



Guidance Document

Guidance for
SBP Standard 2:
Feedstock
Verification

Sustainable Biomass Program

sbp-cert.org



Version 1.0

To be used in conjunction with SBP Standard 2 (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

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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. 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 guidance document provides explanation, clarification, and interpretation to SBP Standard 2: Feedstock Verification (v2.0). It is not normative; it provides information on requirements to support the Certificate Holder. Conformity must be assessed against SBP Standard 2, which sets out the requirements for Biomass Producers to identify, evaluate and mitigate the risks of sourcing feedstock, for the purposes of biomass production, that does not conform with the criteria set in SBP Standard 1.

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 2, and thus this guidance document, is for use by Organisations defined as Biomass Producers and is aimed at sourcing feedstock from a defined Supply Base and selling biomass with an SBP claim.

D How to use this document

This guidance follows the structure of SBP Standard 2: Feedstock Verification.

Guidance is provided for the majority of SBP Standard 2: Feedstock Verification. Requirements that are self-explanatory and follow conventional Chain of Custody and Risk Assessment and Management requirements will be identified as such. A hyphen (-) is used under the Guidance column where no guidance is deemed necessary.

The SBP Due Diligence System (DDS) includes the following three elements:

1. Information gathering: Organisations must have access to information specifying the feedstock, country of harvest, species, quantity, details of the supplier and information on compliance with national legislation.
2. Risk assessment: Based on the information provided and criteria set out in the SBP Standards, Organisations must identify all the specified risk in their supply chain.
3. Risk mitigation: In case of 'specified' risk, risk mitigation measures must be implemented to minimize the risk effectively. Measures may range from requiring additional information from suppliers, requesting the supplier to obtain approved certification and / or requiring suppliers to implement specific measures for example.

This guidance proposes a step-by-step methodology to develop a DDS which Organisations can choose to follow.

1. Define the Supply Base Area (SBA) (Section 1: Supply Base Definition and Mapping).
2. Determine the scale of homogenous risk within the SBA to delineating sub-scopes (Section 3.5: Sub-scopes) if required.
3. For each Indicator, identify the SBVs (Section 5).
4. Use the Risk Evaluation Framework (REF) (Section 6, Table 3), considering potential / perceived impact using the SBVs for each Standard 1 Indicator and for each sub-scope.
5. Identify the result / current condition using verifiable evidence (Section 5: SBV).
6. Using the REF Decision Tree (Section 6, Figure 1), conclude on risk levels associated with feedstock sourced by the Organisation (i.e. 'low' or 'specified' using the risk designation logic that considers Risk = Probability x Severity) (Standard 4, 2.6.3).

E Normative references

SBP Standard 1: Feedstock Compliance

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.

1 Supply Base Definition and Mapping

Standard 2: Feedstock Verification	Guidance
<p>1.1 The Organisation shall define the boundaries of its sourcing areas and map its Supply Base, in accordance with the following:</p>	<p>Many of the requirements listed in Section 1 are required within the Supply Base Report (SBR) Template.</p>
<p>1.1.1 The Organisation shall include the sourcing areas for all feedstock (including geographical boundaries) that are currently used and intended to be used in the production of SBP-certified biomass.</p>	<p>Good practice: On a map, define the Supply Base Area (SBA) by geographical boundaries, including a description of where woody biomass originates if appropriate.</p>
<p>1.1.2 The Organisation shall include which feedstock category is being sourced.</p>	<p>Required in SBR template. Also see in ID5E.</p>
<p>1.1.3 The Organisation shall include a description of all operators involved in the production, harvesting and transport of feedstock and having an impact on conformance with SBP Standards, including at least the following:</p> <ul style="list-style-type: none"> – company names, – addresses of operating sites, – key contact person, – status of certification against SBP-recognised scheme (where relevant), and – stages within the feedstock supply chain from the sourcing area up to and including the Organisation’s own operations. 	<p>The Organisation should start by identifying and listing the operations and operators involved in the various steps of the production, harvesting, and transport of feedstock. It must also identify whether the operators’ actions can impact compliance with the requirements of this Standard but also Standard 1. If they do impact compliance, the Organisation is required to include them in the listing as per this Indicator.</p> <p>Collecting and recording the description can be done using a spreadsheet, internal database or third-party software, depending on the size of the operator and what is already in use.</p> <p>If a supplier is certified against a recognised scheme, the Organisation must collect evidence of certification (e.g. a screen shot of the scheme’s website, or copy of their certificate).</p> <p>There are similarities between this Indicator and Standard 4, 2.1, which requires auditable details as per any conventional CoC system. Requirement 1.1.3 is not considered ‘overlap’ as it provides context to describe the SBA and supply chain, whereas Standard 4, 2.1 is audited by comprehensive and current data to meet that CoC and mass balance requirement.</p>
<p>1.1.4 The Organisation shall ensure the boundaries and the map of the Supply Base remain up-to-date.</p>	<p>A map is standard practice in the forest industry. For completeness, a map could be included in the SBR. If not, then a map must be provided as evidence during the audit.</p>
<p>1.1.5 If any sub-scopes are defined these shall be described, mapped, and justified.</p>	<p>If sub-scopes are used, as per Section 3.5 of this Standard, mapping them provides clarity to understanding the supply chain. If mapping is not possible (e.g. because the sub-scope is not land based or due to scale-issue), then a description must be provided.</p>

1 Supply Base Definition and Mapping continued

Standard 2: Feedstock Verification	Guidance
1.1.6 The Organisation shall keep records of feedstock inputs as required in SBP Standard 4.	Conventional CoC practices require records to be kept for material inputs. In this case, it is records of Product Groups as defined in Standard 4, 4.13.
1.1.7 The records of feedstock category inputs shall show the relative volumes of different feedstock inputs used.	Information for these requirements assist to better define the Supply Base and supply chain. The information will also be used when filling in the SBR.
1.1.8 The records of feedstock inputs shall include identification of volumes of primary feedstock, processing residues and post-consumer feedstock used, and a description of the inputs, including species for the primary feedstock and, if known, for processing residues feedstock.	
1.1.9 The Organisation shall categorise its feedstock as the relative portions and volumes coming from:	
a. Regional Risk Assessment (RRA) with all low risks,	The required information is to assist in better defining the Supply Base and supply chain. There are several means to assess and manage the risks associated with feedstock sourced by an Organisation. The Organisation might be using a combination of these means to manage the risks in their sourcing areas (RRA, material certified against a recognised scheme, SBE). Description on how the Organisation addresses this requirement can be included in the SBR.
b. RRA with some specified risks,	
c. Biomass producer's Supply Base Evaluation (SBE), or	Regional Risk Assessment is a Risk Assessment for a country, or a region, and its endorsement by SBP. Where it exists, it must be used. SBE is defined in Standard 2, 3.3 below.
d. Certified sources against an SBP-recognised certification scheme as published by SBP.	SBP recognises a number of peer certification schemes to adequately meet some or all requirements of the SBP certification system. A number of rules apply when using certified material input (primary feedstock, processing residues and / or post-consumer feedstock) as published by SBP.

2 Traceability to the Supply Base

Standard 2: Feedstock Verification	Guidance
<p>2.1 The Organisation shall ensure that all sourced feedstock can be traced back to the defined Supply Base. To do so, the Organisation shall ensure that the sourcing area is within the defined Supply Base.</p>	<p>Gaining access to relevant information about sources of origin and the supply chain is a key component of the procurement system and a prerequisite for implementing due diligence in the sourcing of material. All information is collected to a level that enables identification of the origin of harvest, certification status and further assessment of risks, if applicable.</p>
<p>2.2 The Organisation shall have access to records describing the sourcing area of all feedstock, and whether feedstock sourced is certified against an SBP-recognised scheme or the area is covered by a valid SBP-endorsed RRA, if relevant.</p>	<p>The Organisation can implement a system that best fits its set-up to achieve compliance with this requirement.</p> <p>Organisations sourcing feedstock certified against an SBP-recognised schemes can use the recognised scheme own traceability requirements to demonstrate compliance with this Indicator.</p> <p>The SBP requirements for a traceability to the Supply Base follows conventional Chain of Custody systems. For this reason, limited guidance is provided for the requirements in this section.</p> <p>Requirements 2.1 and 2.2 are relevant for primary and processing residue feedstock types only. Post-consumer feedstock is not required to be traced back to the Supply Base. See Annex 1 in Standard 2 for requirements.</p> <p>An Organisation's adherence to Standard 4: Chain of Custody, Section 4 – Traceability Requirements provides the framework for conformance with this requirement. All primary and processing residue feedstock sourced must be within the Supply Base as defined above in Section 1 – Supply Base Definitions and Mapping and provided in the applicable Section of the SBR Template.</p>
<p>2.3 Where an Organisation is sourcing post-consumer feedstock it shall implement and comply with the requirements defined in Annex 1: SBP processing residues and post-consumer feedstock requirements.</p>	<p>See Annex 1 of Standard 2.</p>

3 Supply Base Evaluation (SBE)

Standard 2: Feedstock Verification	Guidance
<p>3.1 The Organisation shall develop, implement, and maintain an SBE unless exempted per the table in 3.2 below.</p>	<p>The SBE is a due diligence system (DDS) to help identify, assess, and manage any risks to the requirements set out in Standard 1 associated with the sourcing of feedstock. Standard 1 is 'what to verify' and Standard 2 (via DDS) is 'how to verify'. Organisations must review Indicator 3.2 to determine if they are required to complete / maintain an SBE or not considering their feedstock types (i.e. primary, processing residues, and / or post-consumer), the certification status (i.e. certified or uncertified), and if certified, whether that certification is a 'benchmark' or 'recognised' scheme.</p>
<p>3.2 The Organisation shall identify the applicable requirements of this Standard using the following table:</p>	<p>The Table under 3.2 provides the options for meeting SBE requirements based on the feedstock types received by the Organisation.</p>

Table 1: Options for Criterion 3.1

Feedstock category	+ certification status	= SBP Standard 2 conformance requirements (with options where applicable)	Guidance
For SBP-compliant claims			
Primary	Not certified to an SBP-benchmarked certification scheme	SBE + Risk Management for specified risks OR RRA + Risk Management for specified risks	If the Organisation is sourcing Primary feedstock that is not certified, an SBE with risk mitigation for Indicators that conclude specified risk must have risk mitigation measures. If an RRA is completed in the jurisdiction from where the Organisation sources feedstock, implementation of the mitigation measures for defined specified risks is required.
Primary	Certified to an SBP-benchmarked certification scheme	SBE + Risk Management for specified risks* OR RRA + Risk Management for specified risks* *The Organisation may consider requirements of the SBP-recognised certification scheme as a potential RMM.	If the Organisation is sourcing Primary feedstock that is certified against an SBP-benchmarked scheme, a Risk Assessment is required to identify any specified risks. The Organisation can justify mitigating relevant specified risks since it is sourcing feedstock that is certified against an SBP-benchmarked scheme.

3 Supply Base Evaluation (SBE) continued

Table 1: Options for Criterion 3.1 continued

Feedstock category	+ certification status	= SBP Standard 2 conformance requirements (with options where applicable)	Guidance
Processing residues	Not certified to an SBP-recognised certification scheme	Evidence to prove 'processing residues' feedstock category, AND SBE + Risk Management for specified risks OR RRA + Risk Management for specified risks	The Organisation must demonstrate compliance with Standard 2 Annex 1 and Standard 4, Section 4: Traceability Requirements. Additionally, the Organisation must either conduct an SBE with risk mitigation for Indicators that conclude specified risk must have risk mitigation measures, OR, if an RRA is completed in the jurisdiction from where the Organisation sources feedstock, the Organisation must implement the mitigation measures for all defined specified risks.
	Certified to an SBP-recognised certification scheme	Evidence to prove 'processing residues' feedstock category, and that the feedstock is certified by an SBP-recognised certification scheme.	The Organisation must demonstrate compliance with Standard 2 Annex 1 and Standard 4, Section 4: Traceability Requirements. Since the Organisation is sourcing processing residues feedstock that is certified against a recognised scheme, the Organisation is not required to perform a Risk Assessment.
Post-consumer	n / a	Evidence to prove 'post-consumer' feedstock category (No SBE, RRA nor other certification required.)	If the Organisation is sourcing post-consumer feedstock, the Organisation has only to prove the post-consumer nature of the input, as per Standard 2 Annex 1.
For SBP-controlled claims			
Primary and / or Processing residues	Certified to an SBP-recognised controlled scheme	Evidence to prove 'processing residues' feedstock category AND evidence that the feedstock is certified by an SBP-recognised controlled scheme.	The Organisation must demonstrate compliance with Standard 2 Annex 1 and Standard 4, Section 4: Traceability Requirements. Since the Organisation is sourcing processing residues feedstock that is certified against a recognised scheme, the Organisation is not required to perform a Risk Assessment.

Benchmarked = certification scheme which has been assessed as sufficient to mitigate specified risks.

Recognised = CoC certification scheme which has been assessed as mitigating all possible risks.

3 Supply Base Evaluation (SBE) continued

Standard 2: Feedstock Verification	Guidance
<p>3.3 Depending on the source of feedstock, the Organisation shall develop and implement: all, parts or none, of the elements of an SBE in accordance with the following:</p> <ul style="list-style-type: none"> a. Supply Base Verifier (SBV) (see Section 5 below) and / or b. Risk Assessment and Risk Ratings and / or c. Risk Management Plan (RMP) containing Risk Management Measures (RMM) (see Section 7 below). 	<p>There are three essential elements of a due diligence system (DDS): information gathering, Risk Assessment and risk management. See the Sections below for applicable guidance.</p>
<p>3.4 The Organisation shall identify any Indicator within Standard 1 that may conflict with applicable legislation (national and sub-national) in the Supply Base, and evaluate any effects on certification, in discussion with the affected parties. If the Standards and applicable legislation conflict, the Organisation shall seek ways to honour the Principles of the Standards wherever possible. Where the domestic context renders it impossible to meet this responsibility fully, Organisations shall respect the Principles of the Standard to the greatest extent possible in the circumstances, and shall demonstrate their efforts in this regard, without contravening laws, regulations or court decisions.</p> <p>NOTE: Conflicts are considered to exist where a legal obligation prevents the implementation of some aspect of the Standard. A conflict is not considered to exist if the requirements of the Standard exceed the minimum requirements for legal compliance.</p>	<p>Examples include, but are not limited to:</p> <p>Government legislation allows for / promotes land use change from forests to non-forest to support development / infrastructure (e.g. housing, highways, dams / reservoirs), and or other natural resource extraction (e.g. mines, oil and gas).</p> <p>Local legislation banning unions. The Organisation should aim at collecting the views of workers to the best of their ability to achieve the intent of the requirements which is to allow negotiation between workers and management. Terms of governmental leases on land requires harvesting over areas identified as HCVs.</p>
<p>3.5 The Organisation shall establish sub-scopes where the risks of non-conformance with Standard 1 are not homogeneous within the Supply Base. The sub-scopes shall be defined as geographical areas or otherwise clearly delineated separate sources of feedstock within the Supply Base, where the risks are uniform.</p>	<p>Prior to developing an SBE, the Organisation needs to clearly understand the Supply Base, including its uniqueness as well as its homogeneity. Utilizing sub-scopes provides clarity for all the elements of an SBE (as listed in Indicator 3.3 above) by selecting relevant and applicable SBVs (Section 5) to be used as verifiable evidence during the Risk Assessment (Section 6) and providing focused risk designations for each Standard 1 Indicator and thereby better aligning the appropriate risk mitigation measure (Section 7).</p> <p>Sub-scopes may be used when there are different characteristics in the Supply Base that indicate a non-homogeneous distribution of risk. Sub-scoping can apply to one of several Indicators. Within each sub-scope the characteristics must be homogeneous.</p>

3 Supply Base Evaluation (SBE) continued

Standard 2: Feedstock Verification	Guidance
3.5 continued	<p>Examples of variances within a Supply Base that may result in different risk conclusions (as discussed in requirement 3.8: Conclusions of the Supply Base Evaluation) due to different characteristics, for example:</p> <p>Jurisdictional: Different legislative and enforcement authorities apply across the SB</p> <ul style="list-style-type: none">– e.g. Countries, States, Provinces, Counties <p>Ownership: Different legislative, enforcement authorities, tenure apply across the ownership types</p> <ul style="list-style-type: none">– e.g. public land (e.g. National, State, Provincial) vs private land; smallholder vs extensive landownership <p>Environmental: Different forest, stand, habitat or ecosystem types, species composition, presence of high value biodiversity, climatic and soil conditions, etc.</p> <ul style="list-style-type: none">– e.g. Ecological zonation determined by government<ul style="list-style-type: none">– e.g. Biogeoclimatic, etc.– e.g. Ecological zonation determined by Environmental Non-Government Organisation<ul style="list-style-type: none">– e.g. World Wildlife Fund (WWF) Ecoregions– e.g. Soil / terrain classification determined by local agencies<ul style="list-style-type: none">– e.g. Sandy soils vs clay soils– e.g. flat / level terrain vs steep sloped terrain <p>Social: different resource use and access patterns, areas used by a coherent community, similar labour and employment regulation or patterns, operations impact on a single community, etc.</p> <ul style="list-style-type: none">– e.g. labour rights <p>Economic: Different management structures</p> <p>Business structure: Different requirements for operating a legal entity and implementation of management systems, OHAS, etc.</p> <ul style="list-style-type: none">– e.g. registered business vs sole proprietorships– e.g. associations

3 Supply Base Evaluation (SBE) continued

Standard 2: Feedstock Verification	Guidance
<p>3.5 continued</p>	<p>Certification type: sourcing feedstock certified against an SBP-benchmarked or SBP-recognised scheme</p> <ul style="list-style-type: none"> – e.g. FSC, PEFC, SFI, etc. <p>Feedstock from non-forest land status: Trees outside of Forests (TOF)</p> <ul style="list-style-type: none"> – e.g. farmland, shelterbelts, urban areas, road, and rail side plantings, etc. <p>Ultimately, sub-scopes are delineated by homogenous levels of risk within the Supply Base.</p> <p>Sub-scopes help Organisations to better focus their risk management practices by focusing on the areas linked to a sub-scope where the risk has been identified as specified, as opposed to the whole supply area.</p> <p>Good practice: Sub-scopes (i.e. the scale of assessment) should be identified at the beginning of each Indicator finding against Standard 1, before information gathering of SBVs (Section 6), Risk Assessment (Section 7) and risk management (Section 8). A single risk designation is required at the end of each Indicator finding based on sub-scopes.</p> <p>Good practice: The use of sub-scopes will enable different risk mitigation measures (Section 8 – Risk Management Plan) to be put in place for differing feedstock types and risk profiles.</p>
<p>3.6 The Organisation shall establish a process to ensure that the SBE is kept up-to-date.</p>	<p>Section 3.6 and requirements 3.6.1 – 3.6.3 are to ensure the SBE is current and accurately reflects the Organisation’s feedstock sourcing. Following the completion of the first SBE, and at minimum, every 5 years, the Organisation should consider the following guidance.</p>
<p>3.6.1 The Organisation shall keep record of any changes in the Supply Base or supply chain and how these changes might affect the Risk Assessment conclusions.</p>	<p>If any changes occur in the SB, supply chain, and / or Risk Assessment conclusions, these should be documented and included in the revision to the SBE.</p> <p>Good practice: provide summary of changes or some indication of changes to be shared for / during any required stakeholder consultation (S.8) and / or for Surveillance Audits.</p> <p>Good practice: changes could also include revisions to any Sections of the SBE based on stakeholder engagement. An explanation on how stakeholders’ comments have been addressed can also be recorded.</p>

3 Supply Base Evaluation (SBE) continued

Standard 2: Feedstock Verification	Guidance												
<p>3.6.2 If these changes affect the Risk Assessment conclusions, the Organisation shall alter the required RMP of an SBE, which shall result in an immediate review and, if deemed necessary, revision of the SBE by the Organisation. Such changes may include, but are not limited to:</p> <ul style="list-style-type: none"> – new legislation and / or jurisdictional changes, – new feedstock sources being proposed, – new suppliers and / or contractors being used, – new sustainability issues relevant to the SBP Standard identified, and / or – failure of any RMM within the RMP to address the specified risks. 	<p>Significant and relevant examples are provided in requirement 3.6.2 for the Organisation to consider when a revision to the Risk Assessment conclusions and / or the RMP is warranted. Further Guidance is provided in Section 6: Risk Assessment (RA).</p> <table border="1"> <thead> <tr> <th data-bbox="1115 351 1612 391">Changes</th> <th data-bbox="1612 351 2110 391">Examples</th> </tr> </thead> <tbody> <tr> <td data-bbox="1115 391 1612 614">New legislation and / or jurisdictional changes</td> <td data-bbox="1612 391 2110 614"> <ul style="list-style-type: none"> – New legislation to address fauna or flora species at risk – Updated legislation to address changes on employment discrimination or working hours – National level legislation enacted that supersedes state / provincial / regional legislation – Municipal / county bylaws </td> </tr> <tr> <td data-bbox="1115 614 1612 790">New feedstock sources being proposed</td> <td data-bbox="1612 614 2110 790"> <ul style="list-style-type: none"> – Organisation previously only sourced processing residues, but now has access to low-grade roundwood (i.e. primary feedstock) – Organisation has a 'spot market' opportunity for post-consumer feedstock </td> </tr> <tr> <td data-bbox="1115 790 1612 933">New suppliers and / or contractors being used</td> <td data-bbox="1612 790 2110 933"> <ul style="list-style-type: none"> – Due to changes in logistics, the Organisation has a new sawmill supplier – Due to opportunities in the feedstock (e.g. slash piles at roadside landing), a new contractor will be operating a chipping site </td> </tr> <tr> <td data-bbox="1115 933 1612 1053">New sustainability issues relevant to the SBP Standard identified</td> <td data-bbox="1612 933 2110 1053"> <ul style="list-style-type: none"> – State / province / region has retracted the requirement for designated protected areas, resulting in no legal mechanism to conservation </td> </tr> <tr> <td data-bbox="1115 1053 1612 1284">Failure of any RMM within the RMP to address the specified risks</td> <td data-bbox="1612 1053 2110 1284"> <ul style="list-style-type: none"> – Risk mitigation measures do not result in the intended or assumed mitigation result – For example, the Organisation required BMP's to be implemented by the supplier (i.e. the forest manager) to mitigate risk for the specified risks in their SBE. Upon inspection it was verified the BMPs were not followed due to lack of understanding by the supplier. </td> </tr> </tbody> </table>	Changes	Examples	New legislation and / or jurisdictional changes	<ul style="list-style-type: none"> – New legislation to address fauna or flora species at risk – Updated legislation to address changes on employment discrimination or working hours – National level legislation enacted that supersedes state / provincial / regional legislation – Municipal / county bylaws 	New feedstock sources being proposed	<ul style="list-style-type: none"> – Organisation previously only sourced processing residues, but now has access to low-grade roundwood (i.e. primary feedstock) – Organisation has a 'spot market' opportunity for post-consumer feedstock 	New suppliers and / or contractors being used	<ul style="list-style-type: none"> – Due to changes in logistics, the Organisation has a new sawmill supplier – Due to opportunities in the feedstock (e.g. slash piles at roadside landing), a new contractor will be operating a chipping site 	New sustainability issues relevant to the SBP Standard identified	<ul style="list-style-type: none"> – State / province / region has retracted the requirement for designated protected areas, resulting in no legal mechanism to conservation 	Failure of any RMM within the RMP to address the specified risks	<ul style="list-style-type: none"> – Risk mitigation measures do not result in the intended or assumed mitigation result – For example, the Organisation required BMP's to be implemented by the supplier (i.e. the forest manager) to mitigate risk for the specified risks in their SBE. Upon inspection it was verified the BMPs were not followed due to lack of understanding by the supplier.
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3.6.3 The Organisation shall review and revise its SBE at least every five (5) years.	–												

3 Supply Base Evaluation (SBE) continued

Standard 2: Feedstock Verification	Guidance
<p>Competence to undertake Supply Base Evaluations</p>	
<p>3.7 The Organisation shall establish a process for selecting and appointing an entity or individual(s) with the required competences, per 3.8, to undertake the SBE.</p>	<p>Competencies should be supported by relevant and appropriate training, education, skills and experience. At a minimum, education and / or professional work experience in a relevant discipline and appropriate to scale and intensity within the Supply Base area, including but not limited to:</p>
<p>3.8 The Organisation shall ensure that the entity or individual(s) undertaking the SBE has / have and can demonstrate the necessary competence, knowledge, and experience to evaluate the Organisation's Supply Base and associated supply chains against SBP Standard 1, including but not limited to the following:</p> <ul style="list-style-type: none"> – ecological and social values, – applicable laws and regulations, – business management practices, – the operation of suppliers and contractors, including management systems and products, – SBP requirements, – Due Diligence Systems (DDS), – appropriate language(s) for all stakeholders, – note-taking and report-writing, – stakeholder engagement. 	<ul style="list-style-type: none"> – geographic scope (SBA); – natural resource management, including but not limited to landscape level ecosystems, ecology, natural sciences, forest practices; – knowledge and experience in land use criteria, such as ecology, natural science, forestry, silviculture, social science or similar; – Due Diligence Systems (DDS) and / or Risk Assessment processes; – legislative requirements, including applicable treaties, conventions legislation, governance and law enforcement; – knowledge in all or portions of Standard 1 Principles, Criteria and Indicators; – labour requirements; – social requirements, including cultural and social customs; – internal training, such as DDS, SBP, any CoC Cert system; – knowledge of local industry and sector best practice; – engagement and public relations. <p>Good practice: Knowledge and experience in Chain of Custody elements required in Standard 4 and / or other CoC Certification Systems, such as:</p> <ul style="list-style-type: none"> – experience in material accounting and mass balance, supply chain logistics, traceability, etc. <p>Good practice: The evaluation team could consider using Local Technical Experts as needed (geographical competence and / or speciality) – case-by-case basis. Competencies of Local Technical Experts should be justified.</p> <p>Good practice: Often competency requirements of evaluation teams could be equated to those of qualified auditors. For that reason, a possible source of information is clause 6.1.2 of ISO / IEC 17065:2012(E) apply.</p>

3 Supply Base Evaluation (SBE) continued

Standard 2: Feedstock Verification	Guidance
<p>Conclusions of the Supply Base Evaluation</p>	<p>Requirement 3.8 and sub-clauses are to ensure the Organisation provides clear and consistent risk conclusions for each Indicator and sub-scope (as discussed in requirement 3.5 – Sub-scopes), as applicable. The conclusions of the SBE will be verified during the Organisation’s audit.</p> <p>See Guidance in Section 6 – Risk Assessment (RA) for more information on making risk conclusions.</p>
<p>3.9 The Organisation shall evaluate the risk, considering the probability and the consequences of non-conformance, for each Indicator of Standard 1.</p>	<p>ISO 31000:2018 Risk Management – A Practical Guide defines risk as a function of likelihood and consequence, also referred to probability and severity.</p> <p>Probability / likelihood is the chance of something happening (e.g. an event) whether defined, measured or determined objectively or subjectively, qualitatively or quantitatively, and described using general terms or mathematically (e.g. a probability or a frequency over a given time period). For example: How likely is wood harvesting companies do not follow BMPs on good harvesting practices and soil preservation?</p> <p>The probability / likelihood can be managed through controls such as a legislative framework, implementation mechanisms / practices, monitoring framework and / or compliance / enforcement. The type and number of controls lower the probability / likelihood of an event.</p> <p>Severity / consequence is the outcome of an event (e.g. the results of the event or the current condition). The severity / consequence can be described by reporting results or the current condition. Inspections, monitoring and / or assessments provide the results. Alternatively, a proxy can be to verify the current condition. Severity / consequences expressed qualitatively or quantitatively can be positive or negative direct or indirect effects.</p> <p>Example: The Organisation is assessing the risk of harvesting conditions negatively impacting soil quality. BMPs and a rigorous enforcement mechanism are in place. The probability of the harvesting condition negatively impacting soil is therefore low. In addition, the Organisation demonstrates that the current condition of soil quality is near optimum. Using this proxy demonstrates that the consequences of harvesting conditions negatively impacting soil is low. Overall, the risk level is evaluated as low.</p> <p>Conversely if the soil quality was poor, the consequence / impact would be evaluated as high.</p>

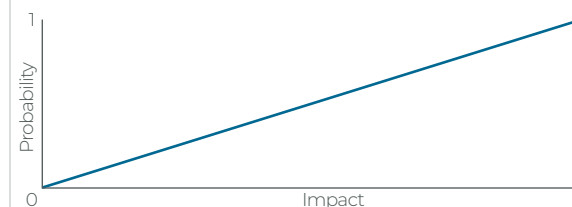
3 Supply Base Evaluation (SBE) continued

Standard 2: Feedstock Verification	Guidance
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3.9 continued

The simple graph below illustrates risk as a function of probability and severity of impact.

Risk as a function of probability and impact



In the context of SBP, the Organisation evaluates the risks associated with feedstock they source.

- 3.10** The Organisation shall assign a single risk rating for each Indicator (and per sub-scope if applicable), as follows.
- a. Low risk: An Indicator shall only be categorised as low risk if there is evidence of negligible risk of non-conformance, considering the probability and consequences.
 - b. Specified risk: All Indicators that cannot be categorised as low risk shall be considered specified risk.

All Indicators provided in Standard 1: Feedstock Compliance must have an individual risk rating. If the Organisation applies sub-scopes for any or all Indicators then each sub-scope must be evaluated independently and conclude with a single risk rating for each sub-scope for each Indicator. There are only two risk ratings: low or specified.

Low risk is concluded when sufficient controls / management systems are in place, and the implementation of those controls / management systems provide verifiable positive results / current condition in the terms of negligible severity / consequence.

Low Probability	+	Low Severity	=	Low Risk
Sufficient and / or comprehensive Controls / Mgt System verified by SBVs	+	Positive Results / Current Condition verified by SBVs as conform to the Indicator	=	Low Risk
Insufficient and / or missing Controls / Mgt System verified by missing or insufficient SBVs	+	Positive Results / Current Condition verified by SBVs as conform to the Indicator	=	Low Risk

3 Supply Base Evaluation (SBE) continued

Standard 2: Feedstock Verification	Guidance				
3.10 continued	<p>Specified risk can result based on a number of scenarios considering the interaction between probability and severity. Any situations where there is a lack of controls / management system AND either no verifiable results / current condition or verifiable negative results / current condition in terms of severity / consequence will be specified risk.</p>				
	High Probability	+	High Severity	=	Specified Risk
	Insufficient and / or missing Controls / Management System verified by missing or insufficient SBVs	+	Negative Results / Current Condition verified by SBVs as not conform to the Indicator	=	Specified Risk
	Sufficient and / or Management Controls / Management System verified by SBVs	+	No Results / No Current Condition	=	Specified Risk
	<p>When situations arise that are not definitively 'low' or definitively 'specified' then the Organisation will need to consider scale and intensity before concluding. The Organisation could rationalise the risk designation during stakeholder engagement (Section 8).</p>				
Probability	+	Severity	=	Risk	Scale and Intensity
Sufficient and / or comprehensive Controls / Management System verified by SBVs	+	Negative Results / Current Condition verified by SBVs as not conform to the Indicator	=	??	Organisation will need to rationalise the scale and intensity of the results
<p>Any risk that can't be justified as 'low' must be concluded as 'specified' (see Section 6). Further guidance on what and how to apply SBVs within a Risk Assessment is provided in Section 5 – SBVs. Further guidance on how to rationalise the risk designation is provided in Section 6 – Risk Assessment.</p>					

3 Supply Base Evaluation (SBE) continued

Standard 2: Feedstock Verification	Guidance
<p>3.11 The Organisation shall consider feedstock as SBP-compliant if:</p> <ul style="list-style-type: none">a. the results of the Risk Assessment(s) conclude low risk for all Indicators, orb. the results of the Risk Assessment(s) conclude specified risk however the RMMs have effectively reduced all specified risks to low risk, orc. the Organisation can provide evidence that the feedstock can be categorised as processing residues and that the feedstock is certified against an SBP-recognised certification scheme, ord. the Organisation can provide evidence that the feedstock can be categorised as post-consumer.	<p>For SBP-compliant feedstock, the Organisation should consider for:</p> <ul style="list-style-type: none">– 3.8.3.a – follow the guidance provided in 3.8.2 that assigns low or specified risk. As well, the guidance in Section 6 – Risk Assessment, or– 3.8.3.b – consider the information directly above, plus follow the guidance provided in Section 7 – Risk Management, or– 3.8.3.c and 3.8.3.d – follow the guidance in Standard 2 Annex 1.

4 Supply Base Reporting

Standard 2: Feedstock Verification	Guidance
<p>4.1 The Organisation shall prepare a Supply Base Report (SBR) using the SBP Audit Portal.</p>	<p>The Supply Base Report (SBR) is an online document (template) that is available through the SBP Audit Portal (https://portal.sbp-cert.org/index). The SBR Template has controlled fields that are required to be populated. All required information is prompted in the SBR Template. For this reason, limited guidance is provided as the requirements in this Section are self-explanatory or prompted.</p> <p>The SBR is required to be current and accurate with data and information to cover the Organisation's audit period. The SBR is to be provided as evidence during the Organisation's Annual Audit. The Organisation is required to enter all information prior to the Audit. After completing the digital templates, the system will automatically generate a downloadable pdf / docx document.</p> <p>CB's have access to the Organisation's SBR via the Audit Portal to review the Organisation's SBR.</p> <p>See Audit Portal User Guide for more details and guidance on how to use the Audit Portal.</p>
<p>4.2 The Organisation shall update its SBR at least annually.</p>	<p>Since the SBR is required as evidence during the Organisation's Annual Audit, at a minimum, the SBR will be reviewed and updated annually. Organisations will particularly pay attention to Section 2.4 – Quantification of the Supply Base, at a minimum.</p> <p>If, however, there are situations as described in Standard 2, Section 3.6 that requires an update of the Organisation's SBE, the SBR would be updated at that time and as many times as required to stay in conformance with Standard 2, Section.3.6.</p>
<p>4.3 The Organisation shall make the SBR, including Annex 1 if applicable, available on request to stakeholders.</p>	<p>Good practice: Provide the current SBR on the Organisation's website.</p> <p>Good practice: As required in Standard 4, Section 1, describe within the Stakeholder Engagement Plan (SEP) where and how the SBR is available.</p>

5 Supply Base Verifiers (SBVs)

Standard 2: Feedstock Verification	Guidance
<p>5.1 SBVs shall not remove or weaken the indicators set out in SBP Standard 1.</p>	<p>Supply Base Verifiers (SBVs) identify the information needed in the form of evidence (also called means of verification), that are appropriate to the Supply Base and which allow to evaluate and justify the risks linked to the Indicators of Standard 1.</p>
<p>5.2 SBVs shall not alter the intent of the indicators.</p>	<p>The SBVs facilitate the assessment of the risks that Organisations must manage, in the context of the defined Supply Base. They identify objective information and their source. SBVs are used to verify the probability and severity levels from which the risk levels are derived (Standard 2, Section 3.8). Examples of SBVs are provided in Table 2.</p> <p>SBVs must be defined before the Risk Assessment (Standard 2, Section 6) is done. Indicator 5.3 indicates the various SBVs that are required to be determined.</p> <p>SBVs can be in the form of pre-existing or new evidence, however they must be appropriate to the Supply Base and the sub-scopes, as well as consider scale and intensity of the operations. The Organisation might need to determine appropriate SBVs for each sub-scope, if relevant.</p> <p>Where possible, SBVs should make use of current, credible, third party and published sources of information. This should be augmented where needed with an Organisation's own work, utilising best practice where available. Interviews with relevant internal or external stakeholders can also be an important source of information.</p> <p>SBVs enable the evaluation of the risks associated with feedstock sourced.</p> <p>By identifying or developing SBVs that are local and more specific to the Organisation's SB, the Organise can assess more accurately or more precisely the relevant risks associated with feedstock sourced.</p> <p>For Organisations that operate in a Supply Base that has an endorsed RRA, the SBVs are provided in the RRA. There may be an opportunity for an Organisation to provide additional SBVs that are locally appropriate due to geography, local context and / or scale and intensity.</p> <p>SBVs do not need to be approved by SBP, however, they will be verified by the Certification Body during the Organisation's annual audits for sufficiency and appropriateness as a means of verification.</p>

5 Supply Base Verifiers (SBVs) continued

Standard 2: Feedstock Verification		Guidance
5.3	For each Indicator in SBP Standard 1, the Organisation shall identify and maintain a list of SBVs in accordance with the following:	Table 2 provides examples of SBVs which address requirements 5.3.1 – 5.3.4. It should be noted that Table 2 relates to the Risk Evaluation Framework as described in detail in Section 6. – Risk Assessment (RA).
5.3.1	The Organisation shall identify all applicable laws within the Supply Base that meet the Indicators of SBP Standard 1.	
5.3.2	The Organisation shall determine SBVs to evaluate whether these laws are enforced.	
5.3.3	The Organisation shall determine SBVs to evaluate whether the laws are implemented by the operators within the Supply Base.	
5.3.4	The Organisation shall determine SBVs to evaluate whether operators within the Supply Base are implementing best practices that demonstrably meet the Indicators of SBP Standard 1.	

Table 2: Examples of SBV

Information Gathered (per sub-scope)			
Examples of SBV are identified in bold			
Type of SBV		Sub-scope #1 (Example 1: Public Land)	Sub-scope #1 (Example 2: Private Land)
Regulatory Framework (5.3.1) (5.3.4)	Regulatory Framework – Acts, Regulations, policy, and / or required Best Management Practices (BMPs) specific to achieve compliance the Indicator.		
Implementation Mechanisms (5.3.3)	‘Mechanisms’ by which an Organisation can demonstrate implementation and compliance with the regulatory requirement and / or BMPs that address the ‘ Indicator.		
Oversight Framework (5.3.2)	Oversight Framework – Enforcement of Acts, Regulations, policy, and / or required BMPs specific to the Indicator. Monitoring by official agencies / self-assessment and reporting / audit carried out by an Organisation. Consultation with stakeholders.		

5 Supply Base Verifiers (SBVs) continued

Table 2: Examples of SBV continued

Information Gathered (per sub-scope)			
Examples of SBV are identified in bold			
Type of SBV		Sub-scope #1 (Example 1: Public Land)	Sub-scope #1 (Example 2: Private Land)
Results	<p>Verification of a regulation and its compliance / enforcement and / or monitoring framework. Quantifiable or qualifiable results of current condition, including but not limited to:</p> <ul style="list-style-type: none"> – Monitoring results – Inventory and / or analysis – Compliance and enforcement results – Assessment reports – External Agency reports – Publicly available data / websites – Expert and / or Stakeholder information / results 		

6 Risk Assessment

Standard 2: Feedstock Verification	Guidance
<p>6.1 The Organisation shall conduct a Risk Assessment to determine if there is a risk that the feedstock sourced is not in conformance with SBP Standard 1 requirements, using identified SBVs.</p>	<p>As with all conventional due diligence system (DDS), there are three essential elements – information gathering, Risk Assessment and risk management. Section 6 addresses the second element of a DDS: the Risk Assessment. The Risk Assessment results in a risk rating of 'specified risk', or 'low risk'.</p> <p>After identifying the SBVs (Section 5) the Organisation should use the Risk Evaluation Framework (REF – see Table 3), for each Standard 1 Indicator and for each sub-scope (if applicable), to describe the elements needed to determine the risk levels (Section 6.3).</p>

6 Risk Assessment continued

Table 3: Risk Evaluation Framework (REF)

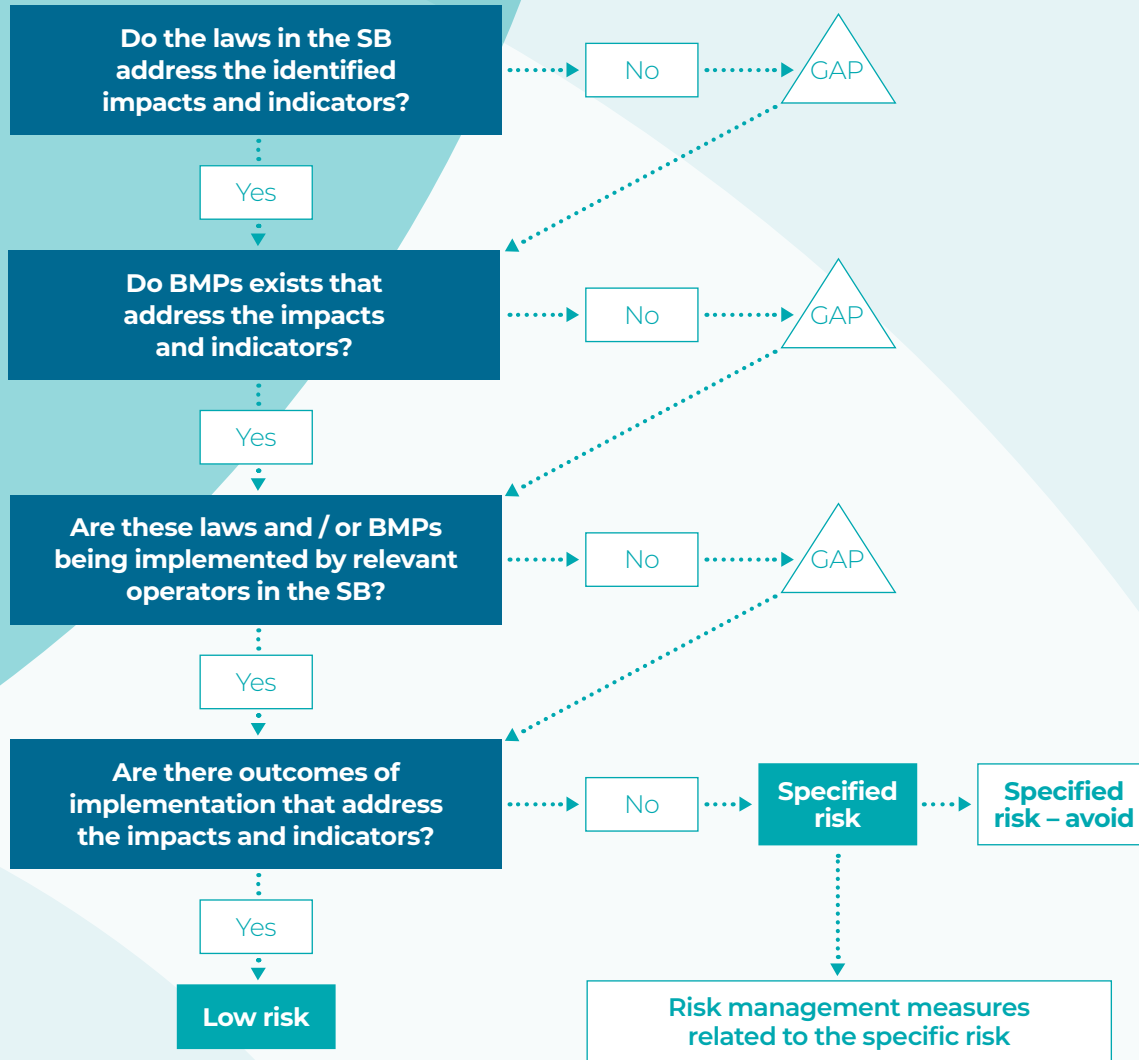
REF Hierarchy	Identify / describe
REF1 – Regulatory Framework (What are the rules?)	Regulatory requirement ('rules') that describes how the risk associated with sourced feedstock are managed.
	Agency of authorisation of 'rules.'
REF2 – Implementation Mechanisms (How do the rules get implemented?)	'Mechanisms' by which the Organisation completing the forest management activity can demonstrate implementation and compliance with the legislative requirement that describe how the risks associated with feedstock sourced by the Organisation are managed.
	If relevant for the Indicator and appropriate to scale, describe the non-legislative mechanisms implemented related to the Indicator that describe how the risks associated with feedstock sourced by the Organisation are managed.
	If relevant for the Indicator and appropriate to scale, in situations where regulations are not in place, describe / reference Best Management Practices, industry working initiatives, small operator programs and / or EMS that companies complete within standard practices related to the Indicator that describe how the risks associated with feedstock sourced by the Organisation are managed.
REF3 – Oversight Framework (Who and how are the rules confirmed as implemented, in conformance and/or effective with the rules?)	Compliance and enforcement mechanisms for the Indicator, specifically to address the the risks associated with feedstock sourced by the Organisation for each relevant sub-scope.
	If non-conformance is found, describe any mechanisms in place by the agency / Organisation to manage and resolve the conformance.
	Monitoring programs, specific to the Indicator and impacts.
REF4 – Results / Current Condition (What are the results or the current condition on the ground?)	Results / data from compliance and enforcement activities – both conformance and non-conformance, as applicable.
	Results / data from monitoring programs.
	Results / data from publicly available sources / data / websites.
	Results / data from engagement / outreach with experts and discussions with stakeholders.

6 Risk Assessment continued

Standard 2: Feedstock Verification	Guidance
<p>6.2 The Organisation shall include all operators involved in the production, harvesting and transport of feedstock within its Supply Base, and having an impact on conformance with SBP standards, in its Risk Assessment.</p>	<p>Gaining access to relevant information about sources of origin and all operators involved up to the Biomass Producer is a key component for implementing due diligence in the sourcing of feedstock. Mapping the feedstock supply chain helps to consider its complexity. It also enables the identification of responsibilities for actions (e.g. to whom a law applies, who is implementing a BMP), and where information can be collected from.</p> <p>To identify all operators involved, the Organisation should identify the sourcing practices (e.g. long-term vs spot markets – some suppliers might be less ‘visible’ than others, or only used on irregular basis), obtain the list of registered suppliers and contractors, survey where they are operating and what operations they are responsible for. By cross-referencing with Standard 1, the Organisation can identify if their operations might impact conformity with the Indicators (and which ones) as well as the nature of their interaction with the Indicators.</p> <p>For example: Identify the name of the companies that are obtaining the felling permits (impact on Indicator 1.1.1); identify the companies transporting the wood chips from the forest to the Biomass Producers (impact on Indicator 2.2.3).</p>
<p>6.3 The Organisation may only conclude low risk according to the following:</p> <ol style="list-style-type: none"> if legislation which addresses the requirement(s) in SBP Standard 1 exists and is enforced, and operators are demonstrating legal compliance within the Supply Base; or in the absence of existing applicable legislation or lack of legal enforcement, by assessing whether relevant operators are implementing best practice which demonstrates conformance with the requirements of SBP Standard 1. 	<p>Further to the textual description of how to complete a Risk Assessment (Table 3: Risk Evaluation Framework) as described in 6.1, the REF Decision Tree (see Figure 1) enables conclusion on the risk level to be reached. It follows the requirements included in 6.3.1 to 6.3.3:</p> <p>At each decision segment, if the answers are ‘No’ then it means there is a ‘Gap’</p> <ul style="list-style-type: none"> – a ‘Gap’ means the risk is ‘specified’, or – the Organisation must review and answer the next decision segment. <p>If a ‘specified’ risk is identified, the Organisation has the following options:</p> <ul style="list-style-type: none"> – provide verifiable evidence demonstrating local current condition and its conformance; or – implement mitigation measures; or – avoid the source of feedstock.
<p>6.4 The Organisation shall justify the risk rating using the identified SBVs. The Organisation shall include this information in its SBR.</p>	<p>The SBE is Annex 1 of SBR (see Section 4 – Supply Base Reporting).</p>
<p>6.5 The Risk Assessment shall be signed off by senior management in the Organisation.</p>	

6 Risk Assessment continued

Figure 1: REF Decision Tree



REF decision tree (example)

Does the law address the identified risk?	Yes / No
Do BMPs exist?	Yes / No
Are these laws being implemented?	Yes / No
Are there outcomes of implementation	Yes / No
Probability	(sufficient control system) Low / (Not sufficient control system) High
Consequences	(current condition shows status is conform) Low (current condition shows status is not conform) High
Risk designation	Low/Specified

7 Risk Management

Standard 2: Feedstock Verification	Guidance
<p>7.1 The Organisation shall develop a Risk Management Plan (RMP) which includes Risk Management Measures (RMMs) for each Indicator rated as specified risk within its SBE per the Organisation's Risk Assessment or an SBP-endorsed RRA with the objective to mitigate the risk and reduce the risk rating to low risk.</p>	<p>ISO 31000:2018 Risk Management – A Practical Guide defines risk management as 'coordinated activities to direct and control an organization with regard to risk.' Risk is a deviation from the expected, so risk management needs to control the unexpected.</p>
<p>7.2 The Organisation shall implement any RMMs proposed by SBP (i.e. in Instruction Documents) or by SBP-endorsed RRAs.</p>	<p>Risk management is an opportunity for the Organisation to reduce the risk level to 'low' through implementation of risk management measures (RMM). It applies when an Indicator is rated as 'specified' in the Organisation's Risk Assessment or in an SBP-endorsed Regional Risk Assessment (RRA).</p>
<p>7.3 Where there are no RMMs proposed by SBP, the Organisation shall develop its own, based on available best practice, knowledge of its specific suppliers and risk factors, and other relevant factors.</p>	<p>Failing to do this, the Organisation is required to exclude the non-conforming source of feedstock from its supply chain.</p>
<p>7.4 The Organisation shall ensure that the RMP identifies:</p> <ul style="list-style-type: none"> a. to whom in the Supply Base the RMMs applies, to address all specified risks; b. the timeframe by when the RMMs shall be implemented; and c. the Means of Verification of the effectiveness of the RMMs to reduce the risk rating to low risk. 	<p>The course of action taken to mitigate risks depends on the type and severity of the risk identified during the Risk Assessment process.</p> <p>If the Risk Assessment determines the risk designation as anything except low risk, the BP is required to implement risk mitigation as described below.</p>
<p>7.5 RMMs shall be justified and documented, with records of implementation maintained.</p>	<ol style="list-style-type: none"> 1. Identify and implement relevant mitigation measures aimed at lowering the risk associated with feedstock sourced.
<p>7.6 The RMP shall be signed off by senior management in the Organisation.</p>	<ol style="list-style-type: none"> 2. Regularly monitoring the implementation of mitigation measures to ensure their efficiency.
<p>7.7 The Organisation shall monitor the effectiveness of its RMMs at least every 12 months but in any case, prior to its annual audit.</p>	<ol style="list-style-type: none"> 3. Alternatively, if negative harm cannot be avoided, feedstock must be excluded from the supply chain.
<p>7.8 Where RMMs are found to have not been effective in mitigating risk, the Organisation shall consider the feedstock not SBP-compliant, until the Organisation implements further mitigation measures and verifies their effectiveness (i.e. reducing the risk rating to low) for the feedstock to be considered SBP-compliant.</p>	
<p>7.9 The Organisation shall stop considering as SBP-compliant feedstock sourced from suppliers who, following request, fail to demonstrate that they are implementing RMMs.</p>	

8 Stakeholder Engagement

Standard 2: Feedstock Verification	Guidance
<p>8.1 Before finalising its SBE or when the Organisation updates its SBE, the Organisation shall engage with its stakeholders, with the specific intention of seeking feedback on its SBE, including its:</p> <ol style="list-style-type: none">Supply Base Verifiers,Risk Assessment and risk ratings, andthe Risk Management Plan, Risk Management Measures and Means of Verification.	<p>Stakeholder engagement within this Standard is specific to the requirements of sourcing feedstock and to complete an SBE. This requirement allows the Organisation to transparently and effectively engage with interested and/or directly affected stakeholders to ensure the SBE's relevance to regional conditions and to allow stakeholders to contribute to the SBE process including identification of mitigation measures and monitoring activities. By engaging stakeholders, the Organisation is more likely to identify innovative approaches in mitigating risks and increase support or acceptance by stakeholders of the Organisations activities. It is also a valuable opportunity to showcase the work done by the Organisation.</p> <p>For a SEP to be effective, stakeholders need to: know about it, be able to participate in it, and have confidence in the process. A poorly designed or executed SEP may result in an increase in complaints, and / or cause distrust and loss of social license.</p> <p>The Stakeholder Engagement Plan (SEP) requirements of Standard 4: Chain of Custody can be followed. If relevant, the Organisation may merge the two activities.</p> <p>To ease the management of the SEP, a procedure should be prepared which could be made available to all stakeholders (e.g. on the Organisation's website) and may include the following:</p> <ul style="list-style-type: none">– Consultation process is documented, including: the participants, how they were consulted, the results of the consultation, and the decisions taken.– Documentation might include policy decisions, research studies, changes to operational activities, evaluations, summaries of feedback received, consideration of input, etc. to all consultation parties.– Participants can be identified generally (e.g. by categories) or specifically (e.g. using names) depending on the consultation.– Where consultations are required for policy development, including operational changes, consideration can be given to meeting consultation requirements through letters, e-mails, in-person meetings or other communication soliciting input from targeted stakeholders.– Where consultations are required for broader policy development or program changes, consideration can be given to planning more comprehensive and open public consultations.

8 Stakeholder Engagement continued

Standard 2: Feedstock Verification	Guidance
8.1 continued	<p>Furthermore, the procedure could outline the following points:</p> <ul style="list-style-type: none">– commitment from the Organisation’s leadership,– accountability,– interest in providing and exchanging information,– process,– roles and responsibilities of all those involved in consultations are defined, especially regarding who is required to provide information and who will be making decisions throughout the process. <p>The various steps the Organisation could take are the following:</p> <ol style="list-style-type: none">1. Prepare SBE and any additional information where relevant.<ul style="list-style-type: none">– A brief description of the SBP certification system, including link to the current version of SBP Standard 1.– A brief description of the purpose of the SBE, the scope of the Risk Assessment and the objective of the stakeholder consultation, including a request for comments.– The description of the SB.– The draft SBE.2. Depending on the resources available, the consultation can be targeted according to topics of interest by stakeholder groups, e.g. controversial areas, interests, ‘hot topics’<ul style="list-style-type: none">– The SEP could provide guidance understanding ‘topics of interest’ that affect the SB, the Organisation, the biomass sector and / or local and external stakeholders and / or clients.3. Identify stakeholders based on the Supply Base and topics of interest.<ul style="list-style-type: none">– ‘Map’ and understand the needs and expectations of stakeholders so as to determine if they are interested stakeholders or directly affected stakeholders.– Stakeholders should represent local, regional and national level interests and preferably with equal representation to ensure all viewpoints are considered. In addition, all engagement should be culturally appropriate.– The key stakeholders within the Supply Base from the following categories would be appropriate to engage with: the timber processing industry, provincial and federal government authorities, Indigenous People, non-governmental organisations working in environmental and social sectors, industry associations, associations of forest owners, certification bodies working in the forestry sector, customers and scientific institutions / academia. (See Standard 4 – S.8).

8 Stakeholder Engagement continued

Standard 2: Feedstock Verification	Guidance
8.1 continued	<p>4. Identify appropriate and adapted type(s) of engagement</p> <ul style="list-style-type: none">– Consultation techniques may include face-to-face meetings, focus group, personal contact by phone or letter, notices published in the national and/or local press and on relevant websites, local radio announcements, announcements on local customary notice boards in the language of the local people, and emails in the language of the recipients. The Organisation SBE Co-ordinator could consider holding stakeholder workshops to provide a forum for direct input and discussion.– Consultation should facilitate culturally appropriate outreach to representative of identified stakeholders. <p>5. Invite stakeholders, with notification details, to comment on the draft SBE:</p> <ul style="list-style-type: none">– Schedule consultation with appropriate timeframes and deadlines.– Invite participation as early as possible.– Allow reasonable time for stakeholders to provide input.– Consider the time of day and time of year for holding consultations.– The Organisation should provide the following:<ul style="list-style-type: none">– the start and end dates of the public stakeholder consultation period;– contact details of the Organisation SBE Co-ordinator;– an indicative timeline for the completion of the proposed SBE;– method of consultation;– a statement if the comments are to be published unless confidentiality is requested by stakeholders.– Stakeholders must be given a period of at least thirty (30) days to submit comments on the draft SBE. (Consider longer if needed or appropriate.) <p>6. Acknowledge receipt of input back to the stakeholder.</p> <ul style="list-style-type: none">– Consider advising stakeholder how their input was addressed in the final SBE <p>7. Document the stakeholder consultation process in the SBR.</p> <p>Good practice: The Organisation should be proactive in seeking information, especially on key topics of interests and/or from key stakeholders.</p>

8 Stakeholder Engagement continued

Standard 2: Feedstock Verification	Guidance
<p>8.2 The Organisation shall engage with its stakeholders each time the SBE is revised.</p>	<p>It is important to keep the stakeholders aware of changes in operations, supply chain and/or risk designations that may potentially affect stakeholders within the Supply Base.</p> <p>The SEP could provide the details of when an SBE is revised, as defined by the Organisation. The Organisation could classify 'administrative updates' as those that do not change the risk designations. For example, update to hyperlinks is not a substantiative change to the SBE, although it provides clarity. In this case, full stakeholder engagement would not be needed. Conversely, a change to risk designations could warrant stakeholder engagement.</p> <p>SBE revision would be required when objective evidence (i.e. SBVs) have changed. For example, changes in legislation, implementation, results, new published scientific evidence, substantive complaints resulting in changes to risk or operational implementation and/or risk mitigation measures. Such changes could be brought to the knowledge of stakeholders and their comments sought.</p> <p>Good practice: The Organisation could consider and include guidance within the SEP on when SBE revision requires stakeholder engagement.</p> <p>Good practice: The Organisation could consider and include guidance within the SEP on how stakeholder engagement would be implement based on the type of revision to the SBE.</p>
<p>8.3 The Organisation shall seek to address relevant stakeholder concerns; it is not required to achieve a consensus with stakeholders.</p>	<p>The Organisation should demonstrate that it has sought to effectively address and be responsive to the relevant concerns of directly affected and interested stakeholders.</p> <p>Every stakeholder concern does not need to be incorporated into the SBR itself. Providing feedback (and keeping record) directly to engaged stakeholders, as required in Section 8.7 below, is considered addressing the relevant stakeholder concerns.</p> <p>Whilst consensus is not required, the Organisation should be able to justify its decisions.</p>
<p>8.4 The Organisation shall allow stakeholders at least one month to provide feedback before the SBE is finalised.</p>	<p>Good practice: Considering the Supply Base, risk and stakeholder's interests / concerns, the Organisation could allow longer than the minimum one month's time for stakeholder engagement.</p>

8 Stakeholder Engagement continued

Standard 2: Feedstock Verification	Guidance
<p>8.5 The Organisation shall provide stakeholders with adequate information as a basis for informed comment but does not have to provide confidential information.</p>	<p>Confidential information can include, but is not limited to, information with regards to sales volumes and prices, list of customers and suppliers, IP, patents, other legally restricted information, personal data.</p> <p>Good practice: The Organisation should describe situations when confidential information is being withheld. This could be done at the time of initial contact with stakeholders or within the Stakeholder Engagement Plan.</p> <p>Good practice: If the Organisation withholds confidential information during stakeholder engagement, a justification by the Organisation is recorded.</p>
<p>8.6 The Organisation shall maintain the following records:</p> <ol style="list-style-type: none"> lists of individuals/organisations invited to comment; copies of all correspondence and/or comments received with respect to the SBE and its components; and justification for any information withheld on the grounds of confidentiality. 	<p>–</p>
<p>8.7 The Organisation shall provide those stakeholders who engaged in the process feedback on their comments and the revised SBR.</p>	<p>The responses to stakeholder comments are to be documented in the SBR. As per Section 8.3 (above), the Organisation should demonstrate that it has sought to effectively address and be responsive to the relevant concerns of directly affected and interested stakeholders. This increases trust between the parties.</p>

Annex 1: SBP Processing residues and post-consumer feedstock requirements

Adapted from Reference Source: FSC-STD-40-007 (V2-0) EN: Sourcing Reclaimed Material For Use In FSC Product Groups Or FSC-Certified Projects

1. Verification and monitoring of suppliers

Standard 2: Feedstock Verification	Guidance
<p>1.1 The Organisation shall conduct a verification process for its suppliers of processing residues and post-consumer feedstock to determine whether this feedstock is eligible for the SBE exemptions mentioned in 3.2 above.</p>	<p>–</p>
<p>1.2 Verification shall include the following elements:</p> <ul style="list-style-type: none"> a. For each supplier, the Organisation shall define the necessary evidence, actions and record keeping procedures to show that feedstock received conforms with the SBP definitions of processing residues and / or post-consumer feedstock. These records shall specify: <ul style="list-style-type: none"> i. Name and address of the supplier; ii. Type of supplier (i.e. producer, purchaser / collector from point of reclamation, Trader); iii. Categories of feedstock supplied (i.e. processing residues, post-consumer); iv. Level of control required (i.e. visual inspection upon receipt, supplier audits – see Annex 1, Sections 2 and 3 below); and v. Self-declaration that the feedstock qualifies as processing residues or post-consumer feedstock according to SBP. b. The Organisation shall monitor the conformance of its suppliers with SBP definitions and purchase specifications and shall have a contingency plan to cater for non-compliant feedstock or documentation. For example, the Organisation might classify feedstock as non-eligible input for SBP products, request correction of purchase documents, or invalidate suppliers temporarily or permanently. 	<p>–</p> <p>The verification procedure could comprise of an onboarding process. For example, new suppliers of processing residues and / or post-consumer feedstock could be informed of the requirements and complete a survey / declaration to provide information on their operations, sourcing practices, certifications, etc. The survey should be updated every year.</p> <p>Based on the information provided in the supplier declaration, the Organisation can determine whether risk of the supplier delivering non-compliant feedstock is present and the appropriate level of monitoring and / or control measures for each supplier. If required, additional monitoring measures could include additional supplier audits, quality lab testing, or other practices as deemed appropriate.</p> <p>The Organisation should maintain records of completed supplier surveys / declarations as well as implementation of any additional monitoring / control measures so they can be provided to their CB during their annual audit.</p> <p>Good practice: Train all relevant personnel in identifying non-compliant feedstock and on the contingency plan.</p> <p>Good practice: Internal audit to identify gaps.</p>

Annex 1: SBP Processing residues and post-consumer feedstock requirements continued

2. Feedstock inspection and classification upon receipt

Standard 2: Feedstock Verification	Guidance
<p>2.1 Upon receipt, the Organisation shall visually inspect all processing residues and / or post-consumer feedstock and shall confirm their categorisation as 'processing residues' or 'post-consumer' feedstock.</p>	<p>See Standard 4, 4.12 for Feedstock Classification.</p>
<p>2.2 For all processing residues and post-consumer feedstock received, the Organisation shall retain documentary evidence of the delivery and inspections carried out that confirmed that the feedstock complies with SBP definitions.</p>	<p>Evidence can include feedstock delivery receipts and confirmation that staff are adequately trained to visually inspect feedstock upon receipt.</p> <p>If the results of the supplier verification process described above in 1.2 determine that there is risk of the supplier delivering non-conforming product, additional monitoring / control measures and documentation as described therein may be necessary. See Standard 4, 1.19 and 1.20 for more information on non-conforming products.</p>
<p>2.3 In cases where adequate evidence for the categorisation of the feedstock as 'processing residues' or 'post-consumer' feedstock is not available at the point of receipt, the Organisation shall include the supplier in the supplier audit and conformance with the relevant SBP requirements shall be confirmed prior to the feedstock being used.</p>	<p>–</p>
<p>2.4 In cases where feedstock received does not comply with purchase specifications and / or the quantities stated on the invoices are incorrect, the Organisation shall take immediate corrective actions. These actions shall be recorded and communicated to the Certification Body during the annual audit.</p>	<p>The Organisation is required to follow documented procedures as required in Standard 4, 1.19 and 1.20 for identifying and controlling non-conforming products.</p>

Annex 1: SBP Processing residues and post-consumer feedstock requirements continued

3. Supplier audit for processing residues and post-consumer feedstock

Standard 2: Feedstock Verification	Guidance
NOTE: Section 3 is only required if feedstock categorisation could not be demonstrated through Section 2 above.	–
3.1 The Organisation shall perform annual or more frequent on-site audit of the suppliers as part of the supplier audit for processing residues and post-consumer feedstock (including overseas suppliers) based on a justified sampling approach.	–
3.2 Traders or sales offices that do not take physical possession of processing residues or post-consumer feedstock, and which do not alter, store or re-package the feedstock may be verified remotely through desk audits.	–
3.3 The legal owner may contract another external, suitably qualified party to operate the supplier audit.	–
3.4 In cases where the supplier selected for sampling sells processing residues or post-consumer feedstock that were previously collected, classified and traded by other companies or sites, the complete supply chain of these feedstock shall be audited back to the point where the categorisation as processing residues or post-consumer feedstock can be demonstrated through objective evidence.	–
3.5 The Organisation shall evaluate and verify documents and other evidence regarding the quantity, quality and conformance with SBP definitions of processing residues and post-consumer feedstock, including: <ol style="list-style-type: none"> a. Supplier’s instructions or procedures put in place to control and classify the processing residues and / or post-consumer feedstock b. When applicable, training or instructions provided to the supplier’s personnel in relation to categorisation and control of processing residues and / or post-consumer feedstock c. Registers establishing feedstock origin (e.g. photographs, addresses of demolished buildings, invoices). 	–

Annex 1: SBP Processing residues and post-consumer feedstock requirements continued

3. Supplier audit for processing residues and post-consumer feedstock continued

Standard 2: Feedstock Verification	Guidance
3.6 The Organisation shall consider a declaration from the supplier, even if part of the contractual agreement, as not sufficient proof of origin and feedstock category.	–
3.7 The Organisation shall document supplier audits, including a record of audit date, findings, names and qualifications of auditors and examples of evidence concerning categorisation of feedstock.	–