



Standards Development Process

# SBP Standard 1: Feedstock Compliance

Revision Draft v2 for Public Consultation

(for status see document history on page ii)

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

# Revision Draft v2 for Public Consultation

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## A Background

The Sustainable Biomass Program (SBP) is a certification system designed for woody biomass, mostly in the form of wood pellets and woodchips, used in industrial, large-scale energy production.

SBP's certification system provides assurance that woody biomass is sourced from legal and responsible sources, and a means to collect and communicate sourcing and greenhouse gas (GHG) data along the supply chain, allowing companies in the biomass sector to demonstrate compliance with regulatory requirements.

There are six SBP Standards, which collectively represent the SBP certification framework, or scheme, against which organisations can be assessed for compliance by independent third-party Certification Bodies (CBs). Wherever possible, the framework takes into account and builds on existing regulatory mechanisms and on voluntary certification standards already applied to other forest product streams or to other biomass sources. An organisation that satisfactorily demonstrates compliance receives a certificate and may be entitled to make SBP claims in relation to its certified biomass.

The SBP framework is made freely available for use by all supply chain actors irrespective of whether or not they are SBP Certificate Holders or applying for certification.

## B Scope

This document (SBP Standard 1. Feedstock Compliance Standard) sets out the principles, criteria, and indicators to be assessed and verified by participating organisations as part of a Supply Base Evaluation (SBE).

The requirements are applicable to woody feedstock, from the forest and from trees outside forests, used in the production of biomass including feedstock that is incorporated into biomass and that used for drying during the production of biomass.

### B1 General Principles

SBP aims to provide an effective and verifiable process that will assure end users that feedstock is legally and responsibly sourced.

The SBP takes a risk-based, regional approach to compliance. It is based on the principle that factors such as the strength of legislation and the implementation of best management practices determine whether feedstock is produced responsibly or not. Understanding these factors within the region where feedstock is sourced from allows organisations and the SBP to assign a level of risk that the requirements of the standard are being met or not.

Feedstock shall only be SBP certified if a low risk of non-compliance with all indicators can be concluded.

It is the organisation's role to identify, assess and manage the risks within its supply base that any of the indicators and associated requirements within this standard are not being met.

Organisations seeking, or holding, SBP certification do not always manage all land from which they source feedstock or all of the supply chain from the place of harvesting to their own operations. It is their

role to implement appropriate control systems and procedures to verify if feedstock is SBP-compliant including implementing appropriate due diligence systems to assure themselves that their suppliers and contractors are compliant.

## **B2 Normative elements in this Standard**

The participating organisation is the unit of certification for this standard and shall meet the requirements of the indicators of this standard in their sourcing of feedstocks.

The organisation shall undertake a Supply Base Evaluation to identify and assess the risk that any of the indicators and associated requirements within this Standard are not being met.

The organisation shall implement appropriate control systems and procedures to verify if feedstock is being sourced from SBP-compliant sources.

The organisation shall ensure that all other relevant operators in its supply chain (suppliers and contractors) also comply with these requirements in relation to the goods and services that the organisation sources from them.

The organisation shall implement relevant requirements in other SBP standards.

This standard also provides guidance to aid understanding of these requirements. A separate non-normative document/knowledge base provides means of verification and sources of evidence for compliance with the indicator. An annex of the Standard provides an explanation of the interactions between criteria, indicators, impacts, means of verification and sources of information.

Certification Bodies (CBs) will independently evaluate conformance of the organisation and any relevant operators against the normative indicators presented in this Standard.

## **B3 The role of the organisation**

The organisation will usually be a legal entity that operates a facility such as a pellet mill but can also be any legal entity in the supply chain that takes or has legal ownership of feedstock or biomass. For example, with an in-forest chipping operation or where chips are delivered directly to a generator, either the chipping operator or the generator may assume the responsibilities of the organisation. Similarly, a forest owners' cooperative may assume the responsibilities of the organisation.

The organisation is responsible for ensuring conformance with the standard in its own operations and for implementing all reasonable efforts to ensure conformance of all suppliers and/or contractors within its supply base and supply chain, from the place of harvesting of the feedstock to the organisation's operations.

These responsibilities include implementation of the management system and completing the Supply Base Report (SBR), and, where applicable, a SBE per Standard 2 requirements.

## **C Normative references**

SBP Standard 2: Feedstock Verification

SBP Standard 3: Requirements for Certification Bodies

SBP Standard 4: Chain of Custody

SBP Standard 5: Collection and Communication of Data

SBP Standard 6: Energy and Carbon Balance Calculation

SBP Glossary of Terms and Definitions

## **D Glossary of terms and definitions**

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

# 1 Principle 1 – Legality

## 1.1 Criterion

Operators and operations are legal.

### 1.1.1 Indicator

The organisation has implemented appropriate control systems and procedures for verifying that:

Operations are legal.

That must include:

- legality of ownership and/or land and resource use
- feedstock is legally harvested, supplied and produced, including in compliance with CITES and EUTR or other applicable legal trade requirements
- payments for harvest rights and timber, including duties, relevant royalties and taxes related to timber harvesting, are complete and up to date.

### Impacts

Impacts may include but are not limited to:

- disputes over land and resources - rights and boundaries
- illegal harvesting/felling and illegal material in feedstock supply
- unpaid liabilities - reduced revenues to land/resource owners – private and public?
- legal proceedings against an operator

Longer-term consequences:

- organisation is less able to conduct management in an orderly manner – poorer management
- degradation of the resource and decline of the industry
- association with larger illegal networks – funding illegal activities
- decline and extinction of rare species

### Guidance

Certification is not a legal compliance audit.

There should be evidence that systems are in place to ensure operations are legal.

The organisation shall keep a registry or an equivalent record of all applicable international, regional, national and local legislation.

Applicable legislation includes that in force in the country of harvest, covering all aspects within this standard, including but not limited to, the following aspects:

- rights to harvest timber within legally gazetted boundaries
- payments for harvest rights and timber, including duties related to timber harvesting

- timber harvesting, including forest and tree management and silvicultural activities
- environmental impacts (water and soil protection)
- biodiversity conservation, (including rare, threatened, and endangered species and ecosystems)
- third parties' legal rights concerning use and tenure that are affected by timber harvesting
- trade and customs, in so far as the forest sector is concerned
- labour conditions
- health and Safety Standards.

Factors affecting the risks of disputes over land use will include the effectiveness of the land tenure system in place in the Supply Base.

Risks of legal non-compliance are greater in areas with high levels of corruption relating to the granting of harvesting permits and other aspects of the management, harvesting and wood trade.

Where appropriate to the operation, CITES requirements are understood at planning and operational level, and the requirements are implemented.

Lists of species purchased by organisations should be verified as being consistent with the species available in the Supply Base.

It should be verified that tree species purchased by organisations are not listed in CITES or have been purchased with the appropriate permits and approvals.

Where the forest or landowner or management organisation is not legally able to protect the area fully, there must be a system for working with appropriate regulatory bodies to identify, report, control and discourage unauthorised activities.

Where illegal/ unauthorised activities are detected, appropriate action should be taken.

Control systems and procedures must firstly stipulate the adequate protection measures for the particular forest habitat type and region, and secondly, verify that these are being implemented.

### 1.1.2 **Indicator**

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.

#### **Impacts**

Impacts may include but are not limited to:

- damage to values – biodiversity, ecosystems, community uses of resources
- loss of access to the feedstock – illegally felled etc
- loss of access to land
- disputes with other occupiers of the land

Longer-term consequences:

- degradation of both the resource and the timber industry

- loss of ability to conduct management in an orderly manner
- reduced revenue to crown/private owner??
- boundary disputes ??

### **Guidance**

Where the forest owner or management organisation is not legally able to protect the land fully, there must be a system for working with appropriate regulatory bodies to identify, report, control and discourage unauthorised activity within the forest.

Where illegal/unauthorised activities are detected, appropriate action should be taken.

Control systems and procedures must stipulate adequate protection measures for the particular forest or land type and region and verify that these measures are being implemented.

## 2 Principle 2 – Biomass sourcing does not harm the environment

### 2.1 Criterion

Biodiversity is maintained or enhanced.

#### 2.1.1 Indicator

The organisation has implemented appropriate control systems and procedures to ensure that:

Key species, habitats, ecosystems, and other areas of high conservation value pertaining to biodiversity in the supply base are maintained or enhanced.

This shall include that all such values and sites in the supply base are:

- identified and mapped
- that the potential threats from management activities to them are identified and evaluated; and
- that key ecosystems and key habitats are conserved or set aside in their natural state.

#### Impacts

Impacts that undermine the identified values may include, but are not limited to:

- the loss, damage to and/or fragmentation of habitats leading to the degradation of identified values,
- a decline in the ecosystem services provided.

Impacts can be caused by access construction, harvesting and management operation such as herbicide/pesticide use.

#### Guidance

Identification and mapping:

The HCV approach, as described in the HCV Resource Network's Common Guidance for the Identification of HCV, is a best practice guide that is applicable across different ecosystems and production systems.

The organisation shall justify which tool they are using to identify and map high conservation values.

Forests and other areas with high conservation values include those habitats in which protected and endangered plant and animal species are found.

The process of identification and mapping of key species, habitats, ecosystems, and other HCV areas shall be conducted by a qualified person, and identify the presence of any rare, threatened, and endangered species (from CPET) as well as any features and species of outstanding or exceptional value. Identification and mapping should draw on relevant information where available and the collection of additional information when necessary.

Values and areas needed to support those values should be identified and mapped prior to harvesting and other operations.

Relevant stakeholders with knowledge of the values, and/or who are impacted by, or dependent on them, should be engaged in identifying and mapping the species, habitats, ecosystems and other high conservation values.

Threat assessment:

The potential impacts of management activities on forests and other areas with high conservation values, key ecosystems and habitats shall be evaluated.

Threats are those impacts that undermine the identified values. Threats can include, but are not limited to:

- the loss, damage to and/or fragmentation of habitats leading to the degradation of identified values
- a decline in the ecosystem services provided.

Impacts include those originating in the area of operation, but which may affect areas downstream or external to the area of operation.

The organisations shall communicate with suppliers, forest, and other operators, and provide them with records of meetings, talks, workshops, etc.

Maintaining or enhancing:

Appropriate mitigation measures should be implemented.

Organisations should have systems in place to verify that mitigation measures are implemented in the field.

This could include identifying areas where operations are not compatible with protecting the identified values.

**Set aside areas** need to be of sufficient size or suitably connected with other similar areas to ensure their long-term viability and function.

The organisation should, in its procurement policies and practices, define the areas it considers to contain high conservation values, be key ecosystems or habitats, and the reasons for its decisions.

## 2.1.2 Indicator

The organisation has implemented appropriate control systems and procedures to ensure that:

General biodiversity is protected.

### Impacts

Impacts include those originating in the area of operation, but which may affect areas downstream or external to the area of operation. These may include, but are not limited to, the following:

- reduced biodiversity
- reduced value of habitat to biodiversity.

## Guidance

This indicator focuses on general considerations related to maintaining a diversity of flora and fauna in the landscape and at the stand level.

Organisations should evaluate the likely impacts of operations and feedstock harvesting on general biodiversity and manage operations in order to maintain or improve biodiversity in the landscape.

Possible impacts include, but are not limited to:

- the effect of forest structure change at a landscape level
- effects on species richness and distribution
- a decline in the ecosystem services provided
- the maintenance of key habitat features at a forest stand level (including standing dead trees, deadwood on the forest floor, hard and soft mast producing trees, streamside buffers, etc.)
- the impacts of sourcing on the spread of invasive species
- the impacts of pollution (link to indicators 2.2.3, 2.2.4 and 2.2.5)

Impacts include those originating in the area of operation, but which may affect areas downstream or external to the area of operation.

Impacts of biomass sourcing should be understood and methods to maintain or enhance biodiversity should be implemented in operational harvests.

## 2.2 Criterion

Ecosystems, their productivity, functions, and services are maintained or enhanced.

### 2.2.1 Indicator

The organisation has implemented appropriate control systems and procedures for verifying that Feedstock is not sourced from land that had one of the following statuses in January 2008 and no longer has that status:

- wetland
- peatland
- continuously forested areas (e.g., Intact Forest Landscapes)
- natural forest that has been converted to production plantation
- 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.

## Impacts

Impacts may include but are not limited to:

- HCS areas are lost
- high biodiversity value habitats are lost, fragmented, or degraded

Longer-term consequences:

- reduction or loss of biodiversity, including genetic diversity
- reduction or loss of social benefits
- increased GHG emissions and reduced capacity as carbon sink

#### **Guidance**

This indicator addresses direct land use change due to feedstock sourcing.

Feedstocks shall not be sourced from wetlands unless evidence is provided that the production of feedstock does not involve drainage of previously undrained soil and does not disturb the ecosystem function of the wetland.

Feedstock shall not be sourced from peatland unless evidence is provided that the production of feedstock does not involve drainage of previously undrained soil.

#### **2.2.2 Indicator**

The organisation has implemented appropriate control systems and procedures for verifying that:

- there is assessment of impacts of operations on ecosystems, their productivity, functions, and services in the supply base, and
- there is planning, implementation and monitoring of actions to minimise them.

#### **Impacts**

[Not material – this is a process indicator]

#### **Guidance**

Potential impacts of operations on ecosystems should be identified, with mitigation measures implemented in the field as necessary.

Impacts should be monitored and there should be a mechanism to feed monitoring results back into operational practice.

Impacts include those originating in the area of operation but impacting outside the area of operation, such as downstream.

Assessment planning, implementation and monitoring should be based on scientific research and, if needed, information on comparable forests and other landscape types.

Organisations may require suppliers and forest and other landowners to adopt specific best management practices and to be certified for certain tasks.

These should be specified in purchasing or procurement policies.

Feedstock sourced from stump material will require specific controls to minimise impact (see 2.2.4 and 3.1.1).

Avoidable damage to the ecosystem is prevented by application of the most suitable and available methods and techniques for logging and road construction under the prevailing conditions.

#### **2.2.3 Indicator**

The organisation has implemented appropriate control systems and procedures for verifying that:

Management maintains or improves soil quality.

### Impacts

The following impacts shall be assessed:

- erosion
- organic matter content
- nutrient balance, fertility and cycling
- contamination
- compaction

Other impacts that could be identified and mitigated include:

- salinisation and alkalinisation
- acidification
- soil biodiversity impacts
- sealing
- soil water management

Longer-term consequences:

- loss of productive area
- decreased soil productivity and carbon storage capacity
- increased erosion and potential degradation of aquatic systems, including sources of drinking water
- increased likelihood of landslides/soil movement
- increase in surface runoff and modification of natural drainage patterns.

### Guidance

Potential impacts of operations on soils should be identified, with mitigation measures implemented in the field as necessary.

The impacts shall be assessed and mitigated, where necessary, through the implementation of appropriate measures.

Impacts should be monitored and there should be a mechanism to feed monitoring results back into operational practice.

Organisations may require suppliers and forest owners to adopt specific best management practices and/or to be certified for certain tasks. These should be specified in purchasing or procurement policies.

#### 2.2.4 Indicator

The organisation has implemented appropriate control systems and procedures for verifying that:

The removal of harvest residues minimises harm to ecosystems.

### Impacts

Impacts may include but are not limited to:

- impacts of the process of residue removal as well as the absence of that material once removed
- impacts on soil quality – fertility, organic matter content, structure and compaction, water retention and chemistry
- impacts on carbon storage (link to FC XX)
- impacts on biodiversity - availability of dead organic matter serving as a niche and food source for wildlife
- impacts on tree and stand regeneration including fire risk
- impacts on access and amenity

Longer-term consequences:

- loss of site productivity
- loss of carbon storage capacity
- loss of habitat features capacity &/or quality

### **Guidance**

Likely impacts of residue removal, as well as the absence of that material once removed, should be identified and mitigated where necessary through the implementation of appropriate measures.

Impacts should be monitored and there should be a mechanism to feed monitoring results back into operational practice.

Impacts include those originating in the area of operation, but which may affect areas downstream or external to the area of operation.

Organisations may require suppliers and forest owners to adopt specific best management practices and/or to be certified for certain tasks. These should be specified in purchasing or procurement policies.

### **2.2.5 Indicator**

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.

### **Impacts**

Impacts on water may include but are not limited to:

Quality:

- diffuse and point pollution
- siltation/sedimentation including increased turbidity
- eutrophication and deoxygenation
- acidification
- insolation and temperature impacts affecting aquatic biodiversity survival
- riparian habitat degradation, loss or fragmentation

Quantity:

- soil and ground water depletion
- surface runoff
- flood mitigation - alteration of peak flows and possible increased flooding risk
- drainage of wetlands and peat soils

[Longer-term/further] consequences:

- loss/degradation of fish habitat – feeding/spawning
- damage to fisheries and Loss of fishing opportunities
- loss/ degradation of water quality for domestic use.

### Guidance

Potential impacts of operations on water should be identified, and mitigated where necessary, through the implementation of appropriate measures.

This Indicator includes impacts outside the direct area of operation, such as runoff from harvesting operations, fertiliser or chemical application.

Impacts on riparian zones are included in the evaluation of compliance with this Indicator.

Likely impacts on water should be identified.

Impacts include those originating in the area of operation, but which may affect areas downstream or external to the area of operation.

Organisations may require suppliers and forest owners to adopt specific Best Management Practices and to be certified for certain tasks.

These should be specified in purchasing or procurement policies.

## 2.2.6 Indicator

The organisation has implemented appropriate control systems and procedures for verifying that:

Air quality is not adversely affected by operations.

### Impacts

Impacts on air may include but are not limited to:

- particulates from machinery and use of fire
- NO<sub>x</sub> and ammonia – from fertility management
- VOCs – from use of fuels and other chemicals
- CO

Longer-term consequences:

- reduced air quality and possible related health impacts
- public outcry related to reduction in air quality

**Guidance**

Potential impacts on air quality should be identified and mitigated, where necessary, through the implementation of appropriate measures.

Impacts include those originating in the area of operation, but which affect areas downwind or external to the area of operation.

Organisations may require suppliers and forest owners to adopt specific best management practices and/or to be certified for certain tasks.

These should be specified in purchasing or procurement policies.

**2.2.7 Indicator**

The organisation has implemented appropriate control systems and procedures for verifying that:

Chemicals are used appropriately and in a controlled way, and Integrated Pest Management (IPM) practices are implemented wherever possible in operations.

**Impacts**

Impacts may include but are not limited to:

- Class 1A and 1B pesticides, as drafted by the World Health Organisation, and of chlorinated hydrocarbons are in use
- chemicals are used without proper equipment and/or training provided to minimise health and environmental risks
- chemical use is not justified

Longer-term consequences:

- adverse effects to human health as well as the health of wildlife and fisheries
- negative impacts on browse
- loss of insect and plant biodiversity
- contamination of waterways and soils
- misidentification of pests and improper use of treatments

**Guidance**

The requirement relates to current and ongoing use rather than historic use.

If chemicals are used, proper equipment and training should be provided to minimise health and environmental risks.

Chemical use should be justified, and there should be evidence that non-chemical alternatives have been considered.

The use of class 1A and 1B pesticides, as drafted by the World Health Organisation, and of chlorinated hydrocarbons is not permitted.

There should be evidence that the options for implementing IPM have been considered and, where appropriate, IPM is implemented.

Organisations may require suppliers and forest owners to adopt specific best management practices and/or to be certified for certain tasks. These should be specified in purchasing or procurement policies.

#### 2.2.8 **Indicator**

The organisation has implemented appropriate control systems and procedures for verifying that:

Methods of waste disposal minimise negative impacts on forest ecosystems.

##### **Impacts**

Impacts may include but are not limited to:

- Pollution from inadequate waste disposal

Longer-term consequences:

- Potential negative impacts on health of humans, wildlife, and the ecosystem if waste is toxic or hazardous
- Potentially unsightly with negative impacts on recreational experience

#### 2.2.9 **Indicator**

The organisation has undertaken analysis to show that feedstock harvesting:

- does not exceed the long-term production capacity of the feedstock sourcing in the supply base
- avoids significant negative impacts on productivity
- ensures long-term economic viability of the feedstock sourcing in the supply base
- harvest levels are justified by inventory and growth data.

##### **Impacts**

Impacts may include but are not limited to:

Drain > growth

- productivity is declining
- biomass sourcing is less economically viable

Longer-term consequences:

- reduction in long-term social and economic benefits as harvest levels decline
- reduction in carbon storage
- negative impacts on biodiversity especially mature /old forest and species dependent on that habitat type
- reduction in quality of some types of recreation

##### **Guidance**

Evaluation must cover the entire supply base and, where appropriate, should be based on regional markers, such as growth/drain, inventory, mortality, and age class distribution.

This indicator also has impacts on forest carbon (see Principle 3)

### 2.2.10 **Indicator**

The organisation has implemented appropriate control systems and procedures for verifying that:

The health, vitality and other services provided by ecosystems impacted by feedstock sourcing in the supply base are maintained or enhanced.

#### **Impacts**

Relevant ecological functions and values may include:

- forest and tree regeneration and succession
- genetic, species and community diversity
- threat and/or presence and spread of invasive, non-native species
- natural cycles affecting productivity of the forest or other ecosystem.

There are other forest services, not specifically covered elsewhere in this standard, which indicate ecosystem health and vitality. These include functions that ecosystems provide for people and/or the environment, such as:

- erosion control
- flood control
- adequate access for recreation, where possible.

#### **Guidance**

Health and vitality of the forest and other ecosystems relate to the resilience of the ecosystem to withstand change.

Indicators of health and vitality may include the level of disturbance observed, changes in biodiversity, or the presence or absence of key 'indicator' species. (see Criterion 2.1 Biodiversity).

Relevant ecological functions and values may include:

- forest and tree regeneration and succession
- genetic, species and community diversity
- threat and/or presence and spread of invasive, non-native species
- natural cycles affecting productivity of the forest or other ecosystem.

There are other forest services, not specifically covered elsewhere in this standard, which indicate ecosystem health and vitality. These include functions that ecosystems provide for people and/or the environment, such as:

- erosion control
- flood control
- adequate access for recreation, where possible.

There should be ongoing maintenance and improvement for other forest services provided, such as access for recreation.

#### 2.2.11 **Indicator**

The organisation has implemented efficient control systems and procedures for verifying that:

Natural processes, such as fires, pests, and diseases are managed effectively.

##### **Impacts**

Impacts may include but are not limited to:

- Fire hazard increases
- Use of pesticide and other controls have a negative impact on biodiversity, e.g., pollution, co-morbidity
- Other ?

##### **Guidance**

Appropriate management of such situations will depend upon the forest and other land type, management objectives and local best practice and guidance.

Fire, for example, may be an appropriate and necessary natural process in some areas and seasons, and inappropriate in others.

Where they are natural and necessary, the characteristics of any fire control interventions will be different to those taking place in areas where fire is not naturally part of their ecology.

Pests and diseases also need to be managed appropriately, and this will vary according to management objectives.

In conservation areas, for example, it may not always be appropriate to attempt eradication of certain pests and diseases.

Where pesticides and other chemicals are used to address pests and diseases, regional and other best management practices must be adhered to.

Control systems and procedures should, define appropriate management practice for the particular land type and region.

#### 2.2.12 **Indicator**

Genetically modified trees are not used.

##### **Impacts**

Impacts may include but are not limited to:

- GMOs are released into the environment

Longer-term/ consequences:

- mix with native gene pool & establishment of trees in forests and other natural landscapes that include modified genes in their genotypes

## 3 Principle 3 – Carbon Stocks in the Supply Base

### 3.1 Criterion

As a result of sourcing feedstocks, carbon stocks in the supply base are increased or not adversely affected.

#### 3.1.1 Indicator

The organisation shall undertake a risk assessment of the impacts of sourcing feedstock on feedstock relevant carbon within the supply base, to ensure that carbon stocks are increased or not adversely affected, and use the assessment to justify feedstock sourcing decisions.

The organisation shall provide justification for the data used and the time period used to carry out this assessment.

*NOTE: The above indicator covers both forest carbon and carbon in trees outside forest (TOF).*

*An alternative is to have separate Indicators for forest carbon and carbon in TOF:*

*Indicator for forest carbon*

*The organisation shall undertake a risk assessment of the impacts of sourcing feedstock on forest carbon within the supply base, to ensure that forest carbon stocks are increased or not adversely affected, and use the assessment to justify feedstock sourcing decisions.*

*The organisation shall provide justification for the data used and the time period used to carry out this assessment.*

*Indicator for feedstock relevant carbon from TOF*

*The organisation shall undertake a risk assessment of the impacts of sourcing feedstock on feedstock relevant carbon in TOF within the supply base, to ensure that carbon stocks are increased or not adversely affected, and use the assessment to justify feedstock sourcing decisions. The organisation shall provide justification for the data used and the time period used to carry out this assessment and the time period used for this assessment.*

### Impacts

Forest Carbon is not maintained or does not increase because:

- drain > growth
- slow growing forest used
- HCS areas used
- stumps and roots used
- biomass is diverted from longer uses

Longer-term consequences:

- increased carbon emissions

- SB carbon stocks and sequestration rates decline

### Guidance

The organisation shall undertake an assessment and provide justification for sourcing feedstock from the following, including using relevant available information from the competent (regional) forest authority or from forest management unit level data:

- regions where growth < drain - the organisation must provide justification for the time period for which the assessment applies
- slow growing forest
- high carbon stock areas (Definitions and examples of high carbon stock areas are found in the standalone guidance)
- stumps and roots
- regions where demand for biomass could lead to diversion of feedstock from long term carbon stores.

To inform the risk assessment and feedstock sourcing decision, the organisation should also:

- 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
- consider whether a robust carbon estimation needs to be undertaken
- Where there is a direct land use change, the carbon emissions associated with this may need to be calculated. The organisation should collect sufficient data on any such direct land use change so that the associated emissions can be reported under S6.
- establish systems and procedures to monitor the rate of carbon sequestration and storage within the supply base
- utilise relevant and available 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.

Where there is uncertainty about the assessment of carbon impact, the organisation should take a conservative approach. Conservative means to consider the full range of potential carbon impacts and take actions to ensure that there is a low risk of negative impacts on carbon stocks within the supply base.

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 considered in the forest carbon risk based regional assessment.

### Guidance for carbon in TOF

All requirements referring to forest carbon are also applicable to TOF.

In-depth guidance will be developed on how operators can ensure that feedstock sourcing from TOF meets the carbon requirements of the Standard. This will reflect good practice management standards for the types of TOF included in Annex 1 of Standard 2. It will include clarity on when carbon is not adversely affected by sourcing biomass; and on when there is potential for carbon in TOF to be adversely affected,

including evidence that will be accepted on the management of this risk (e.g. regeneration requirements) and where feedstock sourced in these circumstances does not meet the carbon requirements of this Standard.

### 3.2 **Criterion**

The organisation shall source from forests where Land Use, Land Use Change and Forestry (LULUCF) sector greenhouse gas emissions do not exceed greenhouse gas removals over the long term.

#### 3.2.1 **Indicator**

The organisation shall demonstrate a low risk that it is sourcing feedstock from areas where LULUCF sector greenhouse gas emissions exceed greenhouse gas removals over the long term, by one or more of the following three routes:

- **Route A**

The organisation shall ensure the feedstock is from a country of origin from the SBP LULUCF list (i.e. where the feedstock comes from a country which is party to the Paris Agreement, and which has submitted a nationally determined contribution to the United Nations Framework Convention on Climate Change (UNFCCC) covering carbon emissions and removals from agriculture, forestry and land use which ensure the changes in carbon stock associated with biomass harvest are counted towards the country's commitment to reduce or limit greenhouse gas emissions), OR

- **Route B**

The organisation shall ensure the feedstock is from a country of origin which is party to the Paris Agreement and has national or sub-national laws in place, in accordance with Article 5 of the Paris Agreement, applicable in the area of harvest, to conserve and enhance carbon stocks and sinks, and providing evidence that reported LULUCF-sector emissions do not exceed removals

- **Route C**

The organisation shall undertake an assessment at the supply base level to demonstrate that LULUCF emissions do not exceed greenhouse gas removals over the long term. The assessment shall pay due regard to the latest Commission Implementing Regulation.

Organisations shall carry out such an assessment at least every five years to update assumptions, data, and improve the modelling.

#### **Impacts**

- ?

## 4 Principle 4 – Biomass benefits people and communities

### 4.1 Criterion

Decent working conditions are provided and labour rights are safeguarded.

#### 4.1.1 Indicator

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.

#### Impacts

Impacts may include but are not limited to:

- workers' organisation(s) and/or collective bargaining are being interfered with
- workers are unable to freely elect their own representatives,
- workers are not informed that they are free to join a worker organisation of their choosing without consequences or retaliation
- those engaged in organising workers are subjected to discrimination, harassment, intimidation, or retaliation
- representatives do not have access to their members in the workplace

[Longer-term/further] consequences:

- discontented work force
- higher turnover
- less loyalty to company
- potential for work stoppages and strikes

#### Guidance

The organisation, its suppliers, and contractors shall:

- not interfere with contractors and/or workers' organisation(s) and/or collective bargaining
- allow workers to freely elect their own representatives, including where the right to freedom of association and collective bargaining are restricted under law
- effectively inform workers that they are free to join a worker organisation of their choosing without consequences or retaliation
- ensure that those engaged in organising workers are not subjected to discrimination, harassment, intimidation, or retaliation
- ensure that such representatives have access to their members in the workplace.

#### 4.1.2 Indicator

The organisation has implemented appropriate control systems and procedures for verifying that:  
Feedstock is not supplied using any form of forced or compulsory labour.

##### Impacts

Impacts may include but are not limited to:

- salary, benefits, property, or documents are being withheld to force workers to continue working
- workers are paying employment fees or costs
- workers are not free to leave the workplace after completing the standard workday
- workers are not free to terminate their employment with reasonable notice
- the organisation's labour and health and safety policy statement does not comply with this standard and with ILO conventions and/or is not publicly available.

Longer-term consequences:

- discontented work force
- higher turnover
- less loyalty to company
- potential for work stoppages and strikes

##### Guidance

The organisation, its suppliers, and contractors shall:

- not withhold any salary, benefits, property, or documents to force workers to continue working
- ensure that no employment fees or costs are borne by workers
- ensure workers are free to leave the workplace after completing the standard workday
- ensure workers are free to terminate their employment, provided that they give reasonable notice to the organisation.

The organisation should ensure that it:

- has a publicly available labour and health and safety policy stating that it intends to comply with this standard and with ILO conventions
- has policies and procedures to implement this standard
- effectively communicates these to workers
- keeps records to demonstrate compliance
- regularly monitors and evaluates its implementation.

#### 4.1.3 Indicator

The organisation has implemented appropriate control systems and procedures to verify that:

Child labour is not used.

### **Impacts**

Impacts may include but are not limited to:

- children below school age or 15 years old whichever is greatest are being employed
- children or young workers are being exposed to working situations that are hazardous and/or unsafe

Longer-term consequences:

- discontented work force
- higher turnover
- less loyalty to company
- potential for work stoppages and strikes

### **Guidance**

The organisation, its suppliers, and contractors shall:

- not employ any child younger than school age or 15 years old whichever is greatest
- not expose children or young workers to any working situations that are hazardous and/or unsafe.

#### **4.1.4 Indicator**

The organisation has implemented appropriate control systems and procedures for verifying that:

Workers are not discriminated against in respect of employment and occupation.

### **Impacts**

Impacts may include but are not limited to:

- there is discrimination in hiring, remuneration, access to training, promotion, termination, or retirement
- there is interference with the exercise of workers' rights to observe tenets or practices or to meet needs relating to any condition that could give rise to discrimination
- there is threatening, abusive, exploitative, or sexually coercive, behaviour, including gestures, language and physical contact
- workers are subject to pregnancy or virginity tests
- there is use of corporal punishment, mental or physical coercion or verbal abuse of workers
- there is physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation

Longer-term consequences:

- discontented work force
- higher turnover
- less loyalty to company

- potential for work stoppages and strikes

### **Guidance**

The organisation, its suppliers, and contractors shall:

- not discriminate in hiring, remuneration, access to training, promotion, termination or retirement
- not interfere with the exercise of workers' rights to observe tenets or practices or to meet needs relating to any condition that could give rise to discrimination
- not allow any behaviour that is threatening, abusive, exploitative or sexually coercive, including gestures, language and physical contact
- not subject workers to pregnancy or virginity tests under any circumstances
- not engage in or tolerate the use of corporal punishment, mental or physical coercion or verbal abuse of workers
- not engage in physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation.

#### **4.1.5 Indicator**

The organisation has implemented appropriate control systems and procedures for verifying that:

- a decent living wage is established and paid, or
- at least the legal minimum or industry standard wage is paid.

### **Impacts**

Impacts may include but are not limited to:

- wages for a normal work week, not including overtime, fail to meet at least legal or industry minimum standards, or collective bargaining agreements on a decent living wage (where applicable)
- there are deductions from wages for disciplinary purposes
- workers' wages and benefits are not detailed clearly and regularly to them in writing for each pay period
- wages and benefits are not paid in a manner convenient to workers, or are delayed or in restricted forms, such as vouchers, coupons, or promissory notes
- labour-only contracting arrangements, such as consecutive short-term contracts and/or false apprenticeship or other schemes, are being used to avoid meeting obligations to workers under applicable laws and regulations pertaining to labour and social security
- wages and benefits are not established by collective bargaining agreement
- wages and benefits are not sufficient to afford a decent standard of living for workers
- overtime is not reimbursed at a premium rate as defined by national law or established by a collective bargaining agreement
- illegal and/or non-agreed/negotiated deductions are being made

Longer-term consequences:

- discontented work force
- higher turnover
- less loyalty to company
- potential for work stoppages and strikes

### **Guidance**

The organisation, its suppliers and contractors shall:

- ensure that wages for a normal work week, not including overtime, shall meet at least legal or industry minimum standards, or collective bargaining agreements on a Decent Living Wage (where applicable)
- not make deductions from wages for disciplinary purposes
- ensure that workers' wages and benefits are detailed clearly and regularly to them in writing for each pay period
- lawfully render all wages and benefits due in a manner convenient to workers, but in no circumstances in delayed or restricted forms, such as vouchers, coupons, or promissory notes
- not use labour-only contracting arrangements, consecutive short-term contracts and/or false apprenticeship or other schemes to avoid meeting its obligations to workers under applicable laws and regulations pertaining to labour and social security.

Wages and benefits shall be established by collective bargaining agreement.

Wages and benefits shall be sufficient to afford a decent standard of living for workers.

All overtime shall be reimbursed at a premium rate as defined by national law or established by a collective bargaining agreement.

Deductions can only be made when both of the following conditions exist:

- a) deductions from wages for disciplinary purposes are permitted by national law; and
- b) a freely negotiated collective bargaining agreement is in force that permits this practice.

In countries where a premium rate for overtime is not regulated by law or there is no collective bargaining agreement, workers shall be compensated for overtime at the organisation's premium rate or at a premium rate equal to prevailing industry standards, whichever is higher.

The organisation should endeavour to support suppliers and contractors in also paying a decent living wage to their staff but shall require that the legal minimum wage is paid.

#### **4.1.6 Indicator**

The organisation has implemented appropriate control systems and procedures for verifying that:

Working hours are fair.

#### **Impacts**

Impacts may include but are not limited to:

- excessive working hours
- the normal work week, not including overtime regularly exceeds 48 hours

- workers do not get at least one day off following every six consecutive days of working
- overtime work is not voluntary, unless freely negotiated
- overtime exceeds 12 hours per week
- overtime is regularly being requested

[Longer-term/further] consequences:

- discontented work force
- higher turnover
- less loyalty to company
- potential for work stoppages and strikes

### Guidance

The organisation, its suppliers, and contractors shall:

- develop, communicate, and implement policies and procedures to ensure that working hours are not excessive, per at least the following:
  - the normal work week, not including overtime, shall be defined by law and shall not exceed 48 hours
  - workers are provided with at least one day off following every six consecutive days of working
  - all overtime work shall be voluntary, except as freely negotiated, shall not exceed 12 hours per week, and shall not be requested on a regular basis.

Exceptions to this overtime rule apply only where both of the following conditions exist:

- a) national law allows work time exceeding this limit; and
- b) a freely negotiated collective bargaining agreement is in force that allows work time averaging, including adequate rest periods

In cases where overtime work is needed to meet short-term business demand and the organisation is party to a freely negotiated collective bargaining agreement representing a significant portion of its workforce, the organisation may require such overtime work in accordance with such agreement. Any such agreement must comply with the other requirements of this working hours standard.

#### 4.1.7 Indicator

The organisation has implemented appropriate control systems and procedures for verifying that:

Regular employment is provided.

### Impacts

Impacts may include but are not limited to:

- employment relationships do not comply with established national law and practice
- obligations to employees (under labour or social security laws and regulations and arising from the regular employment relationship) are being avoided, through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no

real intent to impart skills or provide regular employment

- obligations are being avoided through the excessive use of fixed-term contracts of employment

Longer-term consequences:

- discontented work force
- higher turnover
- less loyalty to company
- potential for work stoppages and strikes

### **Guidance**

The organisation, its suppliers, and contractors:

- shall ensure that, to every extent possible, work performed is on the basis of a recognized employment relationship established through national law and practice
- shall not avoid any obligations to employees under labour or social security laws and regulations and arising from the regular employment relationship, through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

Further guidance is available in the Social Accountability 8000 standard.

#### **4.1.8 Indicator**

The organisation has implemented appropriate control systems and procedures for verifying that:

Workers have adequate access to:

- health care provision
- sickness benefits
- retirement benefits
- invalidity benefits
- death benefits
- workers' compensation
- others?

#### **4.1.9 Indicator**

The organisation has implemented appropriate control systems and procedures for verifying that:

Training is provided for all workers, including contractors, to allow them to implement the conditions set out in all elements of the SBP standards relevant to their responsibilities.

### **Impacts**

Impacts may include but are not limited to:

- training, if provided, does not match the need of the workers, and does not secure the level of required

skills, including knowledge, needed to ensure biomass is sustainable

- training is infrequent

Longer-term consequences:

- potential for errors and mistakes increases, with risk to health and safety of forest workers
- potential to apply incorrect management practices that may damage site, reduce quality of timber harvest
- potential for non-compliance with regulations, BMP, plans

#### **Guidance**

Adequate training provision should include assessment of training needs, and the delivery of training programmes by the organisation.

Training should be periodic and secure the level of required skills, including knowledge, needed to ensure biomass is sustainable.

#### **4.1.10 Indicator**

The organisation has implemented appropriate control systems and procedures for verifying that:

Adequate mechanisms are in place for resolving grievances and disputes in the workplace.

#### **Impacts**

Impacts may include but are not limited to:

- workers or other interested parties who provide information on compliance or workplace complaints are being disciplined, dismissed or otherwise discriminated against
- grievances and outcomes are not documented
- the grievance mechanism is not confidential, unbiased, non-retaliatory and accessible and available to workers and interested parties
- workers are unaware of the grievance mechanism
- workers are prevented from accessing the grievance mechanism
- grievances are not being acknowledged and/or dealt with in a timely manner
- disputes are being resolved without negotiation and/or agreement by the affected parties

[Longer-term/further] consequences:

- discontented work force
- higher turnover
- less loyalty to company
- potential for work stoppages and strikes

#### **Guidance**

The organisation, its suppliers, and contractors shall:

- establish and maintain appropriate mechanisms for recording and resolving grievances and disputes relating to work conditions
- not discipline, dismiss or otherwise discriminate against any worker or interested party for providing information on compliance or for making other workplace complaints
- keep a record of all grievances, including how they were investigated, dealt with and the outcome of the process

The grievance mechanism shall be:

- confidential, unbiased, non-retaliatory and accessible and available to workers and interested parties
- a documented
- communicated to workers
- easily accessible to workers
- available on request to interested parties.

Grievances shall be acknowledged and dealt with in a timely manner.

Dispute-resolution shall be based on negotiation and decisions shall be made on consensus.

#### **4.1.11 Indicator**

The organisation has implemented appropriate control systems and procedures for verifying that:

Appropriate safeguards are put in place to protect the health and safety of workers.

#### **Impacts**

Impacts may include but are not limited to:

- the workplace is not safe and healthy
- steps are not being taken to avoid potential health and safety incidents and occupational injury or illness
- workplace risks to new, expectant, and nursing mothers, are not assessed, removed or reduced.
- there is no senior management representative responsible for ensuring a safe and healthy workplace
- there is no Health and Safety Committee
- there is no regular, effective health and safety site and job training
- workers do not have access to appropriate Personal Protective Equipment (PPE) provided at the organisation's expense
- there is no first aid and/or help for workers in obtaining follow-up medical treatment, in the event of a work-related injury
- there are no written records of any work-related health and safety incidents that occur
- workers do not have free access to: clean toilet facilities, potable water, suitable spaces for meal breaks, and, where applicable, sanitary facilities for food storage
- workers are not able to remove themselves from imminent serious danger without seeking permission

from the organisation

Longer-term consequences:

- worker injury and/or Loss-time accidents

### **Guidance**

The organisation, its suppliers, and contractors shall:

- develop, communicate, and implement policies and procedures to ensure that appropriate safeguards are put in place to protect the health and safety of workers
- provide a safe and healthy workplace
- take effective steps to prevent potential health and safety incidents and occupational injury or illness
- minimise or eliminate, so far as is reasonably practicable, the causes of all hazards in the workplace
- assess all the workplace risks to new, expectant and nursing mothers, to ensure that all reasonable steps are taken to remove or reduce any risks
- appoint a senior management representative to be responsible for ensuring a safe and healthy workplace
- establish and maintain a Health and Safety Committee, comprised of a well-balanced group of management representatives and worker
- provide effective health and safety site and job training for workers on a regular basis
- provide workers with appropriate Personal Protective Equipment (PPE) at its own expense
- provide first aid and assist the worker in obtaining follow-up medical treatment, in the event of a work-related injury
- establish documented procedures to detect, prevent, minimise, eliminate, or otherwise respond to potential risks to the health and safety of workers
- maintain written records of all work-related health and safety incidents that occur
- provide, for use by all workers with free access to: clean toilet facilities, potable water, suitable spaces for meal breaks, and, where applicable, sanitary facilities for food storage
- ensure workers have the right to remove themselves from imminent, serious danger without seeking permission from the organisation
- ensure workers establish a Health & Safety Committee which shall conduct formal, periodic occupational health and safety risk assessments to identify and then address current and potential health and safety hazards, and maintain records of these assessments and corrective and preventive actions taken

Any dormitory facilities provided for workers shall be clean, safe, and meet their basic needs, whether the organisation, suppliers and/or contractors own, lease, or contract the dormitories from a service provider.

Practices to prevent arguments should be based upon the prevailing safety and health knowledge of the industry sector and of any specific hazards.

The organisation is responsible for health and safety in the workplace and in all residences and property provided by the organisation, whether it owns, leases, or contracts the residences or property from a service provider.

#### 4.1.12 Indicator

The organisation has adequate systems and procedures in place to ensure that:

Suppliers and contractors are paid and treated fairly.

#### Impacts

Impacts may include but are not limited to:

- suppliers and contractors are not seen as partners with the organisation
- suppliers' and contractors' rates of pay are below industry standards and do not provide their staff:
  - health care
  - sickness benefits
  - retirement benefits
  - invalidity benefits
  - death benefits
  - workers' compensation
- payment takes longer than 30 days from invoicing
- payments to suppliers and contractors are withheld

#### Guidance

Suppliers and contractors should be seen as partners with the organisation, rather than providers of goods and services alone. As a result, the organisation shall:

- ensure that suppliers and contractors' rates of pay meet or exceed industry standards and allow suppliers and contractors to provide benefits to their employees, including but not limited to:
  - health care
  - sickness benefits
  - retirement benefits
  - invalidity benefits
  - death benefits
- ensure workers' compensation:
  - does not violate national or other legal standards against the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment to avoid providing benefits and lower the cost of providing the service
  - does not violate national anti-trust provisions by including anti-competitive requirements in

#### contracts with suppliers and contractors

- pay suppliers and contractors in a reasonable amount of time. Payment should be received within 30 days of invoicing
- not withhold payments to force suppliers and contractors to continue working
- allow suppliers and contractors to terminate their contract, provided that they give reasonable notice
- not interfere with the suppliers and contractor's ability to negotiate in good faith and/or to create cooperatives for this purpose. Those engaged in negotiations should not be subjected to discrimination, harassment, intimidation, or retaliation
- not intentionally reduce contract rates due to the receipt of incentives, rebates, grants or reductions in operating expenses by suppliers and contractors
- ensure that to every extent possible work performed is on the basis of a recognized contractual relationship that is consistent with national law and practice
- ensure that suppliers and contractors are treated as independent contractors and will not require those contractors to provide services through extenuating or abnormal times and circumstances.

The organisation should invest time and resources in building a long-term relationship with suppliers and contractors. The relationship should be equitable within which all parties feel that they have influence and derive benefits.

Suppliers and contractors should feel that they are able to raise issues and concerns with the organisation that will be treated with respect and addressed appropriately.

The organisation should communicate with its suppliers and contractors in a respectful, timely and clear manner so that all parties understand what is expected of them and that sufficient time is available to meet any contracted commitments.

During audits, suppliers and contractors should not be asked to conduct activity which adds expense, or is unreasonable in terms of the implementation of their contract. If they are, a contract amendment should be considered. Suppliers and contractors should also be free to speak freely during any audits.

## 4.2 Criterion

Biomass production benefits communities

### 4.2.1 Indicator

The organisation has implemented appropriate control systems and procedures to verify that:

There is an assessment of the likely social and community impacts of feedstock sourcing, and planning, implementation and monitoring to minimise negative impacts.

#### Impacts

Impacts include, but are not limited to:

- loss of tenure and use rights
- loss of access to areas with cultural, social and economic values used by communities
- loss of adequate access for recreation Provision of employment and economic opportunities

- health and welfare impacts on communities
- any potential Impacts on food, water and other basic needs should be identified
- impacts of and on gender, racial or religious equality.

#### **Guidance**

Potential impacts, both positive and negative, of feedstock harvesting on communities should be identified, and mitigation measures implemented in the field as necessary to minimise negative impacts.

Impacts should be monitored and there should be a mechanism to feed monitoring results back into operational practice.

Impacts include those originating in the area of operation but impacting on communities outside the area of operation.

Assessment planning, implementation and monitoring should be based on scientific research and stakeholder and community engagement.

Impacts include, but are not limited to:

- loss of tenure and use rights
- loss of access to areas with cultural, social and economic values used by communities
- loss of adequate access for recreation Provision of employment and economic opportunities
- health and welfare impacts on communities
- any potential impacts on food, water and other basic needs should be identified
- impacts of and on gender, racial or religious equality.

#### **4.2.2 Indicator**

Analysis shows that feedstock harvesting and biomass production positively contribute to the local economy, including employment.

#### **Impacts**

- potential for lack of local support for forestry
- other impacts?

#### **Guidance**

The organisation should seek to increase the positive contributions to the local economy identified in the analysis.

Contributions to the local economy from feedstock harvesting, biomass production and transportation should be evaluated for positive and negative impacts.

These should be calculated on the basis of economic performance indicators EC1, EC6, and EC7 of Global Reporting Initiative (GRI)

Contribution to the local economy should include reasonable opportunities for employment to the local population, including indigenous peoples, as well as the local processing of timber and non-timber forest products.

Contribution should be made to the development of local physical infrastructure and social services and programmes for the local population, including indigenous people, unless such infrastructure and social services are provided by government bodies.

This contribution should be made in agreement with the local population.

#### 4.2.3 **Indicator**

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.

#### **Impacts**

Impacts may include but are not limited to:

The following rights are not identified and/or respected:

- trade and customs
- legal, customary, and traditional tenure and use
- the requirement includes ILO convention 169, which relates to the rights of indigenous and tribal peoples.
- Indigenous Peoples and local communities do not control and protect their rights and resources, and have not given others free, prior and informed consent to do so.
- Indigenous Peoples and local communities are not fully compensated for appropriation of traditional community knowledge or intellectual property.
- ongoing disputes involving multiple interests:
  - Indigenous community issues
  - use right disputes
  - consultation disputes
  - ownership disputes
  - jurisdiction disputes; etc.
  - destruction of burial sites, spiritual sites, spawning areas, medicinal areas
  - severe disruption of livelihood.

#### **Guidance**

Indigenous Peoples' and local communities' legal rights concerning use and tenure, which are affected by timber harvesting, must be identified, and mechanisms put in place to ensure these rights are respected.

In particular, rights should be identified, documented, and respected in relation to:

- trade and customs
- legal, customary, and traditional tenure and use
- the requirement includes ILO convention 169, which relates to the rights of indigenous and tribal

peoples.

Appropriate mechanisms should be in place to allow:

- Indigenous Peoples and local communities to control and protect their rights and resources, unless they have chosen to delegate control with free, prior, and informed consent
- Indigenous Peoples and local communities to be fully compensated for appropriation of traditional community knowledge or intellectual property
- resolution of disputes over tenure claims and use rights Substantial disputes involving multiple interests will normally prevent this Indicator from being considered low risk.

Useful sources of information may include interviews with involved stakeholders.

#### 4.2.4 **Indicator**

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.

##### **Impacts**

Impacts may include but are not limited to:

Impacts on food, water and other basic needs.

- damage to community water supply - decreased water quality &/or quantity
- severe disruption of food availability to the community; potential need to depend on expensive imported food
- disrupts passing on of cultural practices.

##### **Guidance**

Any potential impacts on food, water and other basic needs should be identified.

The HCV Approach as set out in the HCV Resource Network's Common Guidance for the identification of High Conservation Values is a best practice guide, applicable across different ecosystems and production systems, for identifying impacts on basic needs (HCV5) and cultural values (Forest Productivity).

The organisation shall justify which tool they are using to identify these high conservation values.

#### 4.2.5 **Indicator**

The organisation has implemented appropriate control systems and procedures for verifying that:

Appropriate mechanisms are in place for resolving grievances and disputes, relating to tenure and use rights and to forest and other land management practices.

##### **Impacts**

- the mechanism for resolving grievances and disputes is not mutually agreed by all parties involved and/or is not being documented
- the system fails to resolve disputes in an effective, timely and appropriate manner

- the system does not ensure the anonymity of complainants, community spokespersons and whistle-blowers

#### **Guidance**

The mechanism for resolving grievances and disputes should be mutually agreed by all parties involved and documented.

The system should resolve disputes in an effective, timely and appropriate manner.

The systems should ensure the anonymity of complainants, community spokespersons and whistle-blowers, where requested, without risk of reprisal.

#### **4.2.6 Indicator**

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.

#### **Impacts**

Impacts may include but are not limited to:

There are no documented procedures for appropriate FPIC initiatives and implementation for operations with likely impacts on communities such as:

- management and harvesting operations
- conservation activities requiring restricted access
- infrastructure developments.

#### **Guidance**

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.

Biomass producers 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:

- management and harvesting operations
- conservation activities requiring restricted access
- infrastructure development.

#### **4.2.7 Indicator**

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.

**Impacts**

Impacts may include but are not limited to:

- fair compensation has not been made to previous owners and occupants, and/or that this has not been accepted with free, prior, and informed consent (FPIC)
- other?

**Guidance**

These measures may include continued access to these lands, territories, and resources; just and fair compensation; and/or an equitable share in the benefits from such uses.

Where there are, or have been, disputes, evidence should be available that fair compensation has been made to previous owners and occupants, and that this has been accepted with free, prior and informed consent (FPIC).

**4.2.8 Indicator**

The organisation has appropriate control systems and procedures in place for verifying that:

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.

**Impacts**

- ?

## 5 Annex: Explanatory note on Impacts, Means of Verification and the stepwise risk-evaluation approach

### 5.1 Impacts

**Impacts are actual or potential effects operations are having on the ground.** Their identification is a critical step in the risk management process: To assess the risks of an activity, its actual and potential consequences must be identified. In the SBP Framework, assessing and managing risks is based on understanding the desirable and undesirable consequences from the sourcing of biomass.

Having these Impacts identified allows organisations and their Certification Bodies to understand what they must assess, and how they must concretely manage the Impacts appropriately to the specific situation. The checklist contributes to a coherent and comparable application of the risk based approach. It adds stability and credibility to the system, allowing for the consistent application of the SBP system globally.

All organisations, wherever they are operating, will need to consider the same Impacts. What may be different, by supply base, is the probability of occurrence, the potential amount of damage, and the appropriate measures to mitigate the risks.

The main characteristics of negative Impacts are:

- a. **Impacts are the threats to the intent of the indicators.** They would occur on the ground if the indicators are either not complied with or the outcomes are not delivered. Therefore, they are the issues that need to be understood and managed to be confident that the feedstock is being responsibly sourced. Examples include soil erosion, habitat fragmentation, child labour, land conflicts, etc.
- b. **Impacts are global or universal.** They can occur wherever biomass is produced and are of concern when and wherever they happen.
- c. **Impacts are immediate or long-term effects** of biomass operations, such as erosion (immediate), and more distant, long-term or 'second order' effects, such as loss of productive land.
- d. **Impacts are 'material'.** They are either of concern to relevant stakeholders such as the sourcing organisations themselves, SBP, workers, or neighbouring communities. They also directly impact on issues key to the Standard like biodiversity, carbon, climate and the environment.
- e. **Impacts are potential.** They won't necessarily occur in all situations – but could happen if the risks are not identified and managed and if the 'rules' (whether legislation or BMPs) are not followed for whatever reason. The SBE process essentially assesses whether the 'rules' to avoid Impacts happening are in place. In order to undertake an appropriate SBE, an organisation needs to understand what the Impacts are that it is trying to avoid.
- f. **Impacts are verifiable.** Both the organisation and the CB must assess each of them against a specific risk, in order to monitor and evaluate whether those risks are being managed adequately. Ideally, Impacts are already being measured – but in some cases data may not be available and need to be collected.

## 5.2 Means of Verification

SP will provide a non-exhaustive list of Means of Verification (MoV) and possible sources of information. They will be defined for the use by organisations and Certification Bodies, to support the risk evaluation. Their use is not mandatory, but the users of the SBP Standards are encouraged to consider them

- as non-exhaustive list of possible types of evidence,
- to conduct the risk assessment,
- to understand if the risk management is delivering the desired outcomes, and
- to understand if the risk management addresses the Impacts comprehensively and appropriately.

MoV will be comprehensively collected in a separate document/at a different location (e.g., a knowledge base) to

- avoid duplications and repetition: many of them are generic and are applicable to several indicators,
- ensure their actuality: MoV are likely to be updated more regularly than the requirements of the Standard itself, and to
- address the fact that they both refer to the requirements in Standard 1, and form part of the Supply Base Evaluation process described in Standard 2.

## 5.3 Step-wise risk evaluation

A supply base risk evaluation can follow a stepwise approach, which starts at evaluating legislative requirements, and goes down from there to the identification of actual activities and their results in the specific situation of the supply base (see Standard 2). There are at least 4 levels with related MoV, to identify the specific risks linked with each Impact. The MoV provide evidence to answer these questions.

1. **What are the applicable laws** and further overarching rules and regulations to manage the Impacts within the SB?

Examples for MoV: relevant legal acts, regulations, policies, governmental guidance, industry/sector BMPs.

2. **How are these overarching rules and regulations enforced** to address the identified Impacts? This level asks for the framework to ensure stable and meaningful results with regard to the management of the Impact-related risks.

Examples for MoV: list and reports of competent authorities and agencies, description of relevant compliance and enforcement frameworks, related responsibilities, description of compliance processes, Standard Operating Procedures (SOPs) available, management system available.

3. **What actual measures does the relevant organisation implement** within the SB to manage the risks related to the Impacts? This level asks for evidence of the measures defined by the framework above. The nature of the related MoV is to verify the actual implementation situation and conditions in the SB.

Examples for MoV: organisation's due diligence process with its suppliers and contractors, BMP implementation, process implementation, contractual arrangements.

4. **What are the concrete results of the organisation's activities?** This level describes the actual situation on site and focusses on the results of the actual implementation of the measures above. All data must be verifiable, publicly available, up-to-date, and credible. In case of insufficient results of the organisation's activities, the related implementation measures should be questioned for appropriateness. Also, it should be clarified whether results which are positively affecting Impact risks result from the implementation of related measures, or appear by coincidence or in another non-controllable way.

Examples of MoV: Monitoring protocols, landscape/site level assessments, external data sources such as NGO Reports and news coverage, audit/assessment reports, publicly available data/websites, results from monitoring and evaluation frameworks.

To avoid high risk, the organisation must provide evidence of appropriate risk mitigation measures on all levels. The shortfall in evidence at one of the levels would indicate high risk. However, the gap on one level could be filled by having sufficient evidence in a subsequent level. So, for instance the absence of legislation to prevent soil erosion would suggest that this is a specified risk. However, that risk could be covered by an operator implementing BMPs that avoid erosion. Equally a lack of BMPs could be demonstrated as not being a risk if there were credible evidence that soil erosion was not happening within the supply base.