Guidance Document

Guidance for

SBP Standard 1:

Feedstock Compliance

Sustainable Biomass Program

sbp-cert.org

Version 1.0

To be used in conjunction with SBP Standard 1 (v2.0)

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In the case of inconsistency between translations, the official English language version shall always take precedence.

SBP welcomes comments and suggestions for changes, revisions and / or clarifications on all of its Standards documentation. Please contact: **info@sbp-cert.org**

Contents

A Introduction

The Sustainable Biomass Program (SBP) is a certification scheme designed for biomass, mostly in the form of wood pellets and chips.

The SBP certification scheme provides assurance to stakeholders that biomass is sourced both legally and sustainably, and it provides a means to collect and communicate reliable and verified data throughout the supply chain, including energy data, allowing companies in the biomass sector to demonstrate their responsible sourcing achievement and compliance with regulatory requirements, and to calculate their Greenhouse Gas (GHG) footprint.

There are six SBP Standards, which collectively represent the SBP certification scheme, against which Organisations can be assessed (as applicable) for certification by independent third-party accredited Certification Bodies (CBs). Standard 1 defines 'what to assess', Standard 2 defines 'how to assess' and Standard 4 defines 'what is verified'.

The Standards were developed and revised following a rigorous process aligned with ISEAL Standard-Setting Code of Good Practice, considering and building on existing regulatory requirements, peer voluntary certification standards and stakeholders' input.

An Organisation that satisfactorily demonstrates conformance with applicable SBP Standards receives a certificate and may be entitled to make use of the SBP Data Transfer System (DTS) and SBP claims in relation to the biomass it produces, sells, buys and / or uses.

B Purpose

This document provides guidance for the implementation of the Indicators of SBP Standard 1: Feedstock Compliance (v2.0). It is not normative; it provides information on requirements to support the Certificate Holder. Conformity must be assessed against SBP Standard 1, which sets out the requirements for feedstock sourced for SBP-certified biomass.

The SBP Secretariat will amend this guidance as new interpretations on requirements are given, and / or further guidance is determined to be required. Issues that require explanation, clarification and / or interpretation can be forwarded to the SBP Secretariat (info@sbp-cert.org). Further guidance and / or interpretations are issued following relevant SBP procedures.

C Scope

SBP Standard 1, and thus this guidance document, applies to the Supply Base of the Biomass Producer (BP). SBP Standard 1 is for use by Organisations defined as BPs seeking certification against SBP Standard 2, which requires identification, evaluation and adequate mitigation of the risks of non-conformance with SBP Standard 1 when sourcing feedstock from their Supply Base.

D How to use this document

This document includes the four (4) Principles, eight (8) Criteria, and 41 Indicators of Standard 1 and guidance – on the intent, impacts, considerations for sub-scope, and additional information for context –for each Indicator.

E 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

F Glossary of terms and definitions

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

Guidance to be considered for all Indicators

The procedure to assess risk is provided in Standard 2 guidance, specifically in Section 6: Risk Assessment. Following the defined process relies on identifying, collecting and keeping evidence to demonstrate compliance with laws and / or best practices, their correct implementation, as well as how compliance and / or monitoring is verified. It also requires being able to provide the result of these actions demonstrating compliance and / or describing the current condition if that is compliance.

Principle 1 – Feedstock is legally sourced

Criterion 1.1 – Operators and operations are legal

Standard 1: Feedstock Compliance

1.1.1 Indicator

Operations related to feedstock sourcing and biomass production shall comply with all existing applicable laws and regulations.

Intent

The intent of this Indicator is to ensure that applicable laws and regulations comply throughout forest planning and operations.

If impacts, such as those listed below, occur during forest planning and operations this may indicate that the requirement has not been met.

Impacts (potential / perceived)

- Illegal and / or unauthorised activities
- Altered / Damage to sites, values and / or forests / ecosystems
- Legal proceedings / outcomes against operator and / or supplier

Reputational Damage against operator and / or supplier and / or clients

Considerations for Sub-Scopes (if applicable)

This Indicator is assessing legality. Assessment of this Indicator should be at the level of homogenous risk of similar legal requirements. Guidance on sub-scopes is provided in Standard 2, Section 3.5. Considering the applicability of the impacts listed above, sub-scope suggestions for this Indicator include but are not limited to:

- country, state, regional jurisdictional boundaries;
- public vs private ownership.

Criterion 1.1 – Operators and operations are legal continued

Standard 1: Feedstock Compliance

1.1.1 **Additional Information for Context**

This Indicator is a requirement in most conventional management systems and / or chain of custody certifications.

'Applicable laws and regulations' refer to local, national or international law that includes legislation, legal obligations, requirements, regulations, codes and binding international treaties, conventions and agreements codes covering and / or regulating any of the following:

- rights to harvest timber (1.1.2. 1.1.3);
- trade and customs, applicable to the forest sector (e.g. CITES, EUTR, other applicable trade requirements) (1.1.3);
- payments for harvest rights and timber, including duties related to timber harvesting (1.1.4);
- timber harvesting, including forest and tree management and silvicultural activities;
- environmental impacts (e.g. water and soil protection, air emissions);
- biodiversity conservation values, including rare, threatened, and endangered species and ecosystems;
- third parties' legal rights concerning use and tenure that are affected by timber harvesting;
- fundamental principles and rights at work;
- Operational Health and Safety (OHAS).

A business function and / or personnel responsible for identification of applicable laws, rules, and regulations and for the management of a compliance program ensures:

- laws are identified (this can be done by the legal service of the company or through the support of external service provider);
- legal obligations are understood and implemented;
- the operator does regular internal audit of legal compliance and keep evidence of this.

For the assessment of this Indicator, the confirmation / verification of legal compliance of harvested timber and origin is paramount and interconnected with Indicators 1.1.2 (legally harvested timber and origin), 1.1.3 (legal trade agreements) and 1.1.5 (illegal activities).

1.1.2 Indicator

Legal ownership of land and resource use rights shall be respected.

Intent

The intent of this Indicator is to ensure that ownership of the land and that the use of resources legally comply throughout forest planning and operations.

If impacts, such as those listed below, occur during forest planning and operations this may indicate that the requirement has not been met.

Impacts (potential / perceived)

- Illegal and / or unauthorised harvesting
- Land disputes – boundaries
- Resource use rights disputes
- Loss of revenue to owner (land and / or resource)
- Legal proceedings / outcomes against operator and / or supplier

Criterion 1.1 – Operators and operations are legal continued

Standard 1: Feedstock Compliance

1.1.2 **Considerations for Sub-Scopes (if applicable)**

This Indicator is assessing legality. Assessment of this Indicator should be at the level of homogenous risk at which legal requirements are similar. Guidance on sub-scopes is provided in Standard 2, Section 3.5. Consider the applicability of the impacts listed above. Since trade requirements are established at the international level, no additional sub-scopes are recommended.

Additional Information for Context

Conventional Chain of Custody certifications include legislation to end the trade in illegally harvested timber. In addition to EUTR and CITES, consideration is to be given to other applicable legislation such as the US Lacey Act and the Australian Illegal Logging Prohibition Act.

Risks of legality 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. Transparency of information is likely to reveal or reduce illegal harvesting if made public. Consideration should be given to independent reports about illegal harvesting.

For the assessment of this Indicator, the confirmation / verification of legally harvested timber and origin is paramount and interconnected with Indicators 1.1.1 (legal compliance), 1.1.2 (legal ownership / use rights) and 1.1.5 (illegal activities).

1.1.3 Indicator

Feedstock shall be legally harvested, supplied and produced, including in compliance with CITES, EUTR and other applicable legal trade requirements.

Intent

The intent of this indicator is to ensure that biomass feedstocks are harvested, supplied and produced in full compliance with applicable legal requirements, including legislation governing international trade.

Impacts (potential / perceived)

- Illegal and / or unauthorised harvesting
- Non-compliant feedstock / biomass that cannot be traded
- Legal proceedings / outcomes including fines against the operator and / or the supplier

Considerations for Sub-Scopes (if applicable)

This indicator is assessing legality. Assessment of this indicator should be at the level of homogenous risk of similar legal requirements. Guidance on sub-scopes is provided in Standard 2, Section 3.5.

Additional Information for Context

It is important to comply with legal requirements in forestry for several reasons, including:

- **Environmental Protection:** Legal requirements in forestry are designed to protect the environment and ensure that natural resources are sustainably managed. Compliance with these regulations helps to minimise the negative impact of forestry activities on the environment, such as deforestation, soil erosion, and water pollution.

1.1.3 **Additional Information for Context continued**

- **Social Responsibility:** Forestry activities can have significant impacts on local communities, including their livelihoods, health, and cultural practices. Compliance with legal requirements helps to ensure that these impacts are minimised and that the rights of local communities are respected.
- **Economic Sustainability:** Compliance with legal requirements is essential for the long-term economic sustainability of forestry activities. By following regulations, companies can avoid fines and penalties that can have a negative impact on their profitability. Moreover, compliance can help to maintain market access for forest products by demonstrating that they are produced in an environmentally and socially responsible manner.
- **Legal Liability:** Failure to comply with legal requirements can result in legal liability, including fines, penalties, and lawsuits. Compliance can help to mitigate these risks and protect companies from legal exposure.

There are several important trade requirements for the international trade of forest products, including:

- **European Union Timber Regulation (EUTR):** The EUTR is a regulation that came into force in 2013, which prohibits the sale of illegally harvested timber in the European Union. It requires companies to perform due diligence checks to ensure that their timber is legally harvested and traded. This regulation has had a significant impact on the trade of forest products in Europe.
- **Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES):** CITES is an international treaty that regulates the trade in endangered species. It covers a wide range of plant and animal species, including some types of timber. CITES requires countries to ensure that the trade in these species is sustainable and does not threaten their survival.

In addition to these well-known mechanisms, there are other countries that have established laws and regulations aimed at ensuring that wood products are sourced and traded in a sustainable and legal manner. Some of the countries that have established such regulations include:

United States of America: The USA has several laws and regulations aimed at promoting sustainable and legal trade in wood products, including the Lacey Act, which prohibits the import and trade of illegally sourced wood products.

Australia: Australia has established the Illegal Logging Prohibition Act, which prohibits the import and trade of illegally sourced wood products.

Japan: Japan has established the Clean Wood Act, which prohibits the import and trade of illegally harvested wood products and requires companies to perform due diligence checks to ensure the legality of their wood products.

China: China has established the Forest Law and the Regulations on the Administration of the Import and Export of Endangered Wild Fauna and Flora, which regulate the trade in wood products and require companies to perform due diligence checks to ensure the legality and sustainability of their wood products.

Other countries may also have established regulations and requirements for the import of wood products, either independently or through international agreements and partnerships.

The following sources are helpful to identify the list of applicable trade requirements:

- **International Trade Centre (ITC):** The ITC is a joint agency of the World Trade Organization and the United Nations that provides trade-related technical assistance and capacity building support to developing countries. Their website provides information on trade regulations and requirements for forest products in various countries and regions.
- **Forest Legality Initiative (FLI):** The FLI is a partnership between the World Resources Institute and several other organisations that aims to reduce illegal logging by promoting the trade in legal and sustainable forest products. Their website provides information on legality requirements for forest products in various countries.

Criterion 1.1 – Operators and operations are legal continued

Standard 1: Feedstock Compliance

1.1.3 **Additional Information for Context continued**

- **Timber Trade Portal:** The Timber Trade Portal is a website maintained by the International Tropical Timber Organization that provides information on trade regulations and requirements for timber products in various countries.
- **National Forestry and Wood Industry Associations:** National forestry and wood industry associations may also provide information on applicable trade requirements for forest products in their respective countries.
- **Government websites:** The websites of government agencies responsible for forestry and trade regulation in various countries may also provide information on applicable trade requirements for forest products.

These sources may provide information on various aspects of trade requirements, including regulations related to the legality, sustainability, and certification of forest products, as well as import and export requirements for specific countries and regions.

1.1.4 Indicator

Payments for harvest rights and feedstock, including duties, relevant royalties, and taxes related to timber harvesting, shall be complete and up-to-date.

Intent

The intent of this Indicator is to ensure that payments are made throughout forest planning, operations, production, and trade.

Impacts (potential / perceived)

- Undermines the principle of ownership
- Loss of revenue to owner (land and / or resource)
- Legal proceedings / outcomes against operator and / or supplier
- Illegal networks in supply chain

Considerations for Sub-Scopes (if applicable)

This Indicator is assessing legality. Assessment of this Indicator should be at the level of homogenous risk at which legal requirements are similar. Guidance on sub-scopes is provided in Standard 2, Section 3.5. Considering the applicability of the impacts listed above, sub-scope suggestions for this Indicator include but are not limited to:

- country, state, regional jurisdictional boundaries;
- public vs private ownership

Additional Information for Context

None

Criterion 1.1 – Operators and operations are legal continued

Standard 1: Feedstock Compliance

1.1.4 **Indicator**

There shall be adequate protection of the Supply Base from unauthorised and illegal activities, such as illegal logging, mining, and encroachment.

Intent

The intent of this Indicator is to ensure that measures are in place to protect the occurrence of unauthorised and illegal activities.

If impacts such as those listed below occur, this may indicate that the requirement has not been met.

Impacts (potential / perceived)

- Illegal and / or unauthorised activities
- Altered / Damage to sites, values and / or forests / ecosystems
- Loss of revenue to owner (land and / or resource)
- Legal proceedings / outcomes against operator and / or supplier

Considerations for Sub-Scopes (if applicable)

This Indicator is assessing legality. Assessment of this Indicator should be at the level of homogenous risk at which legal requirements are similar. Guidance on sub-scopes is provided in Standard 2, Section 3.5. Considering the applicability of the impacts listed above, sub-scope suggestions for this Indicator include but are not limited to:

- country, state, regional jurisdictional boundaries;
- public vs private ownership.

Additional Information for Context

Unauthorised and / or illegal activities are those activities that happen in the Supply Base and result in feedstock being sourced. A third party that illegally disposes of wastes is not considered relevant unless their actions were directly related to the supply of feedstock.

The landowner or forest manager may not legally be able to protect the area fully. In this situation, where unauthorised / illegal activities are detected, there should be a control system or procedures for working with appropriate regulatory bodies to identify, report, control and discourage unauthorised activities.

For assessment of this Indicator, the confirmation / verification of legally harvested timber and origin is paramount and interconnected with Indicators 1.1.1 (legal compliance), 1.1.2 (legal ownership / use rights) and 1.1.3 (legal trade agreements).

1.1.5 **Indicator**

There shall be adequate protection of the Supply Base from unauthorised and illegal activities, such as illegal logging, mining, and encroachment.

Indent

The intent of the indicator is to ensure that the Supply Base is protected from illegal activities that can undermine the objectives of the SBP certification and if left unmanaged can result in significant environmental degradation and long term irreversible impacts.

Criterion 1.1 – Operators and operations are legal continued

Standard 1: Feedstock Compliance

1.1.5 **Impacts**

- Illegal occupation / encroachment
- Environmental degradation
- Biodiversity loss
- Social unrest / conflict with rightful landowner

Considerations for Sub-Scopes (if applicable)

This indicator relates to legal compliance. Assessment of this indicator should be at the level of homogenous risk of similar legal requirements. Guidance on sub-scopes is provided in Standard 2, Section 3.5.

Additional Information for Context

Illegal logging, mining, and encroachment in the Supply Base can have a wide range of negative impacts on the environment, economy, and society. Here are some of the impacts:

- **Deforestation:** Illegal logging and encroachment can lead to deforestation, which can have a significant impact on the environment. Deforestation can result in loss of biodiversity, soil erosion, water pollution, and climate change.
- **Soil Degradation:** Mining activities can cause soil degradation, leading to a loss of soil fertility and reduction in the ability of forests to regenerate naturally.
- **Loss of livelihoods:** Illegal logging and mining can have a negative impact on the livelihoods of local communities that rely on forests for their livelihoods. This can result in the loss of income and the displacement of communities.
- **Social conflicts:** Encroachment and illegal logging activities can lead to social conflicts between communities and companies or between communities themselves. This can lead to violence and other forms of social unrest.
- **Economic losses:** Illegal logging and mining can result in economic losses for companies and governments due to the loss of revenue from timber and other forest products.
- **Legal liability:** Illegal activities can result in legal liability, including fines, penalties, and lawsuits. Companies and individuals engaging in illegal activities may face legal consequences.

Preventing illegal logging, mining, and encroachment in the Supply Base requires a combination of strategies and actions that address the underlying causes of these activities. Here are some possible approaches:

- **Strengthening laws and regulations:** Governments can strengthen laws and regulations related to forestry, including those related to land tenure, mining, and timber trade, and enforce them effectively. This includes developing legal frameworks that support sustainable forest management and prohibit illegal activities.
- **Promoting sustainable forest management:** Promoting sustainable forest management practices can help reduce the demand for illegal logging and encroachment, while also protecting the environment and ensuring the long-term viability of the forestry sector.
- **Enhancing forest monitoring and enforcement:** Increasing the capacity of government agencies and local communities to monitor and enforce forestry regulations can help prevent illegal activities. This includes using satellite and other technologies to monitor forests and detect illegal activities.

1.1.5 **Additional Information for Context continued**

- **Encouraging responsible sourcing including certification:** promoting responsible sourcing practices can help create market incentives for legal and sustainable forestry.
- **Supporting community rights and participation:** Supporting the rights of local communities and their participation in forest management can help reduce the risk of encroachment and illegal activities while promoting social equity.
- **Addressing corruption:** Addressing corruption in the forestry sector is critical to preventing illegal activities, including illegal logging and mining. This includes increasing transparency and accountability in the governance of natural resources.

Principle 2 – Feedstock sourcing does not harm the environment

Criterion 2.1 – Biodiversity is maintained or enhanced

Standard 1: Feedstock Compliance

2.1.1 Indicator
Key species, habitats, ecosystems, and areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base shall be identified.

2.1.2 Indicator
Threats to and impacts on the identified key species, habitats, ecosystems, and areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base shall be identified and evaluated.

2.1.3 Indicator
Key species, habitats, ecosystems, and areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base shall be shall be maintained or enhanced.

Intent

The intent of Indicators 2.1.1 - 2.1.3 is to have good visibility and understanding of the biodiversity hotspots in the SB and to ensure they are protected, maintained or enhanced.

If impacts, such as those listed below, result after operations this may indicate that the requirement has not been met.

Impacts (potential / perceived)

- Loss of, damage to, and / or fragmentation of habitats leading to the degradation of identified values
- Altered / Reduced species richness and distribution (i.e. genetic, species and / or community)
- Altered / Reduced key habitat features at a forest stand and / or landscape level
- Altered / Reduced ecosystem services

Considerations for Sub-Scopes (if applicable)

This Indicator is assessing the sustainability of the 'on-the-ground' impacts due to forest operations. Assessment of this Indicator should be at the level of homogenous risk at which legal requirements, management systems and / or ecological classifications are similar across forest management operations. Guidance on sub-scopes is provided in Standard 2, Section 3.5. Considering the applicability of the impacts listed above, sub-scope suggestions for this Indicator include but are not limited to:

- country, state, regional jurisdictional boundaries;
- public vs private ownership;
- certified operations vs uncertified operations;
- bio-geo-climatic classification requiring different operational practices;
- ecoregions.

2.1.3 Additional Information for Context

Key species, habitats, ecosystems, and areas of high conservation value (HCV) shall be identified, due to their pertinence for biodiversity.

Such identified habitats / ecosystems / areas could include those:

- containing protected and / or endangered plant and animal species;
- containing protected, rare, sensitive, or representative forest ecosystems;
- containing significant concentrations of endemic species and habitats of threatened species, as defined in recognised reference lists;
- containing endangered or protected genetic in situ resources;
- contributing to globally, regionally and nationally significant large landscapes with natural distribution and abundance of naturally occurring species.

The HCV approach, as described in the HCV Resource Network's (HCV RN) Common Guidance for the Identification of HCV, is a best practice guide that is applicable across different ecosystems and production systems. The HCN RN identified six categories of HCV, four of which pertain to biodiversity:

HCV1 – Species diversity

HCV2 – Landscape level ecosystems, ecosystem mosaics and Intact Forest Landscapes

HCV3 – Ecosystems and habitats

HCV4 – Ecosystem services

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

Identification and mapping should draw on the most relevant information available, and the collection of additional relevant 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.

The potential threats to and impacts of management activities on forests and other areas with high conservation values, key ecosystems and habitats shall be evaluated (2.1.2).

'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 affecting the area of operation, and / or areas downstream or external to the area of operation.

Appropriate mitigation measures should be implemented. The Organisation should have a system 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.

Criterion 2.1 – Biodiversity is maintained or enhanced continued

Standard 1: Feedstock Compliance

2.1.3 This Indicator focuses on general considerations related to maintaining a diversity of flora and fauna in the landscape and at the stand level, as opposed to any key species, habitats, ecosystems, and other areas of high conservation value pertaining to biodiversity in the Supply Base – which is covered by Indicators 2.1.1 – 2.1.3.

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

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

Criterion 2.2 – Ecosystem productivity, functions, and services are maintained or enhanced

Standard 1: Feedstock Compliance

2.2.1 Indicator

Feedstock shall not be sourced from land that had one of the following statuses in January 2008 and no longer has that status due to land conversion:

a. Forests
b. Wetlands
c. Peatlands
d. Highly biodiverse grasslands.

Intent

The intent of this Indicator is to verify that feedstock sourcing does not drive land use changes and to avoid association with the negative impacts of conversion.

If impacts, such as those listed below, result after operations this may indicate that the requirement has not been met.

Impacts (potential / perceived)

- Deforestation
- Fragmentation
- Altered / Degraded habitat
- Altered / Degraded ecosystems
- Altered / Reduced productive forest / ecosystem area

Criterion 2.2 – Ecosystem productivity, functions, and services are maintained or enhanced continued

Standard 1: Feedstock Compliance

2.2.1 **Considerations for Sub-Scopes (if applicable)**

This Indicator is assessing the sustainability of the 'on-the-ground' impacts due to forest management operations. Assessment of this Indicator should be at the level of homogenous risk at which legal requirements, management systems, ecological classifications and / or land statuses are similar across forest management operations. Guidance on sub-scopes is provided in Standard 2, Section 3.5. Considering the applicability of the impacts listed above, sub-scope suggestions for this Indicator include but are not limited to:

- country, state, regional jurisdictional boundaries;
- public vs private ownership;
- certified operations vs uncertified operations;
- ecoregions;
- forests, wetland, peatlands and / or biodiverse grasslands.

Additional Information for Context

This Indicator addresses direct land use change due to feedstock sourcing. It aims to ensure that feedstock sourcing is not a direct driver of undesirable land use change and the associated ecological, ecosystem, biodiversity, habitat, and environmental impacts. The carbon and climate impacts of land use change are dealt with under Principle 3 of this standard.

'Production plantation forests' are forests of exotic species that have been planted or seeded by human intervention and that are under intensive stand management, are fast growing, and subject to short rotations, e.g. Poplar, Acacia, or Eucalyptus plantations.

Examples of areas that may have high carbon stock:

- **Wetlands:** Land that is covered with or saturated by water, permanently or for a significant part of the year. These should remain as wetlands; biomass production should not result in drainage of previously undrained soil.
- **Peatland:** This should remain as peatland unless evidence is provided that the production of feedstock does not involve drainage of previously undrained soil.

FSC-STD-40-005 v3-1 Info

Forest conversion: Removal of natural forest by human activity, without subsequent regeneration.

NOTE: Conversion may occur due to changing land use (e.g. establishment of plantations, agriculture, pasture, urban settlements, industry, or mining), or where forest has been cleared by forest management practices and not regenerated. The maximum time period between clearing and establishment of regeneration should be determined based on existing legislation, codes of best practices, etc, relevant for the area under assessment.
(Source: FSC-PRO-60-002a FSC National Risk Assessment Framework)

2.2.2 Indicator

Ecosystems, their health, vitality, functions and services in the Supply Base shall be maintained or enhanced.

Intent

The intent of this Indicator is to verify that feedstock does not have a negative impact on ecosystem services.

If impacts, such as those listed below, result after operations this may indicate that the requirement has not been met.

2.2.2 **Impacts (potential / perceived)**

- Disruption, degradation, impediments to ecological functions (including regeneration and succession)
- Altered / Reduced resilience of ecosystem
- Altered / Reduced site and / or landscape level of ecosystem productivity
- Introduction of invasive species
- Loss of diversity (i.e. genetic, species and / or community)
- Altered / Reduced ecosystem services

Considerations for Sub-Scopes (if applicable)

This Indicator is assessing the sustainability of the 'on-the-ground' impacts due to forest management operations. Assessment of this Indicator should be at the level of homogenous risk at which legal requirements, management systems and / or ecological classifications are similar across forest management operations. Guidance on sub-scopes is provided in Standard 2, Section 3.5. Considering the applicability of the impacts listed above, sub-scope suggestions for this Indicator include but are not limited to:

- country, state, regional jurisdictional boundaries;
- public vs private ownership;
- certified operations vs uncertified operations;
- ecoregions;
- forest-type or stand-type classification requiring different operational practices.

Additional Information for Context

The assessment of this Indicator focuses on the ability of forest management to sustain healthy and vital ecosystem services. 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' and / or the evaluation of relevant functions:

- forest regeneration and succession,
- genetic, community and species diversity; and
- natural cycles affecting the productivity of the ecosystem.

There are 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, and adequate access for recreation where possible. There should be ongoing maintenance and improvement for these forest services.

2.2.2 **Additional Information for Context continued**

This Indicator covers a considerable number of forest characteristics and processes, many of which are considered more specifically in other Indicators, including:

- Biological diversity (Indicator 2.1.1, 2.1.2, 2.1.3),
- Productivity (Indicators 2.2.4, 2.2.9, and 3.2.2),
- Maintenance of Soils (Indicator 2.2.3),
- Maintenance of Aquatic Systems (Indicator 2.2.5), and
- Capacity to sequester carbon (Indicator 3.2.1).

The monitoring and management of natural disturbances is addressed in Indicator 2.2.11.

2.2.3 Indicator

Soil quality in the Supply Base shall be maintained or enhanced.

Intent

The intent of this Indicator is to ensure that soil quality is maintained or enhanced during and after forest management operations.

If impacts, such as those listed below, result after operations this may indicate that the requirement has not been met.

Impacts (potential / perceived)

- Altered / Reduced soil productivity
- Altered / Reduced productive forest / ecosystem area
- Altered / Reduced hydrology, watersheds, and drainage patterns, both on-site and downstream
- Altered / Increased disturbances, such as, erosion, sedimentation, and landslides
- Increased risk to public safety
- Increased risk to infrastructure damage

Considerations for Sub-Scopes (if applicable)

This Indicator is assessing the sustainability of the 'on-the-ground' impacts due to forest management operations. Assessment of this Indicator should be at the level of homogenous risk at which legal requirements, management systems and / or ecological classifications are similar across forest management operations. Guidance on sub-scopes is provided in Standard 2, Section 3.5. Considering the applicability of the impacts listed above, sub-scope suggestions for this Indicator include but are not limited to:

- country, state, regional jurisdictional boundaries
- public vs private ownership
- certified operations vs uncertified operations
- eco-soil classification requiring different operational practices.

2.2.3 **Additional Information for Context**

Soil quality, equivalent to soil productivity, is defined as the ability for a forest soil to allow forests to grow, produce crops and function with minimal human intervention.

Evaluation of soil quality should be conducted on an individual site level.

Soil quality, as it affects water quality via sedimentation, is further discussed within Indicators 2.2.5 (water quality / quality) and 4.2.3 (basic needs of communities). Discussion regarding forest residue and coarse woody debris retention is discussed in Indicators 2.2.4 (residue removal) and 2.1.3 (conservation values), respectively.

2.2.4 Indicator

Where the removal of harvest forest residues and / or stumps occurs, this shall not lead to irreversible negative impacts to the ecosystem.

Intent

The intent of this Indicator is to ensure that the ecosystem function is not negatively impacted after forest management operations that involve the removal of harvest residues and / or stumps.

If impacts, such as those listed below, result after operations this may indicate that the requirement has not been met.

Impacts (potential / perceived)

- Altered / Reduced soil productivity
- Altered / Reduced site productivity
- Altered / Reduced ecosystem functions
- Altered / Reduced nutrients

Considerations for Sub-Scopes (if applicable)

This Indicator is assessing the sustainability of the 'on-the-ground' impacts due to forest management operations. Assessment of this Indicator should be at the level of homogenous risk at which legal requirements, management systems and / or ecological classifications are similar across forest management operations. Guidance on sub-scopes is provided in Standard 2, Section 3.5. Considering the applicability of the impacts listed above, sub-scope suggestions for this Indicator include but are not limited to:

- country, state, regional jurisdictional boundaries;
- public vs private ownership;
- certified operations vs uncertified operations;
- forest-type or stand-type classification requiring different operational practices.

2.2.4 **Additional Information for Context**

The removal of harvest residues and stumps shall not lead to irreversible negative impacts of such scale and intensity that the productivity, functions, or services of the ecosystem are irreversibly damaged and cannot be maintained.

Forest biomass is an important component of forest ecosystems, of economic and environmental interests. Harvest forest residues and stumps can constitute an important habitat for some key species of the forest ecosystem, including endangered or rare species. Feedstock can be obtained from post-harvest, post-processing residual material that is left at landings and roadsides. This post-harvest slash largely consists of tops, branches, cull, and other unmerchantable timber.

Likely impacts of residue removal, due to the removal process 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 affecting the area of operation, and / or 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

Quality and quantity of ground water, surface water and water downstream shall be maintained or enhanced.

Intent

The intent of this Indicator is to ensure that both water quality and quantity is maintained or enhanced after forest management operations.

If impacts, such as those listed below, result after operations this may indicate that the requirement has not been met.

Impacts (potential / perceived)

- Altered / Reduced water quality, including but not limited to, sedimentation, turbidity, water temperature
- Altered / Reduced water quantity, including but not limited to, increased or decreased volume, seasonality, peak-flow, surface run-off
- Altered / Reduced of riparian habitat and function
- Altered / Reduced hydrologic functions, both above-ground and below-ground
- Altered / Reduced fish habitat, including but not limited to spawning habitat, fish passage, water temperature

2.2.5 **Considerations for Sub-Scopes (if applicable)**

This Indicator is assessing the sustainability of the 'on-the-ground' impacts due to forest management operations. Assessment of this Indicator should be at the level of homogenous risk at which legal requirements, management systems and / or hydrological classifications are similar across forest management operations. Guidance on sub-scopes is provided in Standard 2, Section 3.5. Considering the applicability of the impacts listed above, sub-scope suggestions for this Indicator include but are not limited to:

- country, state, regional jurisdictional boundaries;
- public vs private ownership;
- certified operations vs uncertified operations;
- hydrological or stream classification requiring different operational practices.

Additional Information for Context

The focus of this indicator is on water quality and quantity conservation related to forest management activities (i.e. harvesting and road construction / maintenance, etc.) and the impacts described below. Subsistence-based drinking water is addressed in Indicator 4.2.3.

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

'Impacts' include those affecting the area of operation, and / or areas immediately downstream or external to the area of operation, e.g. runoff from harvesting operations, fertiliser or chemical application.

Quality and quantity of ground water, surface water and water downstream should be monitoring against verifiable targets. Where targets are not met, mitigation action should be taken.

Organisations may require suppliers and forest owners to adopt specific Best Management Practices and to be certified for certain tasks. These requirements should be specified in purchasing or procurement policies.

2.2.6 Indicator

Air emissions shall comply with national legislation or in the absence of national legislation with industry best practice.

Intent

The intent of this Indicator is to ensure that air emissions from forest management operations are in compliance with national legislation or industry best practices.

If impacts, such as those listed below, result after operations this may indicate that the requirement has not been met.

Impacts (potential / perceived)

- Altered / Increased levels of air pollutants such as particulate matter, Carbon monoxide, Nitrogen Oxides, and volatile organic compounds into the environment
- Altered / Reduced air quality and possible related health impacts, particularly for seniors and breathing compromise patients
- Public complaints related to reduced air quality

2.2.6 **Considerations for Sub-Scopes (if applicable)**

This Indicator is assessing the sustainability of the 'on-the-ground' impacts due to forest management operations. Assessment of this Indicator should be at the level of homogenous risk at which legal requirements and / or management systems are similar across forest management operations. Guidance on sub-scopes is provided in Standard 2, Section 3.5. Considering the applicability of the impacts listed above, sub-scope suggestions for this Indicator include but are not limited to:

- country, state, regional jurisdictional boundaries;
- public vs private ownership;
- certified operations vs uncertified operations.

Additional Information for Context

The scope of this Indicator also includes open burning and management of smoke due to forest management activities. It does not include emissions from industrial sources such as facilities (i.e. sawmills, including log sort yards) and / or transportation and machinery sources.

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

'Impacts' include those affecting the area of operation, and / or 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 best management practices and / or certification requirements should be specified in purchasing or procurement policies.

2.2.7 Indicator

Pesticides shall only be used as part of an Integrated Pest Management (IPM) plan in compliance with national legislation, chemical safety data sheets and industry best practice. Banned pesticides shall not be used.

Intent

The intent of this Indicator is to ensure that banned pesticides are not used and that any pesticide use complies with national legislation or industry best practices during forest management operations.

If impacts, such as those listed below, result after operations this may indicate that the requirement has not been met.

Impacts (potential / perceived)

- Altered / Adverse effects on ecosystem health and function
- Altered / Adverse effects on aquatic health and function
- Altered / Adverse effects on human health
- Loss of biodiversity (i.e. genetic, species and / or community)

2.2.7 **Considerations for Sub-Scopes (if applicable)**

This Indicator is assessing the sustainability of the 'on-the-ground' impacts due to forest management operations. Assessment of this Indicator should be at the level of homogenous risk at which legal requirements, management systems and / or ecological classifications are similar across forest management operations. Guidance on sub-scopes is provided in Standard 2, Section 3.5. Considering the applicability of the impacts listed above, sub-scope suggestions for this Indicator include but are not limited to:

- country, state, regional jurisdictional boundaries;
- public vs private ownership;
- certified operations vs uncertified operations;
- forest-type or stand-type classification requiring different operational practices.

Additional Information for Context

Banned Pesticides are listed in the Glossary.

This requirement pertains to current and ongoing use, rather than historic use.

Often the use of chemicals in forest management is regulated by both national and regional legislations. Pesticides are used mainly for pest control and defoliation of competitive vegetation in support of stand regeneration.

Under an Integrated Pest Management approach, chemical use should be justified and there should be evidence that non-chemical alternatives have been considered.

If chemicals are used, proper use of personal protective equipment (PPE) and training should be provided to minimise health and environmental risks.

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

2.2.8 Indicator

Waste shall be disposed in an environmentally appropriate manner.

Intent

The intent of this Indicator is to ensure that waste from forest management operations is disposed of in an environmentally appropriate manner to minimise the negative impacts to ecosystem productivity, functions, and services.

If impacts, such as those listed below, result after operations this may indicate that the requirement has not been met.

Impacts (potential / perceived)

- Pollution
- Altered / Degradation of terrestrial and / or aquatic ecosystems / habitats
- Altered / Reduced productive forest / ecosystem area
- Altered / Reduced aesthetic values
- Altered / Reduced recreational use opportunities
- Altered / Increased public health risk

2.2.8 **Considerations for Sub-Scopes (if applicable)**

This Indicator is assessing the sustainability of the 'on-the-ground' impacts due to forest management operations. Assessment of this Indicator should be at the level of homogenous risk at which legal requirements and / or management systems are similar across forest management operations. Guidance on sub-scopes is provided in Standard 2, Section 3.5. Considering the applicability of the impacts listed above, sub-scope suggestions for this Indicator include but are not limited to:

- country, state, regional jurisdictional boundaries;
- legal Registered entities vs unregistered operators;
- certified operations vs uncertified operations.

Additional Information for Context

'Waste' for the purpose of this Indicator is defined as any substance or object that is discarded, intended to be discarded, or is required to be discarded. The retention of wood waste and post-harvest residue from forest management activities is covered under Indicator 2.2.4.

Waste shall be disposed in an environmentally appropriate manner. The Organisation should have verifiable targets to monitor any impact of waste disposal on ecosystem productivity, functions, and services. Where impacts are identified, mitigation measures should be taken to restore the area, and management practices changed to prevent impacts in the future.

Leaving waste and garbage in the forest causes pollution which enters the ecosystem in numerous ways, depending on the nature of the waste and the site. Waste fluids may enter waterways and / or pose a direct hazard to wildlife. Waste also compromises aesthetic values and recreational use opportunities. Over the longer-term persistent pollution from inadequate waste disposal can negatively impact public health, wildlife, and the ecosystem.

According to the European Union Commission's guidance on the Classification of Waste, the following types of hazardous environmental waste apply within the context forest management activities:

- Oil wastes and wastes of liquid fuel;
- Waste organic solvent, refrigerants, and propellants; and
- Waste packaging: absorbents, wiping cloths, filter materials and protective clothing not otherwise specified.

Waste such as old tires, pads, and other machine parts, as well as culvert pipes is also included under this Indicator.

2.2.9 Indicator

Harvesting levels shall be justified as to how they can be sustained with reference to inventory and growth data for the Supply Base.

Intent

The intent of this Indicator is to ensure that harvesting levels are sustainable.

If impacts, such as those listed below, result after operations this may indicate that the requirement has not been met.

2.2.9 **Impacts (potential / perceived)**

- Altered / Reduced sustainability of the forest resource
- Altered / Reduced productive forest / ecosystem area
- Altered / Reduced timber supply
- Altered / Reduced economic benefits

Considerations for Sub-Scopes (if applicable)

This Indicator is assessing the sustainability of the 'on-the-ground' impacts due to forest management operations. Assessment of this Indicator should be at the level of homogenous risk at which legal requirements, management systems and / or ecological classifications are similar across forest management operations Guidance on sub-scopes is provided in Standard 2, Section 3.5. Considering the applicability of the impacts listed above, sub-scope suggestions for this Indicator include but are not limited to:

- country, state, regional jurisdictional boundaries;
- public vs private ownership;
- certified operations vs uncertified operations;
- forest-type classification requiring different sustainability analysis practices.

Additional Information for Context

Harvesting plans should be developed to ensure productivity is maintained over the long term and that harvesting levels can be sustained. This can be informed by annual growth, annual harvest and evidence that harvesting is below or equals annual growth on medium to long term or that wood is extracted from the area at a rate which does not exceed its long-term capacity to produce wood (ROO 6 (4)(b) (iv))

Monitoring productivity should be encouraged and considered in the harvesting plans.

Forest productivity can be evaluated at the forest-level and at the site level. At the forest-level, productivity can be assessed by examining whether harvesting exceeds the long-term timber production capacity of the forest. At the site level, productivity is maintained by avoiding levels of site disturbance that reduce future growth capacity or and retaining enough biomass are removed on the site to maintain its fertility.

2.2.10 Indicator

Harvested areas shall be regenerated.

Intent

The intent of this Indicator is to ensure that forest productivity is maintained through regeneration following a harvest.

If impacts, such as those listed below, result after operations this may indicate that the requirement has not been met.

2.2.10 **Impacts (potential / perceived)**

- Altered / Reduced sustainability of the forest resource
- Altered / Reduced productive forest / ecosystem area
- Altered / Reduced timber supply
- Altered / Reduced ecosystem function

Considerations for Sub-Scopes (if applicable)

This Indicator is assessing the sustainability of the 'on-the-ground' impacts due to forest management operations. Assessment of this Indicator should be at the level of homogenous risk at which legal requirements, management systems and / or ecological classifications are similar across forest management operations. Guidance on sub-scopes is provided in Standard 2, Section 3.5. Considering the applicability of the impacts listed above, sub-scope suggestions for this Indicator include but are not limited to:

- country, state, regional jurisdictional boundaries;
- public vs private ownership;
- certified operations vs uncertified operations;
- forest-type or stand-type classification requiring different operational practices.

Additional Information for Context

To ensure sustainable forests, regeneration with either natural or planted seedlings following harvest needs to be prompt and sufficient to meet future needs. Sufficiency is a measure of species selection, seedling distribution and time of establishment. Species selection needs to be consistent with site ecology (i.e. original stand composition, ecosite, and natural disturbance regime) and considerate of future climate change risks. Distribution needs to be sufficient to allow future crop trees to occupy the site in a free growing state and timing needs to be prompt enough to allow early establishment unhindered from competing vegetation. See Indicator 2.2.12 for discussion about genetically modified trees.

2.2.11 Indicator

The impacts of natural processes such as fires, pests and diseases shall be managed.

Intent

The intent of this Indicator is to ensure that natural processes are managed through forest planning.

If impacts, such as those listed below, result after operations this may indicate that the requirement has not been met.

2.2.11 **Impacts (potential / perceived)**

- Altered / Reduced productive forest / ecosystem area
- Altered / Reduced forest growth rate
- Altered / Reduced socio-economic benefits from forests
- Altered / Increased spread of pests and diseases
- Property losses
- Danger to human lives

Considerations for Sub-Scopes (if applicable)

This Indicator is assessing the sustainability of the 'on-the-ground' impacts due to forest management operations. Assessment of this Indicator should be at the level of homogenous risk at which legal requirements, management systems and / or ecological classifications are similar across forest management operations. Guidance on sub-scopes is provided in Standard 2, Section 3.5. Considering the applicability of the impacts listed above, sub-scope suggestions for this Indicator include but are not limited to:

- country, state, regional jurisdictional boundaries;
- public vs private ownership;
- certified operations vs uncertified operations;
- natural disturbance type classification requiring different operational practices.

Additional Information for Context

Control systems and procedures should define appropriate management practice for the particular land type and region. Appropriate management of natural processes 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.

The owner / manager should assess the potential negative impacts of natural hazards on the Supply Base, including drought, floods, wind, fire, non-native plant and animal species, and other pests and diseases.

Management and restructuring plans should be designed to mitigate the risk of damage from natural hazards.

2.2.12 Indicator

Genetically modified trees shall not be used.

Intent

The intent of this Indicator is to ensure that genetically modified trees are not used in forest management operations.

If impacts, such as those listed below, result after operations this may indicate that the requirement has not been met.

Standard 1: Feedstock Compliance

2.2.12 **Impacts (potential / perceived)**

- GMOs mix with native gene pool & establishment of trees in forests and other natural landscapes that include modified genes in their genotypes
- Altered / Reduced ecosystem function
- Loss of diversity (i.e. genetic, species and / or community)
- Altered / Increased human and animal health risk

Considerations for Sub-Scopes (if applicable)

This Indicator is assessing the sustainability of the 'on-the-ground' impacts due to forest management operations. Assessment of this Indicator should be at the level of homogenous risk at which legal requirements, management systems, ecological classifications and / or tree species are similar across forest management operations. Guidance on sub-scopes is provided in Standard 2, Section 3.5. Considering the applicability of the impacts listed above, sub-scope suggestions for this Indicator include but are not limited to:

- country, state, regional jurisdictional boundaries;
- public vs private ownership;
- certified operations vs uncertified operations;
- tree species.

Additional Information for Context

Genetically modified trees are those in which the genetic material has been altered in a way that does not occur naturally by pollination and / or natural recombination. Organisations should take into account any applicable legislation which provides a specific definition of genetically modified organisms.

Principle 3 – Feedstock is only sourced from Supply Bases where the forest carbon stock is stable or increasing long term

Criterion 3.1 – Feedstock sourcing is consistent with international requirements for land use, land-use change and forestry (LULUCF) emissions

Standard 1: Feedstock Compliance

3.1.1 Indicator

LULUCF emissions shall be accounted for through one of the following routes:

Route A – Feedstock may be sourced from a country of origin 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 – Feedstock may be sourced 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, or

Route C – Feedstock may be sourced from a Supply Base where an assessment demonstrates that both the carbon stocks is stable, and the forests' capacity to act as a carbon sink is stable or increasing over the long term.

Intent

The intent of this Indicator can be summarised as follows:

- ensure cohesion with international accounting of emissions under the IPCC national inventory guidelines, whereby emissions of biomass are reported in the land sector,
- ensure carbon stocks of the LULUCF sector are adequately protected to ensure the overall climate benefit of using biomass. One way of achieving that is to ensure countries verify, track and take appropriate action to reduce LULUCF sector emissions / increase carbon sinks, but this can also be performed by the BP (per route C).

Impacts (potential / perceived)

- Positive GHG emissions contribution due to LULUCF
- Contribution to climate change due to LULUCF

Considerations for Sub-Scopes (if applicable)

This Indicator is assessing the forest carbon stock at the landscape level. Considering the applicability of the impacts listed above, the 'area under assessment' is at the national level for Route A or Route B. For Route C, the 'area under assessment' is the Supply Base area that may include sub-scopes.

3.1.1 **Additional Information for Context**

LULUCF emissions refer to greenhouse gas emissions that result from land use, land-use change, and forestry activities. LULUCF is an acronym that stands for 'Land Use, Land-Use Change, and Forestry'. These emissions are caused by natural disturbance and human activities such as deforestation and forest degradation, often associated with agriculture or urbanisation.

The LULUCF sector is unique in that it can both emit and remove carbon dioxide (CO_2) from the atmosphere. For example, deforestation releases carbon dioxide into the atmosphere, while afforestation and reforestation can sequester carbon dioxide from the atmosphere through the process of photosynthesis. These emissions and removals are accounted for in the national greenhouse gas inventories of countries that are party to the United Nations Framework Convention on Climate Change (UNFCCC) and are included in their annual greenhouse gas emissions reports.

The International Panel on Climate Change (IPCC), a United Nations body, reports that the Land Use, Land Use Change and Forestry (LULUCF) sector offers significant near-term mitigation potential while providing food, wood and other renewable resources as well as biodiversity conservation. LULUCF is one of the 'sectors' that countries are required to report on when they provide their annual national greenhouse gas accounts to the IPCC. Regarding forests specifically, land use change as driven by deforestation is a key source of global GHG emissions. Afforestation and restoration projects are being undertaken in many countries at scale which will increase carbon stocks in the LULUCF sector.

The European Union's Renewable Energy Directive 2018 / 2001 (REDII) of 11 December 2018 is applicable to biomass entering the EU and it requires tracking GHG emissions savings associated with renewable energy.

This Indicator provides three routes for demonstrating compliance:

Compliance with Route A is dependent on Nationally Determined Contributions (NDCs). All 193 Parties to the Paris Agreement have issued at least their first NDC, 151 Parties communicated a new or updated NDC as of the November 2021. The content of each country's NDC varies, but in general, they include a set of commitments and strategies to mitigate greenhouse gas emissions and adapt to the impacts of climate change. The commitments and strategies in each NDC are determined by each country based on their national circumstances, capacities, and priorities. Most of the Nationally Determined Contributions (NDCs) submitted to the United Nations Framework Convention on Climate Change (UNFCCC) include some mention of land use, land-use change, and forestry (LULUCF) emissions.

However, the specific details and level of coverage of LULUCF emissions in each NDC can vary widely. Some NDCs include detailed commitments and strategies for reducing emissions from deforestation and promoting afforestation and reforestation, while others may only mention LULUCF emissions in passing. It is important to note that not all parties to the UNFCCC have submitted NDCs that include targets for reducing emissions or enhancing removals, so the total number of NDCs that include LULUCF emissions may be lower than the overall number of submitted NDCs. More information: https://unfccc.int/NDCREG.

The SBP will publish a list of countries to support the implementation of this indicator.

Compliance with Route B is also linked to the Paris Agreement. Checking if countries have legislation on conserving or enhancing carbon stocks can be done in the following steps:

1. **Identify the relevant legislation:** The first step is to identify the relevant legislation at the national or sub-national level. This can include laws, regulations, policies, and guidelines that relate to land use, forest management, agriculture, and other relevant sectors.
2. **Search legislative databases:** Legislative databases, such as those maintained by national or regional governments, can be searched to identify the relevant legislation. These databases may be available online or in print.

3.1.1

3. **Consult with relevant agencies:** Government agencies responsible for land use, forestry, and agriculture can provide information on the relevant legislation and how it is implemented. These agencies may be able to provide copies of the legislation or guidance documents.
4. **Review international agreements:** International agreements, such as the Paris Agreement under the United Nations Framework Convention on Climate Change, may require countries to report on their efforts to conserve and enhance carbon stocks. The reporting requirements can provide information on the relevant legislation and policies in each country.
5. **Check with civil society organisations:** Civil society organisations, such as environmental NGOs or research institutions, may also have information on the relevant legislation and policies related to conserving and enhancing carbon stocks.

Compliance with Route C is the most resource intensive as it mainly relies on assessments conducted by the Organisation unless suitable third-party assessments exist. It is important to note that assessing carbon stocks in a Supply Base is complex and requires expertise in ecology, forestry, and soil science. Therefore, it is recommended that carbon stock assessments be conducted by trained professionals with experience in the field. National data sets already available for LULUCF emissions should be used as a basis. Assessing carbon stocks in a Supply Base involves measuring the amount of carbon stored in the vegetation, soils, and other organic matter within the boundaries of the Supply Base. This can help companies to understand the carbon footprint of their operations, identify opportunities for emissions reduction, and support their sustainability goals.

The following are some common steps that can be taken to assess carbon stocks in a Supply Base (Route C):

1. **Define the boundaries of the Supply Base:** The first step is to define the geographic boundaries of the Supply Base. This can include the boundaries of the company's own land holdings, as well as the areas where the company sources its biomass feedstocks.
2. **Choose a sampling method:** There are different sampling methods that can be used to assess carbon stocks in a Supply Base, including field measurements, remote sensing, and modeling. The choice of method depends on the specific objectives of the assessment, the available resources, and the characteristics of the Supply Base.
3. **Collect data:** Data collection involves measuring the characteristics of the vegetation, soils, and other organic matter within the Supply Base. This can include measuring tree diameter and height, biomass, and species composition, as well as soil properties such as texture, organic matter content, and pH. Data can be collected using various techniques, including plots, transects, and grids.
4. **Calculate carbon stocks:** Once the data is collected, the carbon stocks can be calculated using biomass equations and other methods. Soil carbon stocks can be estimated based on the soil properties and depth.
5. **Account for uncertainties:** Carbon stock assessments are subject to uncertainties due to sampling errors, measurement errors, and other factors. It is important to account for these uncertainties and report them in the assessment.
6. **Interpret the results:** Is the carbon stocks stable? Is the forests' capacity to act as a carbon sink stable or increasing over the long term? The carbon stock assessment results can be used to inform land use planning, carbon accounting, and climate change mitigation and adaptation strategies for the Supply Base.

Criterion 3.2 – Carbon stocks in the forest area of the Supply Base are stable or increasing in the long term

Standard 1: Feedstock Compliance

3.2.1 All feedstock sourcing shall be consistent with either of these two options:

Option A. Feedstock may be sourced from Supply Bases where an assessment of the Supply Base shows that the forest carbon stocks are stable or increasing, or

Option B. Feedstock may be sourced, if the assessment shows that the forest carbon stocks are declining in the Supply Base, provided that the decline is due to natural processes (fire, pests etc.) and sourcing of feedstock has the aim to recover feedstock otherwise lost or assist regeneration

Intent

The intent of this Indicator is to verify that feedstock is sourced from a Supply Base characterised by stable or growing carbon stocks and that the impact of sourcing feedstock is to maintain or improve forest carbon outcomes compared to no sourcing of feedstock.

Impacts (potential / perceived)

The impact of sourcing feedstock is to maintain or improve forest carbon outcomes compared to no sourcing of feedstock.

Considerations for Sub-Scopes (if applicable)

For this Indicator, the 'area under assessment' must be equal to or larger than the Supply Base. Sub-scopes would be recommended if more than one administrative or ecological unit is required to cover the Supply Base.

Additional Information for Context

Sourcing biomass feedstocks from a Supply Base that has a stable or increasing carbon stock is important for several reasons, including:

- **Mitigating climate change:** Biomass is used to produce renewable energy as an alternative to fossil fuels. However, if the biomass feedstocks are sourced from forests with a decreasing carbon stock, then the net effect may be an increase in greenhouse gas emissions and contribute to climate change. Sourcing feedstocks from a Supply Base with a stable or increasing carbon stock can help to ensure that the carbon released during bioenergy production is offset by the carbon stored in the remaining biomass and soil.
- **Ensuring sustainable production:** Sourcing biomass feedstocks from a Supply Base with a stable or increasing carbon stock can help to ensure that the production of bioenergy and biofuels is sustainable over the long-term. This is because a stable or increasing carbon stock generally indicates that the ecosystem is healthy and resilient, and that the ecosystem services provided by the ecosystem are being maintained.
- **Supporting biodiversity and other ecosystem services:** Sourcing biomass feedstocks from a Supply Base with a stable or increasing carbon stock can also help to support biodiversity and other ecosystem services. Ecosystems with a stable or increasing carbon stock are typically more resilient to natural disturbances and human impacts and are better able to provide important ecosystem services such as habitat provision, water regulation, and soil conservation.

Several natural disturbances can affect carbon stocks in forests, including:

- **Wildfires:** Wildfires can have a significant impact on forest carbon stocks by burning the above-ground biomass and the forest floor, which releases large amounts of carbon into the atmosphere. The magnitude of the carbon loss depends on the severity and extent of the wildfire.
- **Insect outbreaks:** Insect outbreaks, such as outbreaks of bark beetles or defoliating insects, can cause tree mortality and reduce forest productivity, which can lead to a loss of carbon stocks over time.

Standard 1: Feedstock Compliance

3.2.1 **Additional Information for Context continued**

- **Windstorms:** Windstorms can cause tree mortality and damage to forest structure, which can reduce the carbon storage capacity of the forest.
- **Landslides and erosion:** Landslides and erosion can destabilise the soil and cause a loss of carbon stored in the soil. This can occur when vegetation is removed or disturbed, leaving the soil exposed and vulnerable to erosion.
- **Disease:** Diseases such as root rot or fungal infections can cause tree mortality and reduce forest productivity, which can lead to a loss of carbon stocks over time.

The indicator recognises the important role the biomass sector can play in supporting the regeneration of forests affected natural disturbances by using feedstock that otherwise would be left on site in some cases preventing or slowing down recovery.

3.2.2 Primary feedstock shall not be sourced from forest areas where site productivity is low and, according to local definitions or norms, the areas are classified as low-productive or difficult to regenerate.

Intent

The intent of this Indicator is to verify that feedstock is not sourced from areas that are difficult to regenerate after harvest operations.

If impacts such as those listed below occur, this may indicate that the requirement has not been met.

Impacts (potential / perceived)

- Carbon emissions from harvesting, with slow and / or extended periods to replenish forest growth (i.e. carbon stock), if at all
- Net emissions of GHG, thereby contributing to climate change
- Biomass sourcing leads to forest degradation

Considerations for Sub-Scopes (if applicable)

For this Indicator, the 'area under assessment' must be equal to or larger than the Supply Base. Sub-scopes would be recommended if more than one administrative or ecological unit is required to cover the Supply Base.

Additional Information for Context

Sites that are characterised by low productivity generally tend to be difficult to regenerate and as a result will have an impact on the GHG benefits of using biomass. Changing climatic conditions make the regeneration of such sites increasingly difficult and in some cases impossible.

The focus of this Indicator is the extraction of feedstock for biomass from production forests growing on sites with low productivity i.e. sites with a low index value.

'Low productivity forest sites' refer to areas of forest lands that have limited potential for growth and development of commercial timber or other forest products due to various factors such as poor soil quality, low fertility, harsh climatic conditions, or unfavourable topography. These sites may be considered 'marginal' or 'non-productive' for the purposes of conventional forestry practices, but they can still play an important role in supporting ecosystem functions, such as providing habitat for wildlife, protecting soil and water resources, and storing carbon.

In some cases, low productivity forest sites may be suitable for alternative land uses such as conservation or recreation. For example, forested areas with steep slopes or unstable soils may be better suited for protecting water quality and preventing erosion than for timber production. Similarly, forests located in ecologically sensitive areas may be better conserved for their ecological value rather than being converted into agricultural land.

3.2.2 **Additional Information for Context continued**

Logging these forests may release carbon stored in the trees and soil and can also reduce the ability of the forest to sequester carbon in the future. This can contribute to climate change by increasing greenhouse gas emissions and reducing the amount of carbon that can be stored in the forest.

Efforts to restore degraded forest landscapes may involve the use of low productivity forest sites, where the focus is on restoring ecosystem functions and services rather than maximising productivity. In these cases, restoration activities may involve planting native species, improving soil quality, and implementing measures to control erosion and other forms of land degradation.

It is important to prioritise the conservation and sustainable management of low productivity forests, rather than focusing solely on their timber production potential. This can include measures such as reducing the impact of logging activities, promoting forest restoration and reforestation, and protecting areas with high carbon and biodiversity values.

3.2.3 Primary feedstock shall not be sourced from forest areas in the Supply Base which, according to local definitions or norms, are classified as having combined attributes of high carbon stocks and high conservation value (HCV).

Intent

The intent of this Indicator is to verify that feedstock is not sourced from forests that are recognised as having both high carbon stocks and high conservation values. If impacts such as those listed below occur, this may indicate that the requirement has not been met.

Impacts (potential / perceived)

- Carbon emissions from harvesting with extended periods to replenish forest growth (i.e. carbon stock) to pre-harvest equivalent
- Net emissions of GHG, thereby contributing to climate change
- Loss of conservation values

Considerations for Sub-Scopes (if applicable)

For this Indicator, the area under assessment must be equal to or larger than the Supply Base. Sub-scopes would be recommended if more than one administrative or ecological unit is required to cover the Supply Base.

Additional Information for Context

Defining high carbon stock and high conservation value forests requires a multi-faceted approach that considers a range of factors, including ecological, social, and economic considerations. Here are some commonly used definitions:

- **High Carbon Stock Forests:** High carbon stock forests are forests that have significant amounts of carbon stored in their above-ground biomass, below-ground biomass, and soil. The exact threshold for what constitutes a high carbon stock forest will vary depending on the context. Forests that stand at the top 10% of the volume per ha in the region, with adjustment to reflect normal range for species or mix, would normally be considered 'high carbon' and warrant further examination and justification.
- **High Conservation Value Forests:** High conservation value forests are forests that are considered to be of exceptional ecological, social, or cultural value. These forests may contain rare or threatened species, provide critical ecosystem services, or support the livelihoods and cultural practices of indigenous or local communities. The definition of high conservation value forests is often context-specific and may vary depending on the location and the stakeholders involved.

3.2.3 Additional Information for Context continued

To identify and protect high carbon stock and high conservation value forests, various tools and approaches have been developed, including certification schemes, such as the High Carbon Stock Approach and the Forest Stewardship Council, and conservation frameworks, such as the High Conservation Value Framework. These tools provide guidance on how to identify and manage forests with high carbon stock and high conservation value, with a focus on promoting sustainable land use practices and protecting these important forest resources for future generations. The protection of such forests is important due to:

- **Climate Change Mitigation:** High carbon stock forests play a critical role in mitigating climate change by sequestering carbon dioxide from the atmosphere. Deforestation and degradation of these forests can result in the release of significant amounts of carbon into the atmosphere, exacerbating climate change.
- **Biodiversity Conservation:** High conservation value forests are often rich in biodiversity, with high numbers of plant and animal species, some of which may be rare or endangered. Protecting these forests helps to maintain these species and their habitats, contributing to global biodiversity conservation efforts.
- **Ecosystem Services:** High carbon stock and high conservation value forests provide a range of ecosystem services, such as water regulation, soil conservation, and cultural values for local communities. These services support human well-being and are essential for sustainable development.
- **Social and Cultural Values:** High conservation value forests are often home to indigenous communities and other traditional forest-dependent people, who rely on the forests for their livelihoods, cultural practices, and spiritual beliefs. Protecting these forests helps to preserve these important cultural values and support the rights of these communities.

Overall, protecting high carbon stock and high conservation value forests is essential for maintaining the health and resilience of our planet's ecosystems and supporting sustainable development for future generations.

In most cases, additionally to the two defining characteristics mentioned in the indicator, forests in this category are also characterised by:

- **Structural complexity:** Complex vertical and horizontal structure, with multiple layers of vegetation, including tall trees, understory plants, and ground cover. This structural complexity provides habitat for a wide range of wildlife species and supports a high level of biodiversity.
- **Long-lived species:** Contain long-lived tree species that can live for several hundred years or more. These species play an important role in maintaining the structural complexity and biodiversity of the forest ecosystem.
- **Natural disturbance regimes:** Have a natural disturbance regime that is characterised by infrequent but severe disturbances, such as wildfire, windstorms, and insect outbreaks. These disturbances play an important role in shaping forest structure and maintaining biodiversity over the long term.

Criterion 3.3 – Feedstock sourcing shall not compete with wood sourcing for long-lived wood products

Standard 1: Feedstock Compliance

3.3.1 Feedstock sourcing shall be in compliance with the principles of cascading use; high quality stem wood shall not be used as feedstock if it is in substantial demand for long-lived products in the Supply Base.

Intent

The intent of this Indicator is to verify that feedstock procurement is not contributing to GHG emissions by diverting high-quality stem wood away from the production of long-lived forest products.

If impacts such as those listed below occur, this may indicate that the requirement has not been met.

Impacts (potential / perceived)

- Diversion of high-quality stem wood from long-lived forest products, contributing to GHG emissions
- Negative affects to the viability of mills production long-lived forest products

Considerations for Sub-Scopes (if applicable)

For this Indicator, the area under assessment must be equal to or larger than the Supply Base. Sub-scopes would be recommended if more than one administrative or ecological unit is required to cover the Supply Base.

Additional Information for Context

The cascading use principle for wood products is a sustainability concept that aims to maximise the value and benefits derived from each unit of harvested wood. The principle emphasises the use of wood in the most efficient and sustainable way possible by prioritising its use in higher value applications before being used in lower value applications. This means that harvested wood should first be used for high-value products such as those used in building construction (e.g. lumber, panels, veneer, etc,), furniture and other long-lasting applications, and then for lower value products such as paper, pulp, and energy production. By applying the cascading use principle the harvested wood is used more efficiently, which leads to lower environmental impact, less waste and a more sustainable use of resources.

High-quality stemwood refers to the portion of the tree stem that has high economic value due to its desirable physical and mechanical properties. The stemwood is the main structural component of the tree and typically consists of the trunk and in some cases the branches, but does not include the bark or other parts of the tree.

- The characteristics of high-quality stemwood can vary depending on the species of tree and its growing conditions, but generally include:
- **High density:** High-quality stemwood typically has a high density, which makes it strong and durable.
- **Straight grain:** Straight grain is desirable in stemwood because it makes the wood easier to saw, plane, and mill into usable products.
- **Uniform color:** Uniform color in stemwood is important for aesthetic purposes, as it allows for consistent coloring in finished products.
- **Few knots:** High-quality stemwood has fewer knots, which can weaken the wood and reduce its value.
- **Minimal defects:** Stemwood with minimal defects, such as cracks, splits, or warping, is preferred because it is easier to work with and produces higher quality products.

3.3.1 **Additional Information for Context continued**

'Long-lived wood products' are products made from wood that have a long lifespan, typically lasting for decades or even centuries. These products are designed to be durable and resistant to decay and are used in applications where longevity is important, thus, long-lived wood products store carbon and can keep it out of the atmosphere for extended periods of time.

Some examples of long-lived wood products include:

- **Building materials:** Wood is commonly used in the construction of buildings, such as timber frames, flooring, and cladding. These materials can last for decades or even centuries with proper maintenance.
- **Furniture:** High-quality wooden furniture, such as tables, chairs, and cabinets, can last for generations if properly cared for.
- **Musical instruments:** Many musical instruments, such as violins, guitars, and pianos, are made from wood and can last for many years with proper maintenance.
- **Sports equipment:** Sports equipment such as baseball bats, hockey sticks, and skis are often made from wood and can be long-lived if properly cared for.
- **Art and decorative items:** Wood is also used in the creation of art and decorative items, such as sculptures and picture frames, which can last for many years if properly protected and maintained.

Market conditions are important in determining how wood is used. The demand for wood products is influenced by a range of factors, including consumer preferences, economic conditions, technological innovations, and environmental considerations. Market conditions, such as supply and demand, prices, and competition, can have a significant impact on the use of wood harvested from forests.

For example, if the demand for construction materials is high, more of the harvested wood may be used for sawn timber and lumber. If the demand for pulp and paper products is high, more of the harvested wood may be used for pulpwood. Higher prices for certain wood products, such as sawn timber or pulpwood, may lead to more harvesting of trees for those products. Competition from other materials, such as steel or plastics, can also influence the use of wood harvested from forests.

Processing capacity can have a significant impact on how wood is used because it determines the range and quality of wood products that can be produced from harvested wood.

The type and scale of processing facilities available in a given region can influence the types of wood products that are produced and the markets that are served. For example, areas with large sawmills may produce more sawn timber and lumber, while areas with large pulp and paper mills may produce more pulpwood. Similarly, areas with advanced processing technologies may be able to produce higher quality wood products, such as engineered wood products, which can be used for high-end construction or furniture.

Processing capacity can also impact the efficiency and sustainability of wood processing operations. Modern processing facilities are often designed to minimise waste and energy use, reducing the environmental impact of wood processing. This can be important in promoting sustainable forest management practices, as efficient and sustainable processing practices can help to reduce the overall impact.

Conducting the risk assessment for this indicator should consider relevant forest, market and industry conditions.

Principle 4 – Feedstock sourcing benefits people and communities

Criterion 4.1 – Decent working conditions are provided, and labour rights are safeguarded

Standard 1: Feedstock Compliance

4.1.1 Indicator

Freedom of association and the right to collective bargaining shall be respected in the workplace.

Intent

The intent of this Indicator is to ensure that the fundamental labour rights of the workforce involved in feedstock sourcing is respected.

If impacts such as those listed below occur, this may indicate that the requirement has not been met.

Impacts (potential / perceived)

- 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

Considerations for Sub-Scopes (if applicable)

This Indicator is assessing working conditions and labour rights. Assessment of this Indicator should be at the level of homogenous risk at which legal requirements, management systems and / or labour rights are similar across the supply chain. Guidance on sub-scopes is provided in Standard 2, Section 3.5. Considering the applicability of the impacts listed above, sub-scope suggestions for this Indicator include but are not limited to:

- country, state, regional jurisdictional boundaries;
- companies that are legal entities vs unregister operations;
- certified operations vs uncertified operations.

Additional Information for Context

In this Standard the term 'workers' includes contractors.

The following ILO conventions have not been ratified in all countries. This Indicator must be met in all countries, whether the ILO conventions are ratified or not.

- ILO Declaration on Fundamental Principles and Rights at Work (1998) based on the eight ILO Core Labour Conventions
- ILO Convention 98 (Right to Collective Bargaining)
- ILO Convention 87 (Freedom of Association)
- ILO Convention 135 (Workers Representatives Convention.

Criterion 4.1 – Decent working conditions are provided, and labour rights are safeguarded continued

Standard 1: Feedstock Compliance

4.1.1 **Additional Information for Context continued**

Freedom of Association refers to the right to join others for a legal common cause without interference. It is an individual's right to join with other individuals and collectively express, promote, pursue, and defend common interests. The International Labour Organization (ILO) places Freedom of Association 'at the core of the organization ILO's values' and considers it to be a fundamental human right. The ILO continues by saying that "The right of workers and employers to form and join organizations of their own choosing is an integral part of a free and open society. Independent employers' and workers' organizations provide clear partners for collective bargaining and social dialogue and in many cases, they have played a significant role in their countries' democratic transformation."

4.1.2 Indicator

Forced or compulsory labour shall not be used.

Intent

The intent of this Indicator is to ensure that all workers involved in feedstock production have the freedom to choose their employment and work under conditions that are voluntary and without coercion.

If impacts such as those listed below occur, this may indicate that the requirement has not been met.

Impacts (potential / perceived)

- 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

Considerations for Sub-Scopes (if applicable)

This Indicator is assessing working conditions and labour rights. Assessment of this Indicator should be at the level of homogenous risk at which legal requirements, management systems and / or labour rights are similar across the supply chain. Guidance on sub-scopes is provided in Standard 2, Section 3.5. Considering the applicability of the impacts listed above, sub-scope suggestions for this Indicator include but are not limited to:

- country, state, regional jurisdictional boundaries;
- companies that are legal entities vs unregister operations;
- certified operations vs uncertified operations.

Additional Information for Context

'Compulsory labour' is defined as 'all work or service that a person has not offered to do voluntarily and is made to do under the threat of punishment or retaliation or is demanded as a means of repayment of debt'.

The following ILO conventions have not been ratified in all countries. This Indicator must be met in all countries, whether the ILO conventions are ratified or not.

- ILO Conventions 29 and 105 (Forced & Bonded Labour)

4.1.2 **Additional Information for Context continued**

The requirement for no forced or compulsory labor is essential for the protection of workers and their basic human rights. It helps to prevent exploitation, abuse, and discrimination in the workplace, and ensures that workers are treated with dignity and respect. It also helps to promote decent working conditions and fair labor practices, which in turn contribute to sustainable development and economic growth.

Companies should be aware of the risks of forced or compulsory labor in their supply chain. They should conduct due diligence to identify and assess these risks and take appropriate measures to address them. They should also be aware of the vulnerability of certain workers, such as migrant workers or workers in low-skilled positions, to forced or compulsory labor. They should take extra measures to protect these workers and ensure that they are not subject to exploitation.

Companies could provide workers with a way to report any concerns or complaints related to forced or compulsory labor. The grievance mechanism should be accessible, confidential, and effective in resolving issues.

Companies could also collaborate with stakeholders, such as workers, trade unions, civil society organisations, and government agencies, to address issues related to forced or compulsory labor. They should also engage in dialogue with suppliers to encourage them to comply with the operator's policies and practices.

Companies that comply with the no forced or compulsory labor requirement are demonstrating their commitment to respecting human rights and promoting responsible business practices. They are also contributing to the promotion of sustainable development and the achievement of the United Nations Sustainable Development Goals.

4.1.3 Indicator

Child labour shall not be used.

Intent

The intent of this Indicator is to prevent the exploitation of children and ensure that they are not subjected to work that interferes with their education or harms their physical, mental, social, or moral development.

If impacts such as those listed below occur, this may indicate that the requirement has not been met.

Impacts (potential / perceived)

- 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

Considerations for Sub-Scopes (if applicable)

This Indicator is assessing working conditions and labour rights. Assessment of this Indicator should be at the level of homogenous risk at which legal requirements, management systems and / or labour rights are similar across the supply chain. Guidance on sub-scopes is provided in Standard 2, Section 3.5. Considering the applicability of the impacts listed above, sub-scope suggestions for this Indicator include but are not limited to:

- country, state, regional jurisdictional boundaries;
- companies that are legal entities vs unregister operations;
- certified operations vs uncertified operations.

4.1.3 Additional Information for Context

Child labor is defined as any work that is performed by a child who is under the minimum age for employment as established by national law or international standards. The International Labour Organization (ILO) sets the minimum age for employment at 15 years, with some exceptions for light work and for work that is considered to be part of a child's education or training.

Child labor includes any work that is likely to harm the child's health, safety, or morals, or that interferes with the child's education or development. This includes work that is mentally, physically, socially, or morally dangerous or harmful to children, or that deprives them of opportunities for education, training, or recreation.

Examples of child labor include work that is performed in hazardous conditions, such as working in mines or on construction sites, or work that involves exposure to dangerous chemicals or substances. It can also include work that is performed for long hours or for low pay, and that prevents children from attending school or participating in other activities that are important for their development.

Child labor is considered a violation of children's rights, and it is prohibited by national laws and international conventions. The aim of efforts to combat child labor is to protect children from exploitation and abuse, and to ensure that they have access to education and other opportunities for development.

The International Labour Organization (ILO) has several conventions that deal with child labor. Some of the most important ones include:

- **Minimum Age Convention (No. 138):** This convention sets the minimum age for employment at 15 years (or 14 years in certain circumstances) and requires member states to establish and enforce laws and regulations to ensure that children are not employed in work that is harmful to their health, safety, or morals.
- **Worst Forms of Child Labour Convention (No. 182):** This convention prohibits the worst forms of child labor, including slavery, forced labor, child prostitution, and trafficking of children for labor or other purposes. It also requires member states to take action to eliminate these practices and to provide assistance and protection to children who are at risk.
- **Forced Labour Convention (No. 29):** While not specifically focused on child labor, this convention prohibits all forms of forced labor, including that which affects children. It requires member states to take measures to prevent and eliminate forced labor, and to provide support and protection to those who are at risk.
- **Education Convention (No. 142):** This convention emphasises the importance of education for children and requires member states to take measures to ensure that children have access to free and compulsory primary education.

These conventions provide a framework for member states to establish and enforce laws and regulations to prevent and eliminate child labor, and to protect the rights and well-being of children. They also serve as a basis for international cooperation and collaboration to address the issue of child labor.

As of March 2023, there are 187 member states of the International Labour Organization (ILO) that have ratified the Minimum Age Convention (No. 138), which sets the minimum age for employment at 15 years (or 14 years in certain circumstances). Similarly, there are 190 member states that have ratified the Worst Formsof Child Labour Convention (No. 182), which prohibits the worst forms of child labor, including slavery, forced labor, child prostitution, and trafficking of children for labor or other purposes. While not all member states have ratified these conventions, they represent a significant majority of countries around the world. The ratification of these conventions is an important step towards the prevention and elimination of child labor, and towards the protection of the rights and well-being of children.

4.1.4 Indicator

Workers shall not be discriminated in hiring, remuneration, access to training, promotion, termination or retirement.

Intent

The intent of this Indicator is to ensure that all employees are treated fairly and with respect, regardless of their background or circumstances.

If impacts such as those listed below occur, this may indicate that the requirement has not been met.

Impacts (potential / perceived)

- Discrimination in hiring, remuneration, access to training, promotion, termination, or retirement
- 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
- Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation
- Use of corporal punishment, mental or physical coercion or verbal abuse of workers
- Threatening, abusive, exploitative, or sexually coercive, behaviour, including gestures, language and physical contact

Considerations for Sub-Scopes (if applicable)

This Indicator is assessing working conditions and labour rights. Assessment of this Indicator should be at the level of homogenous risk at which legal requirements, management systems and / or labour rights are similar across the supply chain. Guidance on sub-scopes is provided in Standard 2, Section 3.5. Considering the applicability of the impacts listed above, sub-scope suggestions for this Indicator include but are not limited to:

- country, state, regional jurisdictional boundaries;
- companies that are legal entities vs unregister operations;
- certified operations vs uncertified operations.

Additional Information for Context

Evidence suggests that having policies on no discrimination, remuneration, access to training, promotion, termination, and retirement can help create a fair and respectful workplace, and can contribute to employee satisfaction, motivation, and retention.

- **No discrimination:** Discrimination in the workplace can create a hostile and unfair work environment and can prevent qualified individuals from advancing in their careers. A policy against discrimination can help ensure that all employees are treated equally and fairly, regardless of their gender, race, religion, age, sexual orientation, or other personal characteristics.
- **Remuneration:** Fair and competitive remuneration is important to attract and retain talented employees, and to ensure that employees feel valued and motivated. A policy on remuneration can help ensure that employees are paid fairly and in line with market standards.
- **Access to training:** Access to training and development opportunities is important for employees to enhance their skills and knowledge, and to advance in their careers. A policy on access to training can help ensure that all employees have equal access to training opportunities, regardless of their position or background.
- **Promotion:** Promotion opportunities should be based on merit and performance, rather than personal relationships or other factors. A policy on promotion can help ensure that promotion decisions are fair and transparent and that employees have equal opportunities to advance in their careers.

4.1.4 Additional Information for Context continued

- **Termination:** Termination should be based on valid reasons, such as poor performance or misconduct, rather than discrimination or other unfair practices. A policy on termination can help ensure that termination decisions are fair and legal and that employees are treated with respect and dignity.
- **Retirement:** Employees should be able to retire with dignity and with the benefits they have earned during their career. A policy on retirement can help ensure that retirement benefits are fair and transparent, and that employees are able to plan for their future.

There are several relevant ILO conventions on these subjects. Here are some examples:

- **No discrimination:** The ILO's Discrimination (Employment and Occupation) Convention, 1958 (No. 111) prohibits discrimination in employment and occupation on the basis of race, color, sex, religion, political opinion, national extraction, or social origin. It requires member states to take measures to eliminate discrimination and promote equality of opportunity and treatment.
- **Remuneration:** The ILO's Minimum Wage Fixing Convention, 1970 (No. 131) requires member states to establish a minimum wage system and to ensure that minimum wages are set at levels that provide for basic needs of workers and their families, as well as taking into account economic factors and social considerations.
- **Access to training:** The ILO's Human Resources Development Convention, 1975 (No. 142) promotes the development of human resources through education, training, and other measures. It requires member states to provide equal access to training and development opportunities for all workers, and to ensure that training is relevant to the needs of the economy and society.
- **Promotion:** The ILO's Promotion of Employment and Protection of Unemployment Convention, 1988 (No. 168) requires member states to promote employment opportunities and to ensure that all workers have access to equal opportunities for employment and advancement, regardless of their race, gender, or other personal characteristics.
- **Termination:** The ILO's Termination of Employment Convention, 1982 (No. 158) requires member states to provide for advance notice and severance pay in cases of termination, and to ensure that termination is not used as a means of discrimination or retaliation.
- **Retirement:** The ILO's Social Security (Minimum Standards) Convention, 1952 (No. 102) sets out minimum standards for social security, including provisions for old-age benefits, survivors' benefits, and disability benefits. It requires member states to establish social security systems that provide for basic needs and protect workers and their families against economic and social risks.

Overall, these ILO conventions provide important guidance and standards for member states to ensure that workers are treated fairly and with respect in the workplace, and that they have access to basic social and economic protections.

4.1.5 Indicator

Wages paid to workers shall meet or exceed the legal minimum wage or, where there is no statutory minimum wage, industry norms shall be met or exceeded.

Intent

The intent of this Indicator is to ensure that workers involved in feedstock production receive fair compensation for their work, which is essential to meet their basic needs and quality of life.

If impacts such as those listed below occur, this may indicate that the requirement has not been met.

4.1.5 **Impacts (potential / perceived)**

- 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)
- Deductions are being made from wages for disciplinary purposes
- Workers' wages and benefits are not detailed clearly 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

Considerations for Sub-Scopes (if applicable)

This Indicator is assessing working conditions and labour rights. Assessment of this Indicator should be at the level of homogenous risk at which legal requirements, management systems and / or labour rights are similar across the supply chain. Guidance on sub-scopes is provided in Standard 2, Section 3.5. Considering the applicability of the impacts listed above, sub-scope suggestions for this Indicator include but are not limited to:

- country, state, regional jurisdictional boundaries;
- companies that are legal entities vs unregister operations;
- certified operations vs uncertified operations.

Additional Information for Context

A legal minimum wage is the minimum amount of compensation that employers are required by law to pay to their employees for the work they perform. The legal minimum wage is typically set by the government or other relevant regulatory bodies and is intended to ensure that workers receive a basic level of pay that reflects the cost of living and other economic factors.

The legal minimum wage may vary depending on factors such as the worker's age, experience, occupation, and location. In some cases, minimum wage regulations may also include provisions for overtime pay, holiday pay, and other forms of compensation.

The purpose of a legal minimum wage is to protect workers from exploitation and to ensure that they receive fair compensation for their work, regardless of their personal circumstances or the negotiating power they have with their employer. It is an important tool for promoting social justice and reducing poverty, and it helps to ensure that workers can meet their basic needs and participate fully in the economy.

Not all countries have a legal minimum wage however many countries do have minimum wage laws or regulations in place to ensure that workers receive a minimum level of pay for the work they perform.

4.1.5 **Additional Information for Context continued**

The existence and enforcement of minimum wage regulations can vary widely between countries, and even within countries, depending on factors such as the strength of labor unions, the political climate, and economic conditions. Some countries have relatively high minimum wages and strict enforcement mechanisms, while others may have lower minimum wages and less effective enforcement mechanisms.

In some cases, countries may have minimum wage laws that apply only to certain sectors or industries or only to certain categories of workers. In other cases, minimum wage regulations may be set at the regional or local level rather than at the national level.

Overall, the existence and enforcement of minimum wage laws can have a significant impact on the well-being of workers, particularly those in low-wage or precarious employment situations. It can also be an important tool for promoting social justice and reducing poverty.

An industry norm wage, also known as a 'prevailing wage', is the average or typical wage paid to workers in a particular industry or occupation within a specific geographic region. It is usually determined through surveys or other forms of data collection and can be influenced by factors such as supply and demand, the cost of living and the level of competition within the industry.

The industry norm wage is often used as a benchmark for determining fair compensation for workers, particularly in cases where there may not be a legally mandated minimum wage in place. In some cases, industry norm wages may also be used as a basis for setting collective bargaining agreements between employers and workers' unions.

The use of industry norm wages can help to ensure that workers in a particular industry or occupation receive fair compensation that is in line with the standards and expectations of the industry. However, it is important to note that industry norm wages may not always reflect the true cost of living or the needs of individual workers, particularly those in more precarious or low-wage employment situations.

4.1.6 Indicator

Working hours shall comply with legal requirements.

Intent

The intent of this Indicator is to ensure the well-being of workers, ensuring compliance with labor laws, and health and safety.

If impacts such as those listed below occur, this may indicate that the requirement has not been met.

Impacts (potential / perceived)

- Excessive working hours
- 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

4.1.6 **Considerations for Sub-Scopes (if applicable)**

This Indicator is assessing working conditions and labour rights. Assessment of this Indicator should be at the level of homogenous risk at which legal requirements, management systems and / or labour rights are similar across the supply chain. Guidance on sub-scopes is provided in Standard 2, Section 3.5. Considering the applicability of the impacts listed above, sub-scope suggestions for this Indicator include but are not limited to:

- country, state, regional jurisdictional boundaries;
- companies that are legal entities vs unregister operations;
- certified operations vs uncertified operations.

Additional Information for Context

Legal working hours refer to the maximum number of hours an employee can be required to work by law. The specific definition of legal working hours can vary depending on the country and jurisdiction, but it typically includes provisions related to daily and weekly limits on working time, mandatory breaks and rest periods and restrictions on overtime and night work.

In many countries legal working hours are established through labor laws or collective bargaining agreements between employers and workers' unions. These laws and agreements may also set out provisions for minimum wages, holidays and vacation time, and other aspects of employment.

The purpose of legal working hours is to protect workers from exploitation, promote work-life balance, and ensure that employees are not required to work excessively long hours or under unsafe conditions. By respecting legal working hours, companies can help to ensure that their employees are healthy, happy and productive, while also avoiding legal and financial consequences for noncompliance. There are several ILO (International Labour Organization) conventions related to working hours. These include:

- **Convention No. 1:** Hours of Work (Industry) Convention, 1919 - This convention established the principle of an eight-hour workday and a 48-hour workweek.
- **Convention No. 30:** Hours of Work (Commerce and Offices) Convention, 1930 - This convention extended the principles of Convention No. 1 to commercial and office workers.
- **Convention No. 47:** Forty-Hour Week Convention, 1935 - This convention established the principle of a 40-hour workweek.
- **Convention No. 175:** Part-Time Work Convention, 1994 - This convention established principles for the protection of part-time workers, including provisions related to working hours.
- **Convention No. 171:** Night Work Convention, 1990 - This convention established principles for the protection of night workers, including provisions related to working hours, rest periods, and compensation.
- **Convention No. 132:** Holidays with Pay Convention, 1970 - This convention established principles for the provision of paid holidays for workers.

These conventions provide guidance and standards for countries to follow in establishing legal working hours and other provisions related to working conditions. By ratifying and implementing these conventions, countries can help to ensure that workers are protected from exploitation and that working conditions are safe, healthy, and fair.

4.1.7 Indicator

Workers shall have access to health care provisions, sickness benefits, retirement benefits, invalidity benefits, death benefits, workers' compensation.

Intent

The intent of this Indicator is to ensure that workers involved in feedstock production have access to basic social protections and that they are able to maintain a decent standard of living even when they are unable to work or when they face unexpected circumstances such as illness, injury, or death.

If impacts such as those listed below occur, this may indicate that the requirement has not been met.

Impacts (potential / perceived)

- Workers are in poor health
- Workers are facing financial hardship
- Reduced productivity
- High turnover
- Poor morale
- Low reputation of the employer

Considerations for Sub-Scopes (if applicable)

This Indicator is assessing working conditions and labour rights. Assessment of this Indicator should be at the level of homogenous risk at which legal requirements, management systems and / or labour rights are similar across the supply chain. Guidance on sub-scopes is provided in Standard 2, Section 3.5. Considering the applicability of the impacts listed above, sub-scope suggestions for this Indicator include but are not limited to:

- country, state, regional jurisdictional boundaries;
- companies that are legal entities vs unregister operations;
- certified operations vs uncertified operations.

Additional Information for Context

These benefits help to protect workers from the financial risks associated with these circumstances and provide them with a safety net that can help them to cope with these challenges. This can help to reduce poverty, inequality, and social exclusion, and promote a more equitable and just society.

In addition, these benefits can help to create a more stable and productive workforce by reducing turnover and absenteeism, promoting employee loyalty and satisfaction, and providing workers with the resources they need to maintain their health and well-being. This can benefit not only individual workers but also companies and society as a whole.

Overall, health care provisions, sickness benefits, retirement benefits, invalidity benefits, death benefits, and workers' compensation are important tools for promoting social justice, protecting vulnerable workers, and ensuring that all workers have the opportunity to live and work with dignity and respect.

4.1.7 **Additional Information for Context continued**

There are several ILO conventions that deal with health care provisions, sickness benefits, retirement benefits, invalidity benefits, death benefits, and workers' compensation. Some of the most relevant ones are:

- ILO Convention No. 102 on Social Security (Minimum Standards), which sets out basic principles and guidelines for the establishment and operation of social security systems, including provisions for health care, sickness benefits, retirement benefits, invalidity benefits, and survivors' benefits;
- ILO Convention No. 121 on Employment Injury Benefits, which requires employers to provide compensation for work-related injuries and diseases, including medical care, disability benefits, and survivor benefits; and
- ILO Convention No. 168 on Employment Promotion and Protection Against Unemployment, which requires that countries develop and implement policies and programs to promote employment and protect workers against unemployment, including measures to provide income support and retraining for workers who lose their jobs.

By ratifying and implementing these conventions, countries and employers can ensure that workers have access to basic social protections and that their rights are respected and protected in the workplace. There are several ways to improve access to health care provisions, sickness benefits, retirement benefits, invalidity benefits, death benefits, and workers' compensation for workers. Some of the most effective measures are:

- establishing comprehensive social security systems that provide basic benefits, including health care, sickness benefits, retirement benefits, invalidity benefits, and survivors' benefits;
- providing education and training to workers on their rights and entitlements under social security systems and ensuring that they have access to information about the benefits they are entitled to;
- encouraging employers to establish pension plans and retirement savings schemes and providing tax incentives and other support to encourage participation;
- developing and implementing effective workers' compensation systems that provide prompt and adequate compensation for work-related injuries and diseases.

4.1.8 Indicator

Training shall be provided for all workers to allow them to implement the conditions set out in all elements of the SBP Standards relevant to their responsibilities.

Intent

The intent of this Indicator is to provide employees with the knowledge, skills, and abilities they need to perform their jobs effectively and safely.

If impacts such as those listed below occur, this may indicate that the requirement has not been met.

Impacts (potential / perceived)

- Training, if provided, does not match the needs of the workers
- Training does not secure the level of required skills, including knowledge
- Training is infrequent
- Increased occurrence of errors and mistakes , with risk to health and safety of forest workers
- Application of incorrect management practices that may damage site, reduce quality of timber harvest
- Non-compliance with regulations, BMP, plans

4.1.8 **Considerations for Sub-Scopes (if applicable)**

This Indicator is assessing working conditions and labour rights. Assessment of this Indicator should be at the level of homogenous risk at which legal requirements, management systems and / or labour rights are similar across the supply chain. Guidance on sub-scopes is provided in Standard 2, Section 3.5. Considering the applicability of the impacts listed above, sub-scope suggestions for this Indicator include but are not limited to:

- country, state, regional jurisdictional boundaries;
- companies that are legal entities vs unregister operations;
- certified operations vs uncertified operations.

Additional Information for Context

A well-designed training program can improve employee productivity, reduce errors and accidents, increase job satisfaction, and ultimately contribute to the success of the business.

The goals of a workplace training plan may vary depending on the needs of the Organisation, but generally include:

- ensuring that employees have the necessary technical and job-specific skills to perform their duties, including SBP certification;
- providing employees with opportunities to learn new skills and technologies that can help them advance in their careers;
- improving employee performance and productivity by addressing knowledge gaps and skill deficiencies;
- promoting a culture of continuous learning and improvement within the Organisation;
- ensuring that employees are aware of and comply with company policies and procedures, as well as relevant laws and regulations;
- enhancing employee safety by providing training on safe work practices and procedures.

Overall, the intent of having a workplace training plan is to invest in the development of employees, which can ultimately benefit both the individual and the Organisation as a whole.

4.1.9 Indicator

Mechanisms shall be in place for resolving grievances and disputes in the workplace.

Intent

The intent of this Indicator is to ensure that employees have access to a fair and effective mechanism to raise concerns or complaints related to their employment, and for these concerns to be addressed in a timely and transparent manner. The process aims to prevent or resolve conflicts between employees and their employer, and to maintain a positive and productive working environment.

If impacts such as those listed below occur, this may indicate that the requirement has not been met.

4.1.9 **Impacts (potential / perceived)**

- 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
- 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

Considerations for Sub-Scopes (if applicable)

This Indicator is assessing working conditions and labour rights. Assessment of this Indicator should be at the level of homogenous risk at which legal requirements, management systems and / or labour rights are similar across the supply chain. Guidance on sub-scopes is provided in Standard 2, Section 3.5. Considering the applicability of the impacts listed above, sub-scope suggestions for this Indicator include but are not limited to:

- country, state, regional jurisdictional boundaries;
- companies that are legal entities vs unregister operations;
- certified operations vs uncertified operations.

Additional Information for Context

A well-designed grievance and dispute handling process typically includes the following elements:

- clear procedures for employees to report grievances or disputes, including who to report to and how to do so;
- a system for investigating and addressing complaints, which includes a fair and impartial investigation process and mechanisms for providing feedback to employees;
- mechanisms for resolving disputes, such as mediation or arbitration, which provide a means of resolving conflicts without resorting to formal legal action;
- training and support for employees and managers on the grievance and dispute handling process, including how to report grievances, how investigations are conducted, and how decisions are made; and
- ongoing monitoring and review of the process to ensure that it remains effective and meets the needs of employees and the Organisation.

4.1.10 Indicator

Safeguards shall be put in place to protect the health and safety of workers by developing, communicating and implementing policies and procedures.

Intent

The intent of this Indicator is to prevent workplace injuries, illnesses, and fatalities, as well as to promote the health and well-being of employees. It is a proactive approach to identify and control hazards, evaluate risks, and implement measures to eliminate or mitigate them.

If impacts such as those listed below occur, this may indicate that the requirement has not been met.

4.1.10 **Impacts (potential / perceived)**

- 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
- No senior management representative responsible for ensuring a safe and healthy workplace
- No Health and Safety Committee
- 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
- No first aid and / or help for workers in obtaining follow-up medical treatment, in the event of a work-related injury
- 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 danger without seeking permission from the Organisation

Considerations for Sub-Scopes (if applicable)

This Indicator is assessing working conditions and labour rights. Assessment of this Indicator should be at the level of homogenous risk at which legal requirements, management systems and / or labour rights are similar across the supply chain. Guidance on sub-scopes is provided in Standard 2, Section 3.5. Considering the applicability of the impacts listed above, sub-scope suggestions for this Indicator include but are not limited to:

- country, state, regional jurisdictional boundaries;
- companies that are legal entities vs unregister operations;
- certified operations vs uncertified operations.

Additional Information for Context

Forestry can be a dangerous sector to work in, due to the nature of the work and the potential for accidents. Forestry workers are often exposed to heavy machinery, hazardous tools, difficult terrain, adverse weather conditions, and exposure to dangerous wildlife. In addition, many forestry operations involve working at height, such as climbing trees or working on elevated platforms, which adds another layer of risk. The risk of injury or fatality is further compounded by the fact that many forestry workers are employed in remote locations, making it more challenging to access medical care in the event of an accident. It is important for forestry companies to implement and maintain a comprehensive health and safety program to mitigate these risks and ensure the well-being of their workers.

Health and safety are important in the workplace for several reasons:

- **Protecting workers:** A safe and healthy workplace helps prevent injuries and illnesses and protects workers from harm. This is not only important for the well-being of individual workers, but also for the productivity of the Organisation.
- **Legal and ethical obligations:** Employers have a legal and ethical obligation to provide a safe and healthy workplace for their employees. Failure to do so can result in legal liability, fines, and damage to the Organisation's reputation.
- **Increased productivity:** A safe and healthy workplace can lead to increased productivity as workers are less likely to be absent due to illness or injury and are more likely to be engaged and motivated.

4.1.10

- **Cost savings:** Improving health and safety can also result in cost savings for the Organisation as there are fewer work-related injuries and illnesses and associated costs, such as medical expenses, lost wages, and workers' compensation claims.
- **Improved morale and reputation:** When employers prioritise health and safety it can improve employee morale and engagement as workers feel valued and cared for. It can also enhance the Organisation's reputation as a responsible and ethical employer, which can be attractive to customers, investors, and potential employees.

By implementing a comprehensive health and safety management plan employers can help protect their workers from injury and illness, improve productivity and morale, and reduce the risk of legal and financial liabilities.

The International Labour Organization (ILO) has developed several conventions related to occupational health and safety. Some of the most relevant conventions include:

- Convention No. 155 on Occupational Safety and Health (1981)
- Convention No. 187 on the Promotional Framework for Occupational Safety and Health (2006)

These conventions aim to promote safe and healthy working conditions, prevent accidents and injuries, and protect the well-being of workers. They provide guidelines and principles for national policies and practices on occupational health and safety and set out the responsibilities of employers and workers in ensuring a safe and healthy work environment.

A health and safety management plan typically includes several key elements, which may vary depending on the specific needs and risks of the workplace. Some of the most common elements of a health and safety management plan include:

- **Hazard identification:** A process for identifying potential hazards and risks in the workplace, such as unsafe equipment or working conditions.
- **Risk assessment:** A process for assessing the likelihood and severity of identified hazards and determining appropriate measures to control or eliminate them.
- **Policies and procedures:** Written policies and procedures outlining safe work practices, emergency procedures, and other health and safety requirements for workers.
- **Training and education:** Providing training and education to workers on workplace hazards, safe work practices, and emergency procedures.
- **Safety equipment and personal protective equipment (PPE):** Providing appropriate safety equipment and PPE to workers to reduce the risk of injury or illness.
- **Incident reporting and investigation:** Establishing a process for reporting and investigating incidents, injuries, or illnesses that occur in the workplace to identify the root causes and take corrective actions.
- **Auditing and evaluation:** Regularly reviewing and evaluating the effectiveness of the health and safety management plan to identify areas for improvement and ensure compliance with relevant regulations and standards.

Auditing can follow several avenues:

- Interviews with workers, supervisors and managers to evaluate knowledge of policies and procedures and ask about any incidents or near misses that have occurred and how they were addressed.
- Inspection of the workplace to identify any hazards or risks to worker health and safety.
- Evaluation of the training programme.
- Review of incident records, the investigation process, correct and preventive actions taken, the effectiveness of these actions.
- Legal compliance checks.

Criterion 4.2 – Feedstock sourcing benefits communities

Standard 1: Feedstock Compliance

4.2.1 Indicator

Negative social and community impacts shall be identified and avoided.

Intent

The intent of this Indicator is to promote sustainable and responsible practices that benefit individuals, communities, and society as a whole.

If impacts such as those listed below occur, this may indicate that the requirement has not been met.

Impacts (potential / perceived)

- Loss of tenure and use rights
- Loss of access to areas with cultural, social, heritage and economic values used by communities
- Loss of employment and economic opportunities
- Health and welfare impacts on communities
- Loss of adequate access for recreation

Considerations for Sub-Scopes (if applicable)

This Indicator is assessing benefits to the communities. Assessment of this Indicator should be at the level of homogenous risk at which legal requirements and / or management systems are similar across forest management operations. Guidance on sub-scopes is provided in Standard 2, Section 3.5. Considering the applicability of the impacts listed above, sub-scope suggestions for this Indicator include but are not limited to:

- country, state, regional jurisdictional boundaries;
- public vs private ownership;
- certified operations vs uncertified operations.

Additional Information for Context

Some potential negative impacts of forestry on communities include:

- **Displacement of indigenous and local communities:** Forestry operations can lead to the displacement of indigenous and local communities who rely on forests for their livelihoods and cultural practices.
- **Degradation of soil and water quality:** Forestry operations can lead to soil erosion, increased sedimentation in waterways, and chemical pollution, which can impact the health and well-being of communities that rely on these resources.
- **Deforestation and loss of biodiversity:** Unsustainable forestry practices can lead to deforestation, which can have negative impacts on local ecosystems and biodiversity, affecting the availability of resources such as timber, non-timber forest products, and food.
- **Impacts on local economies:** Unsustainable forestry practices can lead to the loss of forest-based livelihoods, such as gathering non-timber forest products or ecotourism, as well as negative impacts on industries that rely on forest resources, such as timber processing and paper manufacturing.
- **Impacts on cultural heritage:** Unsustainable forestry practices can damage cultural heritage sites, sacred places, and traditional land uses of indigenous and local communities, which can have profound cultural impacts.
- **Conflict and human rights abuses:** Forestry operations can sometimes be associated with conflict and human rights abuses, such as forced labor, land grabbing, and violations of Indigenous Peoples' rights.

4.2.1 **Additional Information for Context (continued)**

In summary, biomass feedstock production can have negative impacts on communities if not managed responsibly. It is important to implement sustainable forestry practices that take into account the needs and rights of local communities, protect ecosystems and biodiversity, and support local livelihoods and economies.

To identify negative social impacts in forestry, it is important to engage with stakeholders who may be affected by forestry operations, such as local communities, Indigenous Peoples, workers, and other relevant actors. Some key steps to identify negative social impacts in forestry include:

- **Conducting a social impact assessment:** A social impact assessment is a systematic process of identifying, predicting, and evaluating the potential social impacts of a project or intervention. Social impact assessments can help identify potential negative impacts of forestry operations on communities, including impacts on land tenure, access to resources, livelihoods, and cultural heritage.
- **Engaging with local communities and Indigenous Peoples:** Consultation and engagement with local communities and Indigenous Peoples is critical to identifying potential negative social impacts of forestry operations. Community engagement can help identify the needs and concerns of local communities and can provide opportunities for affected communities to participate in decision-making processes.
- **Mapping social and environmental risks:** Mapping social and environmental risks associated with forestry operations can help identify potential negative social impacts. This can include identifying areas of high biodiversity value, areas of cultural significance, and areas of social conflict.
- **Monitoring and evaluation:** Monitoring and evaluation can help identify negative social impacts that may arise during the implementation of forestry operations. Regular monitoring and evaluation can help identify emerging issues and allow for corrective action to be taken to address negative social impacts.
- **Conducting stakeholder interviews and surveys:** Conducting stakeholder interviews and surveys can help identify potential negative social impacts of forestry operations. This can include understanding community perceptions of the benefits and costs associated with forestry operations, as well as identifying any concerns or complaints that may arise.

To avoid negative impacts, it is important to implement sustainable management practices that take into account the needs and rights of local communities, protect ecosystems and biodiversity, and support local livelihoods and economies. Here are some ways to avoid negative impacts of biomass feedstock production on communities:

- **Develop participatory management plans:** Forestry operations should be planned in collaboration with local communities and stakeholders. Participatory management plans can help identify community needs and concerns, incorporate traditional knowledge, and ensure that forestry operations are aligned with community priorities.
- **Ensure equitable benefit sharing:** Forestry operations should ensure that communities benefit from the resources and services provided by forests. This can include providing access to non-timber forest products, ensuring equitable revenue sharing from timber sales, and providing opportunities for community-based forest management.
- **Respect land tenure and rights:** Forestry operations should respect land tenure and rights of local communities and Indigenous Peoples. This includes obtaining free, prior, and informed consent (FPIC) before implementing forestry operations that may affect community lands and resources.
- **Implement sustainable harvesting practices:** Forestry operations should implement sustainable harvesting practices that maintain forest health and biodiversity. This can include reducing logging intensity, protecting important habitats and ecosystems, and minimising the use of chemicals and other inputs.

Criterion 4.2 – Feedstock sourcing benefits communities continued

Standard 1: Feedstock Compliance

4.2.1
- **Provide education and training:** Forestry operations should provide education and training opportunities for local communities and workers. This can help build capacity for sustainable forest management, promote community-based monitoring and evaluation, and enhance livelihood opportunities.
- **Ensure compliance with applicable laws and regulations:** Forestry operations should comply with applicable laws and regulations, including environmental regulations and labor laws. This can include obtaining necessary permits and certifications, complying with environmental standards, and protecting workers' rights.

4.2.2 Indicator

Feedstock sourcing shall positively contribute to the local economy, including employment.

Intent

The intent of this Indicator is to verify that feedstock production positively contributes to the local economy by employment or other opportunities.

If impacts such as those listed below occur, this may indicate that the requirement has not been met.

Impacts (potential / perceived)

- Lack of local support for forestry
- Workers are poorly paid and / or rural employment is reduced
- Owners do not get a fair return for their timber
- Employees and / or contractors receive inadequate benefits
- Reduced strength and vitality of local businesses and communities

Considerations for Sub-Scopes (if applicable)

This Indicator is assessing benefits to the communities. Assessment of this Indicator should be at the level of homogenous risk at which legal requirements and / or management systems are similar across forest management operations. Guidance on sub-scopes is provided in Standard 2, Section 3.5. Considering the applicability of the impacts listed above, sub-scope suggestions for this Indicator include but are not limited to:

- country, state, regional jurisdictional boundaries;
- public vs private ownership;
- certified operations vs uncertified operations.

Additional Information for Context

A company can contribute to the local economy, including employment, in several ways:

- **Direct employment:** Companies can provide direct employment opportunities to local communities, including positions in production, administration, and management. Providing quality employment with fair wages and benefits can help support local economies and improve livelihoods.
- **Indirect employment:** Companies can also support indirect employment opportunities, including jobs in transportation, logistics, and other related industries. This can help create a multiplier effect and stimulate local economic growth.

4.2.2 Additional Information for Context continued

A company can contribute to the local economy, including employment, in several ways:

- **Direct employment:** Companies can provide direct employment opportunities to local communities, including positions in production, administration, and management. Providing quality employment with fair wages and benefits can help support local economies and improve livelihoods.
- **Indirect employment:** Companies can also support indirect employment opportunities, including jobs in transportation, logistics, and other related industries. This can help create a multiplier effect and stimulate local economic growth.
- **Local procurement:** Companies can contribute to the local economy by purchasing goods and services from local suppliers. This can include procuring raw materials, equipment, and services from local businesses, which can help support local entrepreneurship and job creation.
- **Community investment:** Companies can contribute to the local economy by investing in community development initiatives. This can include supporting local education and training programs, providing funding for community infrastructure and services, and supporting local conservation efforts.
- **Value-added products:** Companies can create value-added products from local resources, which can help generate higher revenues and support local economic development. This can include producing wood products such as furniture, paper, and construction materials, as well as non-timber forest products such as medicinal plants and honey.
- **Innovation and entrepreneurship:** Companies can contribute to the local economy by fostering innovation and entrepreneurship. This can include providing mentorship, funding, and resources to local entrepreneurs and startups, as well as supporting research and development initiatives that have potential for commercialisation.

Measuring the positive impact of a forestry company on the local economy and employment can be challenging and requires a comprehensive approach that takes into account a range of social, economic, and environmental factors. Here are some key indicators that can be used to measure the positive impact of a forestry company on the local economy and employment:

- **Direct employment:** The number of people employed directly by the company, including the number of permanent and seasonal workers.
- **Indirect employment:** The number of people employed indirectly by the company, including the number of jobs supported in related industries such as transportation, logistics, and manufacturing.
- **Economic contribution:** The total economic contribution of the company to the local economy, including revenues generated, taxes paid, and value-added contributions.
- **Local procurement:** The percentage of goods and services procured by the company from local suppliers.
- **Community investment:** The amount of funds and resources invested by the company in community development initiatives, such as education and training programs, infrastructure and services, and conservation efforts.
- **Value-added products:** The number and value of value-added products produced by the company, such as wood products, non-timber forest products, and ecotourism services.
- **Innovation and entrepreneurship:** The number of new businesses and startups supported by the company, as well as the number of patents, research projects, and other innovative initiatives supported.
- **Social impact:** The positive social impacts of the company on the local community, such as improvements in health, education, and living standards.

Criterion 4.2 – Feedstock sourcing benefits communities continued

Standard 1: Feedstock Compliance

4.2.3 Indicator

Food, water supply or high conservation values (HCV) that are essential for the fulfilment of basic needs of communities shall be maintained or enhanced.

Intent

The intent of this Indicator is to verify that feedstock production does not have a detrimental impact on the essential needs of the communities.

If impacts such as those listed below occur, this may indicate that the requirement has not been met.

Impacts (potential / perceived)

- Damage to community water supply
- Decreased water quality and / or quantity
- Poor health and quality of life of residents
- Severe disruption of food availability to the community; dependence on expensive imported food
- Altered / Reduced ecosystem services

Considerations for Sub-Scopes (if applicable)

This Indicator is assessing benefits to the communities. Assessment of this Indicator should be at the level of homogenous risk at which legal requirements and / or management systems are similar across forest management operations. Guidance on sub-scopes is provided in Standard 2, Section 3.5. Considering the applicability of the impacts listed above, sub-scope suggestions for this Indicator include but are not limited to:

- country, state, regional jurisdictional boundaries;
- public vs private ownership;
- certified operations vs uncertified operations.

Additional Information for Context

It is important to protect food, water supply, and high conservation values (HCV) that are essential for the fulfilment of basic needs of communities because these resources are fundamental to human well-being and the sustainable development of communities.

Food is a basic need and essential for human survival. Protecting food sources and ensuring their availability and accessibility can help promote food security and improve the nutrition and health of communities.

Clean water is essential for human health and well-being. Protecting water sources and ensuring their availability and accessibility can help prevent waterborne illnesses, improve sanitation, and support agricultural production.

High conservation values (HCV), such as important habitats, species, and ecosystem services, are essential for maintaining biodiversity and ecological balance. Biodiversity provides essential resources and services, including food, medicines, and water purification, which are critical to the well-being of communities.

Protecting HCV and other natural resources can help communities adapt to the impacts of climate change, such as increased frequency and intensity of natural disasters, changes in rainfall patterns, and rising temperatures.

HCV and other natural resources often have cultural significance and are important for preserving cultural heritage and traditional knowledge. Protecting these resources can help maintain cultural diversity and promote community pride and identity.

4.2.3 **Additional Information for Context continued**

Identifying and maintaining food, water supply, and high conservation values (HCV) that are essential for the fulfilment of basic needs of communities requires a comprehensive approach that involves engaging with local communities and stakeholders, conducting assessments, and implementing appropriate management practices. Here are some key steps that can be taken to identify and maintain these resources:

- **Engage with local communities and stakeholders:** Engagement with local communities and stakeholders is critical to identifying the resources that are important for the fulfilment of basic needs. Community engagement can help identify community needs and concerns, and can provide opportunities for affected communities to participate in decision-making processes.
- **Conduct assessments:** Conducting assessments of the natural resources and social impacts of forestry operations can help identify areas of high conservation value and areas that are important for the fulfilment of basic needs. This can include assessing the availability and accessibility of food and water sources, identifying important habitats and species, and understanding the cultural significance of natural resources.
- **Implement appropriate management practices:** Once important resources have been identified, appropriate management practices can be implemented to maintain or enhance these resources. This can include practices such as protecting important habitats, promoting sustainable agriculture and water management practices, and ensuring equitable benefit sharing from forest resources.
- **Monitor and evaluate:** Regular monitoring and evaluation can help ensure that management practices are effective in maintaining or enhancing important resources. Monitoring and evaluation can help identify emerging issues and allow for corrective action to be taken to address negative impacts.
- **Collaborate with other stakeholders:** Collaboration with other stakeholders, such as government agencies, NGOs, and other private sector companies, can help ensure that resources are managed in a coordinated and effective manner. Collaborative approaches can help leverage resources, share knowledge and expertise, and promote collective action for conservation and sustainable development.

To identify legal, customary and traditional tenure and use rights of Indigenous People and local communities, it is important to engage with these communities and conduct a comprehensive assessment of the relevant legal frameworks and customary practices. Here are some key steps that can be taken to identify these rights:

- **Engage with Indigenous Peoples and local communities:** Engagement with Indigenous Peoples and local communities is critical to identifying their tenure and use rights. Community engagement can help identify community needs and concerns and can provide opportunities for affected communities to participate in decision-making processes.
- **Conduct legal assessments:** Conducting legal assessments can help identify the legal frameworks that apply to land and resource tenure in the relevant jurisdiction. This can include identifying national laws, regulations, and policies that recognise and protect the rights of Indigenous Peoples and local communities.
- **Conduct customary assessments:** Conducting customary assessments can help identify the customary practices and traditions that govern land and resource tenure in the relevant jurisdiction. This can include identifying traditional land use systems, practices for managing natural resources, and social and cultural practices that are tied to the land.
- **Mapping and documentation:** Mapping and documenting land and resource tenure can help identify areas where Indigenous Peoples and local communities hold tenure and use rights. This can include identifying areas of cultural significance, important habitats and ecosystems, and areas that are used for subsistence and livelihoods.
- **Legal analysis and advocacy:** Conducting legal analysis and advocacy can help ensure that the rights of Indigenous Peoples and local communities are recognised and protected under relevant laws and policies. This can include advocating for the recognition of customary tenure systems, supporting the development of community land use plans, and engaging with government agencies and other stakeholders to promote the recognition and protection of community tenure and use rights.

4.2.4 Indicator

Legal, customary, and traditional tenure and use rights of Indigenous Peoples and local communities related to the Supply Base shall be identified, documented, and respected.

Intent

The intent of this Indicator is to ensure that biomass feedstock production respect various forms of tenure rights of Indigenous Peoples and local communities.

If impacts such as those listed below occur, this may indicate that the requirement has not been met.

Impacts (potential / perceived)

- Insufficient identification and / or documentation of the legal, customary, and traditional tenure and use rights of Indigenous People cannot ensure these rights are respected
- Indigenous Peoples may also face opposition to the recognition of their rights from government, the forest industry and / or forest owners
- Violation of human rights of Indigenous People
- Harm to the cultural heritage of Indigenous People
- Environmental harm
- Legal challenges, fines
- Reputational damage

Considerations for Sub-Scopes (if applicable)

Assessment of this Indicator should be at the level of homogenous risk at which legal requirements and / or management systems are similar across forest management operations. Guidance on sub-scopes is provided in Standard 2, Section 3.5. Considering the applicability of the impacts listed above, sub-scope suggestions for this Indicator include but are not limited to:

- country, state, regional jurisdictional boundaries;
- public vs private ownership;
- certified operations vs uncertified operations.

Additional Information for Context

Respecting legal, customary, and traditional rights of Indigenous People and local communities is important for a number of reasons:

- Human rights: Indigenous peoples and local communities have the right to self-determination, which includes the right to control and manage their lands, territories, and resources. Respecting these rights is essential to protecting the human rights of these communities.
- Cultural heritage: Indigenous peoples and local communities have unique cultural traditions and knowledge that are often tied to their lands and territories. Respecting these rights can help preserve cultural heritage and traditional knowledge.
- Conservation and sustainable use: Indigenous peoples and local communities often have a deep understanding of the ecological systems and resources within their territories. Respecting these rights can help ensure that natural resources are managed in a sustainable manner, benefiting both the communities and the wider ecosystem.

4.2.4 Additional Information for Context continued

- **Conflict prevention:** Respect for legal, customary, and traditional rights can help prevent conflict and promote peaceful coexistence between different stakeholders.
- **Social and economic development:** Indigenous peoples and local communities can play an important role in social and economic development, particularly in rural areas. Respecting their rights can help support their participation in decision-making processes and promote their contribution to development initiatives.
- **International obligations:** Respecting the rights of Indigenous Peoples and local communities is consistent with international human rights standards and obligations, including the United Nations Declaration on the Rights of Indigenous Peoples.

There are several international conventions and agreements that recognise and protect the legal, customary, and traditional tenure and use rights of Indigenous People and local communities. Some of the key international conventions and agreements are:

- **United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP):** Adopted by the United Nations General Assembly in 2007, UNDRIP recognises the right of Indigenous Peoples to own, use, develop, and control the lands, territories, and resources that they possess through their customary practices.
- **Convention on Biological Diversity (CBD):** Adopted in 1992, CBD recognises the importance of Indigenous Peoples' and local communities' knowledge, innovations, and practices related to biological diversity, and calls for the fair and equitable sharing of the benefits arising from the use of these resources.
- **International Labour Organization Convention No. 169 (ILO 169):** Adopted in 1989, ILO 169 is the only international treaty that specifically deals with the rights of Indigenous Peoples. It recognises the right of Indigenous Peoples to own, use, and control their lands, territories, and resources, and calls for their free, prior, and informed consent for any development activities that affect their lands or livelihoods.
- **Paris Agreement:** Adopted in 2015, the Paris Agreement recognises the role of Indigenous Peoples and local communities in addressing climate change and calls for their full and effective participation in climate action.
- **Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization to the Convention on Biological Diversity:** Adopted in 2010, the Nagoya Protocol recognises the importance of traditional knowledge and the role of Indigenous Peoples and local communities in the conservation and sustainable use of biological resources.

4.2.5 Indicator

Mechanisms shall be in place for resolving grievances and disputes, relating to tenure and use rights of the forest and other land management practices.

Intent

The intent of this Indicator is to verify that feedstock to ensure the stakeholders have access to an effective system to address grievances and disputes related to tenure and use rights.

If impacts such as those listed below occur, this may indicate that the requirement has not been met.

Impacts (potential / perceived)

- Mechanism for resolving grievances and disputes is not mutually agreed by all parties involved and / or is not being documented
- System fails to resolve disputes in an effective, timely and appropriate manner
- System does not ensure the anonymity of complainants, community spokespersons and whistle-blowers

4.2.5 **Considerations for Sub-Scopes (if applicable)**

This Indicator is assessing benefits to the communities. Assessment of this Indicator should be at the level of homogenous risk at which legal requirements and / or management systems are similar across forest management operations. Guidance on sub-scopes is provided in Standard 2, Section 3.5. Considering the applicability of the impacts listed above, sub-scope suggestions for this Indicator include but are not limited to:

- country, state, regional jurisdictional boundaries;
- public vs private ownership;
- certified operations vs uncertified operations.

Additional Information for Context

It is important to have a system to resolve grievances and disputes relating to tenure and use rights of the forest and other land management practices for several reasons:

- **Social conflict prevention:** Conflict over land and resource tenure can lead to social instability and tensions between different groups, including Indigenous Peoples, local communities, government agencies, and private sector companies. Having a system to resolve grievances and disputes can help prevent conflict and promote peaceful coexistence between different stakeholders.
- **Access to justice:** Resolving grievances and disputes through a fair and transparent system can help ensure that affected communities have access to justice and can seek redress for violations of their rights.
- **Accountability:** Having a system to resolve grievances and disputes can help ensure that responsible parties are held accountable for their actions and that appropriate remedies are provided to affected communities.
- **Effective resource management:** Resolving grievances and disputes can help promote effective and sustainable resource management by addressing conflicts and identifying opportunities for collaboration and coordination between different stakeholders.
- **Legal compliance:** Having a system to resolve grievances and disputes can help ensure compliance with relevant laws and policies, including international human rights standards and environmental regulations.

A system to resolve grievances and disputes relating to tenure and use rights of the forest and other land management practices should include the following key elements:

- **Clear and transparent procedures:** Clear and transparent procedures for resolving grievances and disputes should be established, outlining the steps that need to be taken and the roles and responsibilities of the parties involved.
- **Accessible and impartial dispute resolution mechanisms:** Dispute resolution mechanisms should be accessible to all affected parties and should be impartial, ensuring that grievances and disputes are resolved in a fair and equitable manner.
- **Participation and representation:** The participation and representation of affected communities and stakeholders should be ensured throughout the dispute resolution process, including in the design of the procedures and the selection of the dispute resolution mechanisms.
- **Adequate remedies:** Adequate remedies should be provided to affected communities and stakeholders, including compensation, restitution, and other appropriate measures to address any harm caused.

4.2.5 **Additional Information for Context continued**

- **Monitoring and evaluation:** The effectiveness of the grievance and dispute resolution system should be regularly monitored and evaluated, with adjustments made as necessary to ensure that it remains responsive to the needs and concerns of affected communities and stakeholders.
- **Capacity building:** Capacity building initiatives should be implemented to enhance the skills and knowledge of affected communities and stakeholders in participating in the grievance and dispute resolution process.
- **Legal and policy frameworks:** Legal and policy frameworks should be in place to support the establishment and functioning of the grievance and dispute resolution system, including laws and policies that recognise and protect the rights of Indigenous Peoples and local communities.

4.2.6 Indicator

Where the rights of Indigenous Peoples are identified in the Supply Base, and Free Prior and Informed Consent (FPIC) has not been achieved for the proposed and planned activities, a consultation and, if required, accommodation process shall be put in place.

Intent

The intent of this Indicator is to verify that feedstock that engagement with Indigenous People observes FPIC requirements.

If impacts such as those listed below occur, this may indicate that the requirement has not been met.

Impacts (potential / perceived)

- Violation of human rights of Indigenous People
- Harm to the cultural heritage of Indigenous People
- Environmental harm
- Legal challenges, fines
- Reputation damage
- Disruption and loss of productivity due to conflict

Considerations for Sub-Scopes (if applicable)

Assessment of this Indicator should be at the level of homogenous risk at which legal requirements and / or management systems are similar across forest management operations. Guidance on sub-scopes is provided in Standard 2, Section 3.5. Considering the applicability of the impacts listed above, sub-scope suggestions for this Indicator include but are not limited to:

- country, state, regional jurisdictional boundaries;
- public vs private ownership;
- certified operations vs uncertified operations.

4.26 **Additional Information for Context**

It is important to implement Free, Prior, and Informed Consent (FPIC) where the rights of Indigenous Peoples are affected for several reasons:

- **Respect for human rights:** FPIC is a critical element of respecting the human rights of Indigenous Peoples, including their right to self-determination and control over their lands, territories, and resources.
- **Empowerment and participation:** FPIC empowers Indigenous Peoples to participate in decision-making processes that affect their lives, lands, and resources. It ensures that their perspectives and knowledge are taken into account and that they have the opportunity to negotiate on an equal footing with other stakeholders.
- **Avoidance of harm:** FPIC can help prevent harm to Indigenous Peoples and their communities by ensuring that development projects or other activities are designed and implemented in a way that minimises negative impacts.
- **Legal obligations:** FPIC is recognised in international human rights law, including the United Nations Declaration on the Rights of Indigenous Peoples, and is considered a legal obligation for states and other actors.
- **Conflict prevention:** FPIC can help prevent conflict and promote peaceful coexistence between different stakeholders by ensuring that affected communities are consulted and their concerns are addressed.
- **Social license:** Obtaining FPIC can help companies or other actors gain the social license necessary to operate in Indigenous Peoples' territories by demonstrating their commitment to respecting Indigenous Peoples' rights and interests.

FPIC is a process that requires engagement and consultation with Indigenous Peoples and local communities to ensure that their rights, interests, and perspectives are taken into account when making decisions that affect their lands, territories, and resources.

The process of FPIC involves several key steps, including:

- **Free:** Ensuring that Indigenous Peoples and local communities are free to make their own decisions, without coercion or manipulation.
- **Prior:** Ensuring that Indigenous Peoples and local communities are consulted and have the opportunity to participate in decision-making processes before any development or other activity takes place.
- **Informed:** Providing Indigenous Peoples and local communities with adequate and understandable information about the proposed development or activity, its potential impacts, and their rights and options.
- **Consent:** Seeking the consent of Indigenous Peoples and local communities before any development or activity takes place and ensuring that their decisions are respected and implemented.

The FPIC process is ongoing and requires ongoing engagement and consultation with Indigenous Peoples and local communities throughout the life of a project or activity. It is not a one-time event, but rather an ongoing process of consultation, negotiation, and decision-making.

Evidence of consent is typically documented in a variety of ways to ensure that the process of consultation and decision-making is transparent, accountable, and accessible to all stakeholders. Here are some examples of evidence of consent:

- **Written agreements:** Written agreements that document the terms of consent, including the specific conditions and requirements for the project or activity, can be strong evidence of consent. These agreements can be signed by both the Indigenous Peoples or local communities and the proponent of the project or activity.
- **Minutes and records:** Minutes and records of meetings and consultations that took place during the decision-making process can provide evidence of consent. These minutes and records should include details of the discussions, decisions, and any conditions or requirements that were agreed upon.

4.26 **Additional Information for Context continued**

- **Community resolutions:** Community resolutions or decisions that are documented and endorsed by Indigenous Peoples or local communities can be strong evidence of consent. These resolutions or decisions can be documented in writing or through other media and should be accessible to all stakeholders.
- **Video and audio recordings:** Video and audio recordings of meetings and consultations can provide additional evidence of consent. These recordings can capture the discussions, decisions, and any conditions or requirements that were agreed upon.
- **Third-party observers:** The presence of third-party observers, such as representatives from government agencies, non-governmental organisations, or independent monitors, can provide additional evidence of consent. These observers can verify that the decision-making process was transparent, inclusive, and respectful of the rights and interests of Indigenous Peoples or local communities.

There are several international agreements that recognise and support the principle of Free, Prior, and Informed Consent (FPIC). These agreements include:

- **United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP):** Adopted by the United Nations General Assembly in 2007, UNDRIP recognises the right of Indigenous Peoples to give or withhold their FPIC in matters that affect their lands, territories, and resources.
- **Convention on Biological Diversity (CBD):** Adopted in 1992, CBD recognises the importance of the involvement of Indigenous Peoples and local communities in decision-making processes related to the conservation and sustainable use of biological diversity and calls for their full and effective participation in these processes.
- **International Labour Organization Convention No. 169 (ILO 169):** Adopted in 1989, ILO 169 requires that states consult with Indigenous Peoples and obtain their FPIC in relation to any measures that may affect their lands, territories, and resources.
- **United Nations Framework Convention on Climate Change (UNFCCC):** Adopted in 1992, UNFCCC recognises the importance of the participation of Indigenous Peoples and local communities in the development and implementation of climate change policies and actions and calls for their full and effective participation in these processes.
- **World Bank Operational Policy on Indigenous Peoples:** The World Bank's Operational Policy on Indigenous Peoples recognises the importance of obtaining FPIC from Indigenous Peoples in relation to development projects that may affect their lands, territories, and resources.

In the case where the rights of Indigenous Peoples are affected, there are several types of accommodation measures that can be put in place to address the impacts and mitigate any harm caused. Some of these measures include:

- **Avoidance:** If possible, the activity or project causing the impact should be avoided or relocated to minimise the impact on Indigenous Peoples' rights and interests.
- **Mitigation:** Mitigation measures can be put in place to reduce the negative impacts on Indigenous Peoples' rights and interests. For example, if a project will result in the loss of traditional hunting or fishing grounds, alternative areas can be designated for these activities.
- **Compensation:** Indigenous Peoples can be compensated for any harm caused by the activity or project. Compensation can take many forms, including monetary compensation, land or resource compensation, or the provision of alternative livelihood opportunities.
- **Participation and consultation:** Indigenous Peoples should be actively involved in decision-making processes related to the activity or project. This can include consultation and engagement in the planning and design phases, as well as ongoing participation in monitoring and evaluation.
- **Capacity building:** Capacity building initiatives can be put in place to enhance the skills and knowledge of Indigenous Peoples in participating in decision-making processes and managing their lands, territories, and resources.
- **Restitution:** If harm has been caused to Indigenous Peoples' lands, territories, or resources, measures can be taken to restore these areas to their original state.

Criterion 4.2 – Feedstock sourcing benefits communities continued

Standard 1: Feedstock Compliance

4.2.7 Indicator

Designated cultural heritage sites shall be preserved.

Intent

The intent of this Indicator is to verify that feedstock production does not harm designated cultural heritage sites.

If impacts such as those listed below occur, this may indicate that the requirement has not been met.

Impacts (potential / perceived)

- Loss of cultural heritage and loss of cultural identify and history
- cultural harm and social unrest
- Fines, penalties
- Reputation damage
- Environmental harm

Considerations for Sub-Scopes (if applicable)

This Indicator is assessing benefits to the communities. Assessment of this Indicator should be at the level of homogenous risk at which legal requirements and / or management systems are similar across forest management operations. Guidance on sub-scopes is provided in Standard 2, Section 3.5. Considering the applicability of the impacts listed above, sub-scope suggestions for this Indicator include but are not limited to:

- country, state, regional jurisdictional boundaries;
- public vs private ownership;
- certified operations vs uncertified operations.

Additional Information for Context

It is important to protect designated cultural heritage sites for several reasons:

- **Preservation of cultural identity:** Cultural heritage sites are often associated with the history, traditions, and cultural identity of a particular community or society. Protecting these sites helps to preserve and maintain cultural identity and heritage for future generations.
- **Educational value:** Cultural heritage sites provide educational value by providing insights into the history, customs, and beliefs of a particular community or society. They can be valuable resources for educating people about the cultural diversity and richness of different regions.
- **Economic benefits:** Cultural heritage sites can also have economic benefits by attracting tourism and supporting local economies. By protecting these sites, we can ensure their sustainability and continued contribution to the local economy.
- **Spiritual significance:** Some cultural heritage sites have spiritual significance for particular communities or societies. Protecting these sites is important to respect and honor the spiritual beliefs and practices of these groups.
- **Environmental protection:** Cultural heritage sites often have natural and ecological value as well. Protecting these sites can help to preserve and maintain local ecosystems and biodiversity.

4.2.7 **Additional Information for Context continued**

The role of forestry companies in preserving cultural heritage sites can be significant, as forestry activities can sometimes impact cultural heritage sites. Here are some ways in which forestry companies can play a positive role in preserving cultural heritage sites:

- **Identification:** Forestry companies can play a role in identifying cultural heritage sites that may be impacted by their activities. This can involve consultation with local communities and experts to identify sites of cultural significance.
- **Planning and management:** Forestry companies can integrate the protection of cultural heritage sites into their planning and management processes. This can involve measures such as buffer zones, access restrictions, and other protections to minimise impacts on cultural heritage sites.
- **Monitoring and evaluation:** Forestry companies can monitor their activities and evaluate their impact on cultural heritage sites. This can involve regular monitoring of sites and evaluation of the effectiveness of protection measures.
- **Collaboration and partnerships:** Forestry companies can collaborate with local communities, experts, and government agencies to develop and implement protection measures for cultural heritage sites. This can involve partnerships to develop management plans, educational initiatives, and other measures to protect cultural heritage sites.
- **Communication and transparency:** Forestry companies can communicate openly and transparently with local communities and other stakeholders about their activities and their impact on cultural heritage sites. This can involve public consultations, open houses, and other forms of engagement to ensure that stakeholders are informed and engaged in decision-making processes.