



Standards Development

# SBP Standard 4: Chain of Custody

Revision Draft Version 2 for Public Consultation

(for status see document history on page ii)

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

# Revision Draft v22 for Public Consultation

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## A Summary of changes

This is the draft of a SBP standalone Chain of Custody (CoC) standard, which is intended to apply consistently across all SBP Certificate Holders, and to meet REDII requirements.

The SBP certification scheme was, and is intended to continue to be, based on and complementary with the leading forest certification schemes: FSC, PEFC and SFI. There are many benefits, however, for SBP and the biomass industry to have a CoC standard designed specifically for sustainable biomass.

FSC and PEFC are designed to certify sustainable forest management, but do not address all industry-specific needs and regulations (e.g. mixing in shipping, Dynamic Batch Sustainability Data (DBSD) inventory management, no Controlled Wood for final product) specific to biomass production and trade. FSC and PEFC standards cover the whole range of wood and paper products, industries and processes. They are regularly in flux to keep up with new requirements and interpretations, which may or may not be relevant for sustainable biomass.

Having a SBP-specific CoC standard provides the organisation with full control over the requirements to be met by SBP certificate holders.

Additional requirements, and/or adaptations, still have to be integrated into the standard in order to ensure compliance with EU regulatory requirements. This affects in particular section 3. Also, EUTR-related aspects still must be considered, making clear that every certificate holder needs to follow EUTR, where applicable.

## B Introduction

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 sustainable 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 conformance 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 conformance 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 members of SBP.

## C Objective

The objective of this standard is to ensure robust management and CoC systems are in place to ensure the integrity and accuracy of SBP claims.

## D Scope

This document (SBP Standard 4: Chain of Custody) sets out the requirements that, if successfully implemented, allow organisations to make claims related to conformance with the SBP requirements. It outlines requirements that are central to all SBP applicants and Certificate Holders, including organisational requirements, feedstock sourcing and traceability requirements, and also includes business integrity, social, and health and safety requirements.

The starting point for the SBP CoC standard is the supply base (SB). This standard covers the CoC requirements, following sourcing feedstock by the organisation (typically a Biomass Producer (BP)). The organisation and components of the downstream supply chain, including trade, transport and processing, require CoC certification if those organisations or their customers take legal ownership of the product and wish to make SBP claims about their products.

Parties that are not SBP CoC-certified cannot sell SBP-certified products. Service providers which are part of the SBP supply chain but do not take legal ownership of the biomass (e.g. transport companies, storage platforms) may choose whether or not they wish to be SBP CoC-certified.

For biomass to carry a SBP claim, there cannot have been any physical mixing with feedstock or biomass which is not SBP-compliant.

This standard is applicable to all sites, including where several sites are centrally owned and managed.

## E How to use this document

This standard is applicable for every SBP applicant/Certificate Holder.

Standard 1 (Feedstock Compliance) and Standard 2 (Feedstock Verification) are applicable for Biomass Producers, which are the first organisation in the supply chain sourcing feedstock without a SBP claim.

Certification against Standard 5: Energy Carbon Balance Calculation, is required for all organisations that take legal ownership of SBP-certified biomass and that wish to sell the product as SBP-certified with certified energy and carbon and profiling data.

Note: [Instruction Documents](#) and [Interpretations](#) posted on the SBP website shall be used in conjunction with this standard, as applicable.

## F Normative references (related to this document)

SBP Standard 1: Feedstock Compliance

SBP Standard 2: Feedstock Verification

SBP Standard 3: Requirements for Certification Bodies

SBP Standard 5: Collection and Communication of Data

SBP Standard 6: Energy and Carbon Balance Calculation

SBP Glossary of Terms and Definitions

# 1 Organisational requirements

## General requirements

- 1.1 There is demonstrated and documented support from senior management for maintaining *certification* and meeting all applicable requirements. The commitment of the *organisation* shall be made available to its personnel, suppliers and customers, and to other *stakeholders* upon request.
- 1.2 The *organisation* shall have all necessary infrastructure and operating procedures in place to effectively operate the chain of custody system and ensure that *feedstock/biomass* can be tracked continuously without interruption through all internal processing steps from acquisition to transfer of material (or release for sale).
- 1.3 The *organisation* shall assign responsible persons as appropriate for specific elements of the *certification scope*, having required qualifications (competences, knowledge and experience) and/or training and sufficient resources to be effective.
- 1.4 The CoC *certification scope* of the *organisation* shall define the products, the processes applied to these products (including sub-contracting), the *accounting system*, and which *SBP Standards* are applied.

## Documented procedures

- 1.5 The organisation shall maintain documented procedures (i.e. work instructions or equivalent documentation), covering all relevant requirements within the scope of the certificate and reflecting current organisational activities.

Documented procedures shall include at a minimum

- Training
- Internal audits
- Record-keeping
- Stakeholder engagement, including management of comments and complaints
- Non-conforming product/document
- Material receipt: Input/purchasing
- Material accounting
- Sales transactions: Output/sales
- Claims
- Business integrity, social, and health and safety requirements
- Subcontracting activities/Sub-contractors(where applicable)
- Collection and communication of data for energy and carbon balance calculations

- 1.6 Documented procedures shall be reviewed at least annually for completeness and effectiveness.

### Training and qualifications

- 1.7 The organisation shall have a training plan which is reviewed at least annually to ensure its effectiveness.
- 1.8 The organisation shall provide appropriate training for personnel carrying out tasks critical to the effective implementation of applicable requirements. Training shall be specific and relevant to the task(s) performed.
- 1.9 Records of training participants and content shall be maintained.

### Internal audits

- 1.10 The organisation shall conduct an internal audit, not later than 12 months after the preceding audit (internal or external) for the purpose of evaluating the organisation's conformance with SBP requirements, considering the size and scope of the organization and certificate.
- 1.11 The organisation shall ensure that:
- a. Internal audits are conducted by personnel knowledgeable of the requirements of the standard(s)
  - b. Internal auditors do not audit their own work
  - c. Any non-conformances found during internal audits are recorded as corrective actions, and actions are taken in a timely and appropriate manner.

## Record keeping

1.12 The organisation shall maintain accurate, complete, up to date and accessible records and reports covering all applicable SBP requirements applicable to the certificate scope, including at least the following:

- Training records
- Subcontractors
- Suppliers
- Purchases
- Determination of conversion rates
- Sales
- Material accounting
- Stakeholder comments, feedback and complaints
- Implementation of non-conforming product/document procedure
- Standard 5 records

NOTE: the SBP DTS can be referenced for available records where applicable.

1.13 Records shall be retained for a minimum of five (5) years and comply with legal and regulatory requirements

1.14 Records shall be able to confirm the status of all inventory of raw material, semi-finished and finished products.

1.15 Records shall include an annual summary of the inventory defined in 1.14.

## Stakeholder engagement

- 1.16 The organisation shall develop, implement, monitor, evaluate and adapt as necessary, a Stakeholder Engagement Plan (SEP) appropriate for their business operations and scope of certification.

Organisations applying SBP Standard 2 may refer to the requirements in SBP Standard 2 to comply with the current requirement.

- 1.17 The scope of the SEP shall define:
- The subject matter the engagement will address
  - The parts of the organisation (e.g. regions, divisions, etc.) and associated activities, products and services the engagement will address
  - The timing and/or periodicity of the engagement (e.g. meetings, reports, trainings, etc.)
  - The methodologies, practices and activities used for stakeholder engagement
  - How monitoring and evaluation of the SEP will be carried out
  - How records of engagement are maintained.

NOTE: specific requirements for SEP, depending on the organisation's place in the supply chain, will be described in detail in a separate ID.

- 1.18 The organisation shall have an implement a documented complaint procedure, which is publicly available and part of its SEP. The procedure shall clarify that the complaints must be applicable to the scope of the organisation's certificate, and include at least the following:
- the person(s) or position(s) responsible for managing complaints
  - a timeline for confirming receipt, not to exceed 10 calendar days
  - a timeline for reviewing the complaint, determining the appropriate action and responding to the complainant
  - a timeline for implementing appropriate action and monitoring for effectiveness
- 1.19 Evidence of effective implementation of the SEP shall be available for verification, such as meeting notes, email communications, records of participation in regional multi-stakeholder processes, responses to comments/feedback/complaints, etc.
- 1.20 The SEP shall be evaluated at least every five (5) years and adapted as necessary to ensure its effectiveness.
- 1.21 The SEP shall be publicly available (e.g. on the organisation's website) in a language(s) that is/are accessible for the identified affected stakeholders.

## Non-conforming product or documentation

- 1.22 The organisation shall have documented procedures for identifying and ensuring that 'non-conforming products and/or non-appropriate documentation are identified & controlled , and shall implement them as necessary.
- 1.23 Where non-conforming products and/or documentation are detected after they have been delivered, the organisation shall undertake the following activities:
- a. notify its certification body and all affected direct customers in writing within five (5) business days of the non-conforming product identification, and maintain records of that notice
  - b. analyse causes for occurrence of non-conforming products, and implement measures to prevent their reoccurrence
  - c. cooperate with its certification body in order to allow the certification body to confirm that appropriate actions were taken to correct the non-conformance.

## 2 Feedstock Sourcing Requirements

- 2.1 The organisation shall maintain up-to-date information about all suppliers who are supplying materials used for SBP product groups, including names, materials supplied, and certificate code where relevant.
- 2.2 Feedstock supplied with a SBP-compliant claim shall be categorised as such.
- 2.3 Feedstock supplied without a SBP claim shall be categorised as such and verified following SBP Standard 2 against SBP Standard 1 requirements.

*Question for Public Consultation:*

*PC: While recognising the difficulties in traceability, it is imperative that to ensure conformance with regulations of the UK market, SBP require that tertiary feedstock meet the same requirements as secondary and primary feedstocks.*

*WG A pointed to the aspect that applying same requirements for all feedstock increases complexity and might restrict use of some tertiary feedstocks but reduces risk of false declaration of feedstock (tertiary instead of secondary).*

## 3 Traceability Requirements

### Input / purchasing

- 3.1 The SBP certified organisation shall ensure that all transactions of material included in its SBP product group schedule can be traced at least one step upstream and one step downstream from itself, and that all material is accounted for whilst under its legal ownership.
- 3.2 The organisation shall ensure that the following minimum information is provided by the supplier in relation to the product received:
  - a. A unique identification number for the document
  - b. Date the document(s) is(are) issued
  - c. Name and address of the buyer
  - d. Name and address of the seller
  - e. CoC certificate code of the seller, if relevant
  - f. Loading or shipment delivery date
  - g. Description of product
  - h. Quantity of product delivered
  - i. Reference to any related transport documentation.
- 3.3 The organisation shall be responsible for verifying conformance of all categories of feedstock with all relevant SBP requirements, including the requirements specific to sourcing.
- 3.4 When receiving biomass with a SBP claim the organisation shall ensure that any documentation exchanged between itself and the seller includes a number which enables the delivery to be linked to the DTS.

### Material accounting

- 3.5 The organisation shall ensure that the quantity of physical inputs and outputs are tracked and documented and that only eligible inputs are used in products supplied with a SBP claim and within the scope of the certificate.
- 3.6 The organisation shall have a justified and consistent methodology for calculating conversion factors and shall keep it up to date. The conversion factor shall be based on the actual output of a specific product group.

- 3.7 Organizations that are certified to additional certification schemes and that have inputs and outputs that simultaneously carry claims from these schemes shall demonstrate that the quantities of products are not counted multiple times.
- 3.8 For organisations opting to use a physical separation material accounting methodology, feedstock with varying sustainability and/or energy data shall be kept physically separate and identifiable.
- 3.9 For organisations opting to use a mass balance material accounting methodology, the organisation shall set up and maintain a Mass Balance account to which additions and deductions of eligible input for a single site shall be recorded.

NOTE 1: Mass balance allows consignments of feedstock or biomass with differing sustainability and greenhouse gas emissions saving characteristics to be mixed for instance in a container, processing or logistical facility, transmission and distribution infrastructure or site.

NOTE 2: EU REDII does not restrict using physical segregation as it is more strict system than mass balance.

- 3.10 The organisation shall ensure for each site that the quantity of biomass sold with SBP claims does not exceed the quantity of inputs received that qualifies for said claims, within the defined inventory balancing/claim period.
- 3.11 The organisation may group various products that share similar characteristics in terms of product type, quality and production process into product groups.
- 3.12 The organisation shall define a fixed balancing period.
  - 3.12.1 For Biomass Producers using primary feedstock the fixed balancing period shall not exceed 12 months.
  - 3.12.2 For Biomass Producers using secondary and tertiary feedstock the fixed balancing period shall not exceed 3 months.
  - 3.12.3 For Biomass Traders the fixed balancing period shall not exceed 3 months.
  - 3.12.4 By the end of the balancing period, the account shall always be positive. If negative balance occur at the end of a mass balance period, the certified company must proactively inform the certification body immediately and without being requested.

NOTE: In case regulatory requirements for specific markets require different requirements, and SBP provides a related ID, the requirements in the ID supersede the requirements in 3.13.

- 3.13 The organisation shall operate a mass balance system at each physical site.
- 3.14 The transfer of sustainability characteristics shall always be accompanied by a physical transfer of material.
- 3.15 If more than one legal entity is operating at a single site (for example at a port), each legal entity shall operate its own mass balance system at the site covering the material that they own.

- 3.16 A positive balance may be carried over in the account (into the next fixed balancing period) up to the total corresponding amount of physical material that is in stock at the end of the previous balancing period.
- 3.17 The organisation shall make available to CBs all mass balance data in advance of the planned audit.

### Output/sales

- 3.18 The organisation shall register each transaction in the SBP DTS. See SBP Guidance document Data Transfer System 2.0 user guide for Certificate Holders.
- 3.19 The supplying site of the organisation shall ensure that any documentation exchanged between itself and its customer includes a unique identification number which enables the delivery to be linked to the DTS.

NOTE: Each transaction in the DTS has a unique ID. In addition to this, Intent of 3.19 is to ensure, that each sales invoice or delivery document could be linked to a DTS transaction. To ensure this, each DTS transaction must include an identification number that allows linking this to the sales invoice/delivery document.

- 3.20 The organisation may supply SBP-compliant biomass and biomass outside the SBP Scheme. Biomass outside the SBP Scheme shall be physically separated and shall not be mixed with SBP-compliant biomass.

### Claims

- 3.21 The claim 'SBP-compliant biomass' may be used on documents related to biomass, such as sales documentation, invoices and delivery documentation, only where it refers to products which are included in the organisation's certified product group schedule and that meet the eligibility requirements for SBP claims.

See also SBP Instruction Note on Trademark Use

## 4 Additional requirements

### Business integrity

NOTE: Level of effort required for conformance with Section 4 must be proportionate to the nature and the scale of the organisation.

- 4.1 The organisation shall determine and implement effective arrangements against corruption proportionate to the nature and the scale of organisation.
- 4.2 The organisation shall determine and implement effective arrangements to comply with all applicable laws, rules and regulations in countries where it conducts business activities.
- 4.3 The organisation shall implement effective occupational health and safety measures, including at minimum
- an OHAS responsible person (representative),
  - OHAS procedures and processes which are appropriate to the complexity and operations of the organisation, and
  - training of staff.
- 4.4 The organisation shall adopt and implement a policy statement that encompasses the content of SBP Standard 1, Criterion 4.1. This statement shall be available for staff, stakeholders and to the relevant CB.
- 4.5 The organisation shall maintain an up-to-date self-assessment in which it describes how it applies SBP Standard 1, Criterion 4.1 to its operations. This assessment shall be available for the CB.

NOTE: sections 4.2-4.5 reflect the approach of FSC-STD-040-004 V3.1 - 1.4, 1.5, 1.6.

## Subcontractors

4.6 In cases where an organisation subcontracts activities to independent third parties, hereafter referred to as 'subcontractors', the organisation shall ensure that they comply with relevant requirements of the SBP standards within the scope of the certificate.

NOTE: Further details on which requirements of the SBP Standards are relevant need to be defined.

4.7 Subcontracting shall be included in the scope of the certificate.

4.8 The organisation shall retain legal ownership of material while in physical possession/under control of subcontractors.

4.9 The organisation shall notify the CB before engaging new subcontractors.

4.10 A signed and enforceable agreement shall exist between organisation and subcontractors.

4.10.1 The agreement shall be established and the CB informed about it in advance to the actual starting of the subcontracted activities.

4.10.2 The agreement shall include at minimum

- Name, business identity, and contact details of the subcontractor, outsourced activities,
- Confirmation of the subcontractor that the subcontractor
  - shall comply with the relevant requirements of the SBP standards within the scope of the certificate,
  - shall not make unauthorised claims and use of SBP trademarks,
  - shall not further outsource the activities, and
  - shall allow the CB to audit the subcontractor, and allow access of the CB to the subcontractor's operations, systems, documents and records as deemed necessary by CB.

4.11 The organisation and subcontractor shall have documented procedures for all outsourced activities.

4.12 Record of names and contact details of subcontractors with scope of activities shall be maintained and kept up-to-date by the organisation.

## **Instruction Note 4A: SBP tertiary feedstock requirements**

[The Feedstock sub-group is discussing definitions of reclaimed input.]

## **Instruction Note 4B: Trademark use**

[No major changes expected to trademark requirements. May be moved out of an Instruction Note.]