

SBP STAKEHOLDER COMMITTEE

TERMS OF REFERENCE

(Approved by the SBP Board 8 December 2016)

1 Introduction

The Sustainable Biomass Partnership (SBP) is a unique certification scheme designed for woody biomass, mostly in the form of wood pellets and wood chips, used in industrial, large-scale energy production. The certification scheme provides assurance that woody biomass used for energy production is compliant with regulations on biomass legality and sustainability in European countries.

SBP aims to promote enhanced sustainable forest management practices and greater uptake of existing internationally-recognised forest certification schemes in key forest source areas and increased transparency throughout the supply chain.

2 Objectives

The membership of the SBP Stakeholder Committee (the Committee) comprises representatives of SBP member companies and other interested parties from the pool of SBP key stakeholders.

The role of the Committee is to provide stakeholder advice to support the SBP Secretariat in:

- a. the provision of technical advice on the development, implementation and maintenance of sustainability standards for biomass; and
- b. all the activities necessary to make SBP an efficient and effective organisation.

3 Mandate

The Committee is mandated to:

- a. review and provide advice and guidance on SBP's processes and tools including the SBP standards, process and consultation documents, and procedures;
- b. provide input and advice to the SBP Secretariat and SBP Board on stakeholder opinion regarding the biomass market, and the production and use of biomass. Note that Committee members may be requested to present to the SBP Board and/or the SBP Advisory Board should the necessity arise;
- c. contribute to the ongoing development of the SBP certification scheme processes by providing advice on best practice;
- d. propose topics for the establishment and membership composition of subject-related SBP working groups;
- e. approve the terms of reference for SBP working groups; and
- f. review and provide advice and guidance on the work and output from SBP working groups.

4 Chairman of the Committee

The SBP Chief Executive Officer will be appointed as the Chairman of the Committee, and will be responsible for chairing meetings of the Committee and reporting to the SBP Board on the work of the Committee.

5 Members

5.1 Role

Members shall be invited as individual expert advisers or as representatives of their organisations. Prior to appointment, all potential members shall advise the Chair of any potential conflicts of interest including those of a commercial nature.

5.2 Size and Expertise

The Committee shall be limited to a maximum size of 20, excluding the Chairman of the Committee and SBP staff supporting the work of the Committee. Guidelines for the initial composition of the Committee are as follows:

- 1 x representative from each of the SBP member companies
- 2 x pellet producers from Europe (1 large, 1 small)
- 1 x woodchip producer from Europe
- 2 x pellet producers from the USA (1 large, 1 small)
- 1 x pellet producer from Canada
- 1 x woody biomass trader
- 1 x Certification Body
- 1 x AEBIOM
- 1 x USIPA
- 1 x WPAC
- 2 x relevant international NGO representation

5.3 Appointment and Term

Committee members may be nominated by stakeholders; all nominations must be approved by the Chairman.

Members shall initially be appointed for a two-year term and are eligible for re-appointment. Members may appoint alternates, but shall normally be expected to leave the Committee if they miss 50 per cent or more of the meetings held within a calendar year. Only one member may be appointed from the Group of any SBP member company.

5.4 Observers and Experts

At the Chairman's discretion, and following notification to the Committee, technical experts or others who can help take forward the work of the Committee may be invited to attend meetings as non-voting, participating observers.

5.5 Representing SBP

Members of the Committee shall not, unless expressly authorised by SBP, represent SBP when engaging with external stakeholders. All representation of SBP to external stakeholders is the responsibility of the SBP CEO and the SBP Secretariat.

5.6 Commitment of Committee Members

All members will contribute to the Committee using their expertise and experience gained from both from their role in the sector and in leading and managing effective organisations. Committee members will be proactive in explaining the views and actions of SBP internally within their companies.

6 Meetings

6.1 Scope

The Committee shall select relevant issues and topics on which to focus and discuss in pursuit of its objectives. The SBP Board, SBP Advisory Board and the SBP Secretariat may also suggest topics for the Committee's consideration.

6.2 Frequency

The Committee will physically meet a minimum of four times a year (that is, every calendar quarter). The Chairman, in consultation with the Committee members, shall set meeting dates at least 12 months in advance. Meetings will be co-ordinated with the schedule of SBP Board meetings. If circumstances require it, virtual meetings of the Committee may also be called by the Chairman.

6.3 Meeting Management

The agenda for each meeting will be circulated to meeting attendees in advance of the meeting. Agendas should identify agenda items, responsibilities and should cross-reference to supporting papers, where appropriate. Supporting papers shall be distributed in advance of each meeting.

Each meeting will be recorded and a summary table of actions produced. Draft notes of the meeting will be prepared and circulated to all Committee members within 20 working days of the meeting.

If any member disagrees with the content of the notes of the meeting the concern must be communicated to all members by email. A final draft of the notes will be tabled at the next Committee meeting for approval.

6.4 Honorarium and travel and subsistence expenses

Members are not eligible for an honorarium or travel and subsistence expenses. Invited guests and experts may be eligible for an honorarium on a case-by-case basis and are eligible for reasonable travel and subsistence expenses. (Note: economy class travel for journeys below six hours and business class travel for journeys greater than six hours). Refunds will be made against evidence of expenditure.

6.5 Advice and recommendations

The Chairman shall seek to develop advice and recommendations on the basis of consensus (defined as general agreement, characterised by the absence of sustained opposition). Where no consensus can be achieved all views shall be duly noted.

The SBP Board shall consider and respond to all advice and recommendations received from the Committee.

6.6 Public statements

The Committee shall not hold the right to issue public statements pertaining to issues relevant to SBP.

7 Competition / Anti-trust requirements, Conflicts of Interest and Confidentiality

7.1 Competition/Anti-trust

Committee members shall adhere to the SBP's Anti-trust Compliance Policy Statement (see Appendix 1). This Statement shall be referenced at the beginning of each meeting by the Chairman.

7.2 Conflicts of interest

Should a Committee member have a conflict of interest in relation to a meeting agenda item, the member shall advise the Chairman ahead of, or at the beginning of, the relevant meeting and absent themselves from the meeting during consideration of the item.

7.3 Confidentiality

Committee members shall maintain strict confidentiality regarding any designated commercially or politically sensitive information that may be shared during the course of any meeting and shall abide by any non-disclosure agreement relating to confidential or commercially sensitive information as appropriate.

8 Management, administration and resourcing

The SBP CEO shall appoint a member of the SBP Secretariat as the Manger of the Committee, who will be responsible for co-ordinating Committee meetings, providing agenda and supporting papers for Committee meetings, and taking and producing notes of Committee meetings. On an as needs basis the Chairman may contract outside specialist services, for example, meeting facilitation.

SBP ANTI-TRUST COMPLIANCE POLICY STATEMENT

SBP is a not-for-profit business initiative, established by companies in the European energy utility industry that are committed to advancing environmentally sustainable, good social and economically viable practices in their global biomass supply chain.

The member organisations of SBP believe that the objectives of SBP can best be advanced through collaborative efforts. SBP and its member organisations acknowledge and understand that their activities must at all times be undertaken with an understanding of the importance of compliance with all applicable laws and regulations, including but not limited to laws and regulations relating to anti-trust and competition.

These laws are intended to preserve and promote free, fair and open competition. Failure to abide by these laws can potentially have extremely serious consequences for SBP and its member organisations.

The policy of SBP, its operating committees and its member organisations is therefore to conduct all of its activities in strict compliance with all applicable anti-trust and competition laws, in order to facilitate legitimate pro-competitive and other activities that help advance the objectives of the initiative. It is therefore against the policy of SBP to sponsor, encourage or tolerate any discussion, communication, information-sharing or agreement that would violate applicable anti-trust or competition laws.

Any discussion, communication or agreement relating to strategic information, including but not limited to the following, should therefore be strictly avoided:

- actual prices, pricing policies, bids, discounts, promotions, terms of sale or credit, royalties, or licence fees;
- customer lists;
- production costs or volumes;
- costs, profits or turnover of individual companies, products or services;
- offers or sales volumes to customers or territorial markets;
- marketing plans;
- production quotas, output, capacity or inventory;
- purchased volumes and demand;
- boycotts and refusals to deal with particular companies or groups;
- agreements concerning individual company decisions on whether to produce certain products, adopt certain product designs, or carry out specific product release dates or cycles;
- risks;
- investments; or
- technologies and R&D programmes and their results.

No discussion, communication or agreement of this type should occur during, in or around SBP meetings or calls, whether written, oral, formal, informal, in social settings, or “off the record.” Each SBP member is required to stop any discussions that violate this policy and report any violations to its own appropriate counsel.

While an important objective for SBP will be development of common principles for responsible sourcing, it is stressed that such principles or associated standards will only be passed in strict compliance with the applicable anti-trust or competition laws and upon legal review by appropriate counsel. In any event, such standards are not intended to limit any company’s freedom or discretion to make its own business decisions, to prevent the

manufacture or sale of any product not conforming to such a specified standard, or to have the effect of restraining competition, including amongst suppliers and sub-contractors to the member organisations of SBP.

Further, no activity shall include any discussion or action that might be construed as an agreement or understanding to refrain from purchasing (or limit the prices paid for) any raw materials, semi-finished products, equipment, services or other supplies from any supplier.

In each meeting, minutes will be prepared and subsequently shared with all participants and approved by participants at the subsequent meeting in SBP. A summary of the outcomes of the meetings will be made public after final approval of the participants. The following statement will be included on the agenda of all SBP meetings:

“Attendees are kindly reminded that SBP is committed to complying with all relevant anti-trust and competition laws and regulations and, to that end, has adopted an Anti-trust Policy Statement, compliance with which is a condition of continued SBP membership. Failure to abide by these laws can potentially have extremely serious consequences for SBP and its member organisations. You are therefore asked to have due regard to this Policy today and in respect of all other SBP activities.”

A copy of this anti-trust compliance policy statement will be provided to all member organisations and participants on SBP committees. This statement is a general guide only and all questions concerning anti-trust and competition law compliance should be referred to appropriate counsel.