>

	Sites, resources, habitats and landscapes of global or national cultural, archaeological or historical significance, and/or of critical cultural, ecological, economic or religious/sacred importance for the traditional cultures of local communities or indigenous peoples, identified through engagement with these local communities or indigenous peoples (from HCVRN – HCV 6)
<b>4.2.5</b>	<b>Indicator</b> The organisation has implemented appropriate control systems and procedures for verifying that: Appropriate mechanisms are in place for resolving grievances and disputes, including those relating to tenure and use rights and to forest and other land management practices.
	We have separated the disputes and grievances process for communities from workers because approaches need equal emphasis and may involve different processes to be successful.
	<b>Additional guidance:</b> The systems should ensure the anonymity of complainants, community spokespersons and whistle-blowers, where requested, without risk of reprisal (drawn from RSPO).
<b>4.2.6</b>	<b>Indicator</b> The organisation has appropriate control systems and procedures in place for verifying that: Where operations may affect indigenous peoples' and local communities' rights, land, resources, territories, livelihoods, and food security, their free, prior and informed consent (FPIC) is secured.
	NEW: Proposed a cross cutting FPIC indicator which would apply to all management decisions and operations.
	<b>Guidance</b> Where the risk assessment has identified specified risk that adverse impacts on local communities or indigenous peoples may occur, the organisation must have in place documented procedures for appropriate FPIC initiatives and implementation. Organisations must likewise have in place documented procedures for checking and verifying appropriate FPIC initiatives and implementation at feedstock producers supplying SBP-compliant feedstock. Instances where FPIC procedures must be in place include major operations with likely impacts on communities such as: <ul style="list-style-type: none"> <li>• Management and harvesting operations</li> <li>• Conservation activities requiring restricted access</li> <li>• Infrastructure developments</li> </ul>
	<b>Public consultation question:</b> Are there any other instances when FPIC must be in place?
<b>4.2.7</b>	<b>Indicator</b> The organisation has appropriate control systems and procedures in place for verifying that:

	Where operations impinge on their rights, lands, resources, territories, livelihoods, or food security, indigenous peoples and local communities are compensated or accommodated through appropriate measures reflecting the negotiated outcomes of an FPIC process.
	This is a new requirement that raises the issue of compensation currently dealt with at the level of guidance in indicator 2.5.1. Text used is based on that developed by the Accountability Framework Initiative.
	<p><b>Definitions in glossary:</b></p> <p><b>Compensation:</b></p> <p>In relation to environmental harms, actions taken and/or funds made available to remedy or counterbalance deforestation, conversion, degradation, or other harms to ecosystems and their conservation values with environmental and/or social gains at sites other than those where the harms occurred</p> <p>The term 'compensation' is also used in the context of remediation of human rights harms, for which compensation may come in many forms. See the Operational Guidance on Remediation and Access to Remedy (<a href="https://www.ungpreporting.org/resources/glossary/">https://www.ungpreporting.org/resources/glossary/</a>)</p>
<b>4.2.8</b>	<p><b>Indicator</b></p> <p>The organisation has appropriate control systems and procedures in place for verifying that:</p> <p>Remediation has been provided through mutually agreed procedures in cases where the company has caused or contributed to appropriation of or harm to the lands, territories, or resources of indigenous peoples or local communities without securing FPIC.</p>
	This is a new requirement. Text used is based on that developed by the Accountability Framework Initiative.
	<p><b>Public consultation question:</b></p> <p>Does the standard benefit from separate compensation and remediation indicators or could they be combined and still be effective?</p>
	<p><b>Definitions in glossary:</b></p> <p><b>Remediation</b></p> <p>Terms used interchangeably or in combination with one another to refer to both the process of providing redress for a negative impact and the substantive outcomes that can counteract, or make good, the negative impact. These outcomes may take a range of forms such as apologies, restitution, rehabilitation, restoration, financial or non-financial compensation, and punitive sanctions (whether criminal or administrative, such as fines), as well as the prevention of harm through, for example, injunctions or guarantees of non-repetition (Adapted from the UN Guiding Principles Reporting Framework <a href="https://www.ungpreporting.org/resources/glossary/">https://www.ungpreporting.org/resources/glossary/</a>)</p>
	<p><b>Sources of information include:</b></p> <p>Remediation and Access to Remedy: Guidance on how companies can ensure proper remediation and access to remedy related to their supply chain commitments, including through effective grievance mechanisms (AFI).</p>



## 2.6 Pro-active Engagement: a proposal for commenting in public consultation

### Objectives

To meet stakeholder expectations and advance SBP the Impacts and Monitoring Sub-group, set up amongst SBP participants, was asked to identify proposals that could move Standard 1 forward in the following areas:

- a. from a process-based to outcome-based approach
- b. from a position of avoiding harm, to delivering positive benefits
- c. to delivering positive impacts, at both landscape level and within the management unit

### Proposal Development

The Impacts and Monitoring Sub-group discussed both the supply chain constraints and opportunities in addressing this task. Fundamental constraints that influence impact include:

- Many organisations have limited influence on forest management practices.
- Organisations vary in size and available resource.
- Sustainability risks vary between countries and regions.

An outcomes-based approach for Standard 1 at an indicator level was considered, however, due to these constraints was discounted. The Sub-group did agree that Biomass Producers are and should be active in delivering positive benefits through their work on conservation projects, research, capacity building, policy development, engagement activities etc. It was also agreed this work aligns both with and complements Standard 1 requirements, so should be encouraged, required, and verified through the Standard. To reflect this Principle 5 – Pro-active engagement was proposed, as summarised below.

### Proposal: Principle 5 – Pro-active Engagement

To balance the opportunities to deliver positive impact, with the characteristics and constraints of the organisations and supply chain, Principle 5 follows three approaches:

1. Risk-based: *To allow for a wide scope of risks, and not be prescriptive.*

As part of the requirements in Standard 1, identify priority/significant risks in the supply base/region/landscape that have a negative impact on sustainable forestry. The SBP Supply Base Evaluations (SBE) required in Standard 2, would provide a valuable resource in doing this.

2. Continuous Improvement: *Due to wide variability in biomass producers' resource and maturity.*

Verification to assess the positive impacts of the activities against the identified risks within the certificate holder's scope of influence and resource availability.

3. Outcomes-based: *To demonstrate and verify the positive impacts of the work.*

Assess the outcomes of the activities and how they have been implemented within the certificate holder operations.

Following extensive discussion, development and agreement, the proposal was set out as a new Principle within Standard 1 as below:

<u>Principle 5:</u> The sourcing of feedstock results in proactive engagement with forest landowners and stakeholders through involvement and support of forest sustainability initiatives.
<u>Criterion 5.1</u> Certificate Holder will participate in efforts to advance sustainable sourcing, sustainable forest management or supply chain management.
5.1.1 The Certificate Holder will support, promote, or initiate efforts by state, provincial or national agencies, or trade or conservation organisation, or others to advance the sustainability of forestry practices or biomass supply chain dynamics.
5.1.2 The Certificate Holder recognizes the importance, and demonstrates active participation in, the advancement and/or application of science, research, and technology to improve forest management, biomass, sourcing, and supply chain dynamics.

#### Technical Committee, Standards Committee and Secretariat Feedback

The Principle 5 proposal was included in the Standard 1 draft circulated to the Technical Committee, Standards Committee and SBP Secretariat for initial comments. In general, feedback from each of these groups supported the intent of the proposal and saw that it could add value to SBP. However, they also had concerns about the Criterion’s auditability and whether it would fit with SBP’s risk-based approach. The feedback recognised that there may be options to include it elsewhere within the suite of Standards, or in a separate ‘policy of association’ but that each option would have pros and cons.

The following options have been identified:

- A. Include Principle 5 as part of Standard 1**  
As outlined above.
- B. Include Principle 5 as part of Standard 2: Verification of SBP-compliant Feedstock**  
This would require impacts and continuous improvement to also be verified.
- C. Include Principle 5 as part of Standard 4: Chain of Custody**  
Include actions to deliver impacts and continuous improvement as part of the verification of ethical business practices.
- D. Require SBP Certificate Holders to demonstrate impact and continuous improvement as part of an SBP commitment/code of conduct/policy of association.**  
This approach would need to be further developed by SBP.

There may well be other options further to those identified above.

**Public consultation question:**





We would be very interested in hearing your views on the need and value of what we are trying to deliver through Principle 5 as well as your thoughts on how best SBP could deliver these objectives within its certification system?