**EFET**

**European Federation of Energy Traders**

E-mail: secretariat@efet.org

Webpage: www.efet.org

**Individual Biomass Contract**

###### WAIVER: THE FOLLOWING INDIVIDUAL BIOMASS CONTRACT WAS PREPARED BY EFET’S MEMBERS EXERCISING ALL REASONABLE CARE. HOWEVER, EFET, THE EFET MEMBERS, REPRESENTATIVES AND COUNSEL INVOLVED IN ITS PREPARATION AND APPROVAL SHALL NOT BE LIABLE OR OTHERWISE RESPONSIBLE FOR ITS USE AND ANY DAMAGES OR LOSSES RESULTING OUT OF ITS USE IN ANY PARTICULAR CASE AND IN WHATEVER JURISDICTION. IT IS THEREFORE THE RESPONSIBILITY OF EACH PARTY WISHING TO USE THIS INDIVIDUAL BIOMASS CONTRACT TO ENSURE THAT ITS TERMS AND CONDITIONS ARE LEGALLY BINDING, VALID AND ENFORCEABLE AND BEST SERVE TO PROTECT THE USER’S LEGAL INTERESTS. USERS OF THIS INDIVIDUAL BIOMASS CONTRACT ARE URGED TO CONSULT THEIR OWN COUNSEL AS WELL AS RELEVANT LEGAL OPINIONS WHEN AND IF THEY ARE MADE AVAILABLE THROUGH EFET AS WELL AS THEIR OWN COUNSEL.

**USAGE NOTES TO EFET INDIVIDUAL BIOMASS CONTRACT (VERSION [2.1]/[November 4], 2021):**

**IBOR transition.** In consultation with EFET’s Members, amendments have been made to this Individual Biomass Contract in order to replace references to Sterling LIBOR (which is being phased out) with references to Compounded SONIA. **This version shall substitute all previous versions of the Individual Biomass Contract.**

**[REMOVE AND DISCARD THIS PAGE PRIOR TO EXECUTION]**

**[FOR INFORMATION PURPOSES ONLY - NOT PART OF APPENDIX]**

**EFET**

**European Federation of Energy Traders**

CONFIRMATION OF INDIVIDUAL BIOMASS CONTRACT

between

as **“Seller”**

and

as **“Buyer”**

and collectively, **“Parties,”** with an **“Effective Date”** of

the commercial terms of which are set forth below in, as applicable, either the FOB or CIF delivery portion of its Part I, and the general terms and conditions of which are set forth below in its Part II, and which incorporate by reference herein, and make a part hereof, its applicable Annexes.

**Part I. Commercial Terms of This Individual Biomass Contract**

**FOB (Free On Board)**

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| **1. NEGOTIATED COMMERCIAL & ECONOMIC TERMS** |
| (A) Biomass and Biomass Specification:  If Biomass is wood pellets this shall be in compliance with the Biomass Specification in Part 1 of Annex B-1 and the following Industrial Category as set out in Part 2 of Annex B-1:  [ ] Industrial Category 1;  [ ] Industrial Category 2; or [ ] Industrial Category 3.  If Biomass is not wood pellets it shall be in compliance with the Biomass Specification in:  [ ] Biomass Specification B-2 |
| (B) Additions or Amendments to the Biomass Specification: [ ] |
| (C) Origin: |
| (D) Contract Quantity:[ ] Tonnes +/- [ ] % at Buyer’s option |
| (E) Quantity Per Shipment (if applicable): Shipping Tolerance: |

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| (F) Contract Price (**§**12.2(b)):  [ ] NCVcp Measurement only at Loading Port  The Contract Price applicable to each Shipment shall be determined in accordance with the following:  Buyer shall pay [….][*currency*] basis FOB Loading Port delivery per Tonne, based upon a minimum tested NCVcp of [*benchmark CV*….] GJ/Tonne (“the **Base Price**”).  Price Adjustment: The Base Price shall be adjusted as per the below formula to reflect the Actual NCVcp of the Biomass as determined at the Loading Port in accordance with the terms of the Individual Biomass Contract:  Adjusted Price = {Actual NCVcp (GJ/Tonne) x Base Price} ÷ {[ *benchmark CV* ….] GJ/Tonne}  The Adjusted Price as determined in accordance with the above formula for each Shipment shall be the Contract Price in respect of that Shipment. The Contract Price shall be inclusive of all Taxes but shall exclude VAT.  [ ] NCVcp Measurement at Loading Port and Discharge Port  The Contract Price applicable to each Shipment shall be determined in accordance with the following:  Buyer shall pay [….][*currency*] basis FOB Loading Port delivery per Tonne, based upon a minimum tested NCVcp of [*benchmark CV*….] GJ/Tonne (“the **Base Price**”).  First Installment Price Adjustment: The Base Price for the purposes of the first installment shall be adjusted as per the below formula to reflect the Actual NCVcp of the Biomass as determined at the Loading Port in accordance with the terms of the Individual Biomass Contract:  Adjusted Price = {Actual NCVcp (as measured at Loading Port) (GJ/Tonne) x Base Price} ÷ {[  *benchmark CV* ….] GJ/Tonne}  Second Installment Price Adjustment: The Base Price for the purposes of the second installment shall be re-adjusted as per the below formula to reflect the Actual NCVcp of the Biomass as determined at both the Loading Port and Discharge Port in accordance with the terms of the Individual Biomass Contract:  Adjusted Price = {Actual NCVcp (Average of results as measured at the Loading Port and Discharge Port) (GJ/Tonne) x Base Price} ÷ {[ *benchmark CV* ….] GJ/Tonne}  The total Adjusted Price as determined in accordance with the above formulas for each Shipment shall be the Contract Price in respect of that Shipment. The Contract Price shall be inclusive of all Taxes but shall exclude VAT.  [ ] (other) |
| (G) Delivery Period:  Shipment Period(s): |
| (H) Delivery Type: FOB |
| (I) Nomination of Vessel:  Buyer shall nominate no less than days prior to estimated time of arrival at Loading Port (such arrival must occur within the applicable Shipment Period) |

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| (J) Loading Port: |
| (K) Loading Rate: |
| (L) [ ] Alternative Laytime Provisions (Annex C): |
| (M) The Inspection Company / Independent Laboratory pursuant to Annex F shall be: Survey:  Sampling: Analysis: |
| (N) Sampling and testing procedures to be performed at Loading Port in accordance with Annex F; and,  [ ] if applicable, the following Parameters shall be assessed, sampled or tested (as appropriate) at the Discharge Port: |
| (O) Designated Agents (Annex C)  [ ] of Buyer:  [ ] of Seller: |
| (P) Account Details  Seller’s bank account payment details:  Buyer’s bank account payment details (if applicable): |
| **2. ELECTIONS TO, AND VARIATIONS FROM, GENERAL TERMS AND CONDITIONS** |
| (A) [ ] all Active Individual Biomass Contracts shall be part of the Agreement (§1.2) |
| 1. [ ] Sustainability Requirements shall apply (§7A.1(c)), then,    1. the Sustainability Requirements shall be: [ ] as provided in form Annex G; or   [ ] as provided in an any agreed amendment or replacement of form Annex G (as appended hereto)   * 1. the Independent Inspector appointed to verify sustainability data shall be: [ ]   2. the methodology adopted for the collection of sustainability data shall be: [ ]   3. Additional Remedies for Non-Conforming Biomass:   [ ] failure to comply with Sustainability Requirements shall constitute an additional Material Reason for **§**8.4 |
| (C) [ ] One-way Termination Payment (§8.2(d)): Notwithstanding anything to the contrary in §8  (***Term and Termination Rights***) and §9 (***Calculation of the Termination Amount***), for any Early Termination resulting from a Material Reason other than those set forth in §8.4(c) (***Winding-*** |

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| ***up/Insolvency/Attachment***) there shall be no Termination Amount owed by the Terminating Party to the Defaulting Party, and any such Termination Amount which but for this election would have been calculated as owing by the Terminating Party shall be deemed to be zero. |
| (D) Automatic Termination (§8.3)  [ ] shall apply to Seller, with termination effective  [ ] shall apply to Buyer, with termination effective |
| 1. Credit Provisions, Material Reason and Material Adverse Change definitions (§8, 14 & Annex H):    1. Material Reason:   **§ 8.4(b) Cross Default and Acceleration:**  [ ] §8.4(b)(i) shall apply to Seller and the Threshold Amount for Seller shall be , or [ ] §8.4(b)(i) shall not apply to Seller  [ ] §8.4(b)(i) shall apply to Buyer and the Threshold Amount for Buyer shall be , or [ ] §8.4(b)(i) shall not apply to Buyer  [ ] §8.4(b)(ii) shall apply to Seller and the Threshold Amount for Seller shall be: , or [ ] §8.4(b)(ii) shall not apply to Seller  [ ] §8.4(b)(ii) shall apply to Buyer and the Threshold Amount for Buyer shall be: , or [ ] §8.4(b)(ii) shall not apply to Buyer  **§ 8.4(c) Winding-up/Insolvency/Attachment:**  [ ] §8.4(c)(iv) shall apply only if such proceedings (as are referred to in §8.4(c)(iv)) are not withdrawn, dismissed, discharged, stayed or restrained within [ ] days of their institution; or  [ ] §8.4(c)(iv) shall apply without any applicable grace period for the Party to have such proceedings (as are referred to in §8.4(c)(iv) withdrawn, dismissed, discharged, stayed or restrained.  **§ 8.4(d) Failure to Deliver or Accept:**  [ ] §8.4(d)(i) failure to deliver or accept single Shipment shall apply.  [ ] §8.4(d)(ii) failure to deliver or accept on three (3) Shipments out of seven (7) Shipments shall apply, or  [ ] §8.4(d)(ii) failure to deliver or accept on [ ] Shipments out of [ ] Shipments shall apply.  Annex H (***Credit Support Annex***) shall apply: [ ] to Buyer; and/or [ ] to Seller, in which case the following shall apply in addition to the above elections relating to Material Reason and the Material Reasons defined above in respect of a Party shall, unless noted to the contrary, apply equally to, as applicable, a Party’s Credit Support Provider and/or Controlling Party as specified in Annex H (***Credit Support Annex***):   * 1. **Material Adverse Change:**   The following categories of Material Adverse Change shall apply to Seller:  [ ] §14.3(a) **(Credit Rating)**, and the minimum rating shall be: ;  [ ] §14.3(b) (**Credit Rating of Credit Support Provider that is a Bank**) and the minimum rating shall be: ;  [ ] §14.3(c) (**Financial Covenants**), and  the EBIT to Interest ratio shall be: ,  the Funds From Operations to Total Debt ratio shall be: , and |

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| the Total Debt to Total Capitalisation ratio shall be: ;  [ ] §14.3(d) (**Decline in Tangible Net Worth**), and the relevant figure is: ; [ ] §14.3(e) (**Expiry of General Assurance or Credit Support Document**), and  [ ] the relevant time period shall be , or [ ] no time period shall apply;  [ ] §14.3(f) **(Failure of General Assurance or Credit Support Document)**; [ ] §14.3(g) **(Failure of Control and Profit Transfer Agreement)**;  [ ] §14.3(h) **(Impaired Ability to Perform)**; and [ ] §14.3(i) **(Amalgamation/Merger)**  The following categories of Material Adverse Change shall apply to Buyer:  [ ] §14.3(a) **(Credit Rating)**, and the minimum rating shall be: ;  [ ] §14.3(b) **(Credit Rating of Credit Support Provider that is a Bank)** and the minimum rating shall be: ;  [ ] §14.3(c) **(Financial Covenants)**, and  the EBIT to Interest ratio shall be: ,  the Funds From Operations to Total Debt ratio shall be: \_, and the Total Debt to Total Capitalisation ratio shall be: ;  [ ] §14.3(d) **(Decline in Tangible Net Worth)**, and the relevant figure is: ; [ ] §14.3(e) **(Expiry of General Assurance or Credit Support Document)**, and  [ ] the relevant time period shall be , or [ ] no time period shall apply;  [ ] §14.3(f) **(Failure of General Assurance or Credit Support Document)**; [ ] §14.3(g) **(Failure of Control and Profit Transfer Agreement)**;  [ ] §14.3(h) **(Impaired Ability to Perform)**; and [ ] §14.3(i) **(Amalgamation/Merger)**  (c) **Provision of Financial Statements and Decline in Tangible Net Worth**  §14.4 shall not apply: [ ] to Buyer; and/or [ ] to Seller.  §14.4 shall apply: [ ] to Buyer; and/or [ ] to Seller, in which case the following shall apply:  §14.5 shall not apply: [ ] to Buyer; and/or [ ] to Seller.  §14.5 shall apply: [ ] to Buyer; and/or [ ] to Seller, in which case the following shall apply:  [ ] Seller shall have a duty to notify as provided in §14.5, and the applicable figure for it shall be , or  [ ] Seller shall have no duty to notify as provided in §14.5, and  [ ] Buyer shall have a duty to notify as provided in §14.5, and the applicable figure for it shall be , or  [ ] Buyer shall have no duty to notify as provided in §14.5 |
| (F) [ ] The percentage payment structure as set out in §12.2 will be changed to:  the first installment shall be [ ] %, and the second installment shall be [ ]%, of the Contract Price (subject to re-adjustment if NCVcp measurement at Discharge Port is elected in accordance with  Part I, Section 1 relating to Contract Price). |
| (G) Currency of payments to be made under this Individual Biomass Contract (§12.2): |
| (H) “Interest Rate” shall be Compounded SONIA + percent ( %) per annum (§12.6). |
| (I) Disputed Amounts (§12.7) : |

**Part I. Commercial Terms of This Individual Biomass Contract**

**CIF (Cost Insurance and Freight)**

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| **1. NEGOTIATED COMMERCIAL & ECONOMIC TERMS** |
| (A) Biomass and Biomass Specification:  If Biomass is wood pellets this shall be in compliance with the Biomass Specification in Part 1 of Annex B-1 and the following Industrial Category as set out in Part 2 of Annex B-1:  [ ] Industrial Category 1;  [ ] Industrial Category 2; or [ ] Industrial Category 3.  If Biomass is not wood pellets this shall be in compliance with the Biomass Specification in:  [ ] Biomass Specification Annex B-2 |
| (B) Additions or Amendments to the Biomass Specification: [ ] |
| (C ) Origin: |
| (D) Contract Quantity:[ ] Tonnes +/- [ ] % at Buyer’s option |
| (E) Quantity Per Shipment (if applicable): Shipping Tolerance: |
| (F) Contract Price (§12.2(b)):  [ ] NCVcp Measurement only at Loading Port  The Contract Price applicable to each Shipment shall be determined in accordance with the following:  Buyer shall pay [….][*currency*] basis CIF Discharge Port delivery per Tonne, based upon a minimum tested NCVcp of [*benchmark CV*….] GJ/Tonne (“the **Base Price**”).  Price Adjustment: The Base Price shall be adjusted as per the below formula to reflect the Actual NCVcp of the Biomass as determined in accordance with the terms of the Individual Biomass Contract:  Adjusted Price = {Actual NCVcp (GJ/Tonne) x Base Price} ÷ {[ *benchmark CV* ….] GJ/Tonne}  The Adjusted Price as determined in accordance with the above formula for each Shipment shall be the Contract Price in respect of that Shipment. The Contract Price shall be inclusive of all Taxes but shall exclude VAT.  [ ] NCVcp Measurement at Loading Port and Discharge Port  The Contract Price applicable to each Shipment shall be determined in accordance with the following:  Buyer shall pay [….][*currency*] basis FOB Loading Port delivery per Tonne, based upon a minimum tested NCVcp of [*benchmark CV*….] GJ/Tonne (“the **Base Price**”). |

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| First Installment Price Adjustment: The Base Price for the purposes of the first installment shall be adjusted as per the below formula to reflect the Actual NCVcp of the Biomass as determined at the Loading Port in accordance with the terms of the Individual Biomass Contract:  Adjusted Price = {Actual NCVcp (as measured at Loading Port) (GJ/Tonne) x Base Price} ÷ {[  *benchmark CV* ….] GJ/Tonne}  Second Installment Price Adjustment: The Base Price for the purposes of the second installment shall be re-adjusted as per the below formula to reflect the Actual NCVcp of the Biomass as determined at both the Loading Port and Discharge Port in accordance with the terms of the Individual Biomass Contract:  Adjusted Price = {Actual NCVcp (Average of results as measured at the Loading Port and Discharge Port) (GJ/Tonne) x Base Price} ÷ {[ *benchmark CV* ….] GJ/Tonne}  The total Adjusted Price as determined in accordance with the above formulas for each Shipment shall be the Contract Price in respect of that Shipment. The Contract Price shall be inclusive of all Taxes but shall exclude VAT.  [ ] (other) |
| (G) Delivery Period:  Shipment Period(s): |
| (H) Delivery Type: CIF |
| (I) Pre-Advice of Vessel’s Estimated Time of Arrival:  Seller shall advise Buyer no less than days prior to Vessel’s estimated time of arrival at Loading Port (such arrival must occur within the applicable Shipment Period).  Seller shall provide the Buyer with an estimated date or range of dates within which the Vessel is reasonably likely to arrive at the Discharge Port and keep the Buyer updated of any significant change in such date or range of dates. The Seller’s estimate shall be indicative only and made without any guarantee whatsoever. |
| (J) Loading Port: |
| (K) Discharge Port: |
| (L) Discharge Rate: |
| (M) [ ] Alternative Laytime Provisions (Annex D): |
| (N) Commingling: [ ] Seller shall ensure that there shall be no commingling of Shipments from different suppliers within a Vessel’s hold.  ***OR***  [ ] Commingling permitted. |
| (O) The Inspection Company / Independent Laboratory pursuant to Annex F shall be: Survey:  Sampling: |

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| Analysis: |
| (P) Sampling and testing procedures to be performed at Loading Port in accordance with Annex F; and,  [ ] if applicable, the following Parameters shall be assessed, sampled or tested (as appropriate) at the Discharge Port:  \_ |
| (Q) Designated Agents (Annex D)  [ ] of Buyer:  [ ] of Seller: |
| (R) Account Details  Seller’s bank account payment details:  Buyer’s bank account payment details (if applicable): |
| **2. ELECTIONS TO, AND VARIATIONS FROM, GENERAL TERMS AND CONDITIONS** |
| (A) [ ] all Active Individual Biomass Contracts shall be part of the Agreement (§1.2) |
| 1. [ ] Sustainability Requirements shall apply (§7A.1(c)), then,    1. the Sustainability Requirements shall be: [ ] as provided in form Annex G; or   [ ] as provided in an any agreed amendment or replacement of form Annex G (as appended hereto)   * 1. the independent inspector appointed to verify sustainability data shall be: [ ]   2. the methodology adopted for the collection of sustainability data shall be: [ ]   3. Additional Remedies for Non-Conforming Biomass:   [ ] failure to comply with Sustainability Requirements shall constitute an additional Material Reason for **§**8.4 |
| (C) [ ] One-way Termination Payment (§8.2(d)): notwithstanding anything to the contrary in §8 (***Term and Termination Rights***) and §9 (***Calculation of the Termination Amount***), for any Early Termination resulting from a Material Reason other than those set forth in §8.4(c) (***Winding- up/Insolvency/Attachment***) there shall be no Termination Amount owed by the Terminating Party to the Defaulting Party, and any such Termination Amount which but for this election would have been calculated as owing by the Terminating Party shall be deemed to be zero. |
| (D) Automatic Termination (§8.3):  [ ] shall apply to Seller, with termination effective  [ ] shall apply to Buyer, with termination effective |

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| 1. Credit Provisions, Material Reason and Material Adverse Change definitions (§8, 14 & Annex H):    1. Material Reason:   **§8.4(b) Cross Default and Acceleration:**  [ ] §8.4(b)(i) shall apply to Seller and the Threshold Amount for Seller shall be , or [ ] §8.4(b)(i) shall not apply to Seller  [ ] §8.4(b)(i) shall apply to Buyer and the Threshold Amount for Buyer shall be , or [ ] §8.4(b)(i) shall not apply to Buyer  [ ] §8.4(b)(ii) shall apply to Seller and the Threshold Amount for Seller shall be: , or [ ] §8.4(b)(ii) shall not apply to Seller  [ ] §8.4(b)(ii) shall apply to Buyer and the Threshold Amount for Buyer shall be: , or [ ] §8.4(b)(ii) shall not apply to Buyer  **§8.4(c) Winding-up/Insolvency/Attachment:**  [ ] §8.4(c)(iv) shall apply only if such proceedings (as are referred to in §8.4(c)(iv)) are not withdrawn, dismissed, discharged, stayed or restrained within [ ] days of their institution; or  [ ] §8.4(c)(iv) shall apply without any applicable grace period for the Party to have such proceedings (as are referred to in §8.4(c)(iv) withdrawn, dismissed, discharged, stayed or restrained.  **§8.4(d) Failure to Deliver or Accept:**  [ ] §8.4(d)(i) failure to deliver or accept single Shipment shall apply.  [ ] §8.4(d)(ii) failure to deliver or accept on three (3) Shipments out of seven (7) Shipments shall apply, or  [ ] §8.4(d)(ii) failure to deliver or accept on [ ] Shipments out of [ ] Shipments shall apply.  Annex H (***Credit Support Annex***) shall apply: [ ] to Buyer; and/or [ ] to Seller, in which case the following shall apply in addition to the above elections relating to Material Reason and the Material Reasons defined above in respect of a Party shall, unless noted to the contrary, apply equally to, as applicable, a Party’s Credit Support Provider and/or Controlling Party as specified in Annex H (***Credit Support Annex***):   * 1. **Material Adverse Change:**   The following categories of Material Adverse Change shall apply to Seller:  [ ] §14.3(a) **(Credit Rating)**, and the minimum rating shall be: ;  [ ] §14.3(b) (**Credit Rating of Credit Support Provider that is a Bank**) and the minimum rating shall be: ;  [ ] §14.3(c) (**Financial Covenants**), and  the EBIT to Interest ratio shall be: ,  the Funds From Operations to Total Debt ratio shall be: , and the Total Debt to Total Capitalisation ratio shall be: ;  [ ] §14.3(d) (**Decline in Tangible Net Worth**), and the relevant figure is: ; [ ] §14.3(e) (**Expiry of General Assurance or Credit Support Document**), and  [ ] the relevant time period shall be , or [ ] no time period shall apply;  [ ] §14.3(f) **(Failure of General Assurance or Credit Support Document)**; [ ] §14.3(g) **(Failure of Control and Profit Transfer Agreement)**;  [ ] §14.3(h) **(Impaired Ability to Perform)**; and [ ] §14.3(i) **(Amalgamation/Merger)** |

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| The following categories of Material Adverse Change shall apply to Buyer:  [ ] §14.3(a) **(Credit Rating)**, and the minimum rating shall be: ;  [ ] §14.3(b) **(Credit Rating of Credit Support Provider that is a Bank)** and the minimum rating shall be: ;  [ ] §14.3(c) **(Financial Covenants)**, and  the EBIT to Interest ratio shall be: ,  the Funds From Operations to Total Debt ratio shall be: , and the Total Debt to Total Capitalisation ratio shall be: ;  [ ] §14.3(d) **(Decline in Tangible Net Worth)**, and the relevant figure is: ; [ ] §14.3(e) **(Expiry of General Assurance or Credit Support Document)**, and  [ ] the relevant time period shall be , or [ ] no time period shall apply;  [ ] §14.3(f) **(Failure of General Assurance or Credit Support Document)**; [ ] §14.3(g) **(Failure of Control and Profit Transfer Agreement)**;  [ ] §14.3(h) **(Impaired Ability to Perform)**; and [ ] §14.3(i) **(Amalgamation/Merger)**  (c) **Provision of Financial Statements and Decline in Tangible Net Worth**  §14.4 shall not apply: [ ] to Buyer; and/or [ ] to Seller.  §14.4 shall apply: [ ] to Buyer; and/or [ ] to Seller, in which case the following shall apply:  §14.5 shall not apply: [ ] to Buyer; and/or [ ] to Seller.  §14.5 shall apply: [ ] to Buyer; and/or [ ] to Seller, in which case the following shall apply:  [ ] Seller shall have a duty to notify as provided in §14.5, and the applicable figure for it shall be , or  [ ] Seller shall have no duty to notify as provided in §14.5, and  [ ] Buyer shall have a duty to notify as provided in §14.5, and the applicable figure for it shall be , or  [ ] Buyer shall have no duty to notify as provided in §14.5 |
| (F) [ ] The percentage payment structure as set out in §12.2 will be changed to:  the first installment shall be [ ] %, and the second installment shall be [ ]%, of the Contract Price (subject to re-adjustment if NCVcp measurement at Discharge Port is elected in accordance with  Part I, Section 1 relating to Contract Price) |
| (G) Currency of payments to be made under this Individual Biomass Contract (§12.2): |
| (H) “Interest Rate” shall be Compounded SONIA + percent ( %) per annum (§12.6). |
| (I) Disputed Amounts (§12.7) : [ ] §12.7(a) shall apply, or [ ] §12.7(b) shall apply |
| (J) [ ] §16.2, (***Assignment to Affiliates***) shall apply |
| (K) Insurance CIF Individual Biomass Contracts (Annex D) [ ] Institute Cargo Clauses (A) |

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| (L) This Individual Biomass Contract shall be, as applicable:  [ ] an Uncovered Transaction, as defined in and under the terms of the EFET form Cross-Product Master Netting Agreement made between the Parties and dated [ ]  [ ] an Additional Netted Agreement, as defined in and under the terms of the EFET form Master Netting Agreement made between the Parties dated [ ]  [ ] {other} |
| (M) Time Zone: [ ] (if applicable) |
| (N) [ ] Annex I (***Code of Conduct***) applies OR  [ ] Code of Conduct of [Supplier]/[Buyer] will apply to this Individual Biomass Contract and will become part of this Individual Biomass Contract. |
| **3. ANY OTHER AGREED TERMS** |

###### [Balance of Page Intentionally Left Blank]

Executed by the duly authorised representative of each Party effective as of the Effective Date:

|  |  |
| --- | --- |
| [Name of Party] | [Name of Party] |
| [Name of Signatory/ies] | [Name of Signatory/ies] |
| [Title of Signatory/ies] | [Title of Signatory/ies] |

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**POLICY PRINCIPLE 1: GHG Balance**

The verification of this GHG balance principle requires the accounting of all kind of energy consumption along the biomass supply chain. The GHG balance will be calculated on the basis of the information gathered and audited.

**Raw material sourcing**

This sheet should be filled in for every stream of raw woody material per type and origin.

|  |  |  |
| --- | --- | --- |
| RAW MATERIAL 1  *(please use one copy of this table for each raw material)* | | |
| country / region of origin : ……………………………..  mass ratio in the total on year base: ………………. %   * raw material is not at all wood (less than 5% in mass on year base) then specify:   ………………………………………………………………………….   * raw material is only partially wood (between 5% and 95% in mass on year base) * raw material is essentially wood (more than 95% in mass on year base) * raw material is guaranteed more than 99% pure wood | | |
| Type, origin and form of the raw woody material as received | Forest certification system (if any) | Transport data |
| **0.1 TYPE OF RAW MATERIAL** | | |
| ***(****Check only one box)*   * timber wood * short rotation coppices5 (plantation) * clean wood residues * recycled wood (with traces of paint, varnish, preservatives, MDF, fibreboards, etc.) | * **none** * FSC * PEFC * CSA-SFM * SFI * FFCS * APSC * Other, namely: | Average moisture content:  ..................% dry matter  Average distance to the final biomass product plant  ………………..km/type of vehicle |
| **0.2 ORIGIN** |  | Transport data |
| ***(****Check only one box)*   * saw mills * forest harvesting * forest thinning * sanitary cuttings (dead, ill) * wind throw trees * wood industry (furniture, carpentry, fibreboards, plywood, etc.) * garden & park cleaning * domestic or industrial waste | If timber wood: check if legality of the wood is proven.   * YES * NO   and justify. | type of vehicle :   * conveyor belt * truck * train * river boat * sea going vessel * other (specify)   ……………….............................. |
| **0.3 FORM** |  | Transport data |

5 Short rotation coppices are wood originating from quick growing vegetal species such that the grown biomass is harvested on a periodic base being maximal 8 years after the first planting of after the first harvest.

Annex G - 7

|  |  |  |
| --- | --- | --- |
| ***(****Check one or several box(es))*   * saw dust * shavings * wood offcuts * wood chips * wood bark * round wood * wood logs * inhomogeneous form |  | Average load per vehicle in ton:  ………......metric ton |

Source: DraxPower UK

|  |  |  |  |
| --- | --- | --- | --- |
| **0.4 In case of crops: chemicals and fuel usage** | | | |
| **Description of stage or process** | | | |
| *Please add details here …* | | | |
| **Input parameters** | | | |
| **General** | | **Units** | **Value** |
| Average Annual Yield | | t/ha/yr |  |
| % Moisture content | | % |  |
| Plantation lifetime | | yrs |  |
| **Land-use** | |  |  |
| Was plantation established after 31/12/07? | | | |
| What was the previous Land Use? | | | |
| **Chemicals (Yr 0)** | **Units** | **Value** | **Assumptions** |
| Planting density | no./ha |  |  |
| N fertiliser | kgN/ha |  |  |
| P fertiliser | kgP2O5/ha |  |  |
| K fertiliser | kgK20/ha |  |  |
| Other fertiliser | kg/ha |  |  |
| Lime | kgCaO/ha |  |  |
| Pesticides | kgAS/ha |  |  |
| Herbicides | kgAS/ha |  |  |
| Fuel usage | l/ha |  |  |
| **Cut-back** | **Units** | **Value** | **Assumptions** |
| Herbicides | kgAS/ha |  |  |
| Fuel usage | l/ha |  |  |
| **Chemicals (Yr 1+)** | **Units** | **Value** | **Assumptions** |
| N fertiliser | kgN/ha/yr |  |  |
| P fertiliser | kgP2O5/ha/yr |  |  |
| K fertiliser | kgK20/ha/yr |  |  |

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|  |  |  |  |
| --- | --- | --- | --- |
| Other fertiliser | kg/ha/yr |  |  |
| Lime | kgCaO/ha/yr |  |  |
| Pesticides | kgAS/ha/yr |  |  |
| Herbicides | kgAS/ha/yr |  |  |
| Fuel usage | l/ha/yr |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **0.5 Harvesting, baling, chipping (includes collection and carting/forwarding)** | | | |
| **Description of stage or process** | | | |
| *Please add details here …* | | | |
| **Input parameters** | | | |
|  | | | |
| **General** | **Units** | **Value** | **Assumptions** |
| % Moisture content - | % |  |  |
| % Moisture content - End | % |  |  |
| % losses | % |  |  |
| **Harvesting** | **Units** | **Value** | **Assumptions** |
| Harvesting cycle | yrs |  |  |
| Residue availability | t/ha/yr |  |  |
| Fuel usage | l/ha |  |  |

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**Processing of biomass**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **General data** | | | | |
| Most recent best estimate of real annual production | | …………………………. metric tons of final biomass product/year | | |
| Give the origin of the **electricity** used in the final biomass product production process. | | * from network * own generation   + genset   + **fossil** cogeneration plant   + **bio**cogeneration plant   + wind or solar farm   + other (specify)   …………………………… | | \_ \_ \_ %  \_ \_ \_ %  \_ \_ \_ %  \_ \_ \_ %  \_ \_ \_ %  \_ \_ \_ % |
| **Drying**  If the raw material must be thermally dried, this table has to be considered and filled in. | | | | |
| Dryer informatio n | Best estimate of heat consumption for drying | .........................kWh / ton final biomass product | | |
| Origin of the heat used in the biomass boiler | * conventional biomass boiler * conventional fossil fuel boiler * biomass cogeneration (combined heat and power) * fossil fuel cogeneration (combined heat and power) | | |
| Electricity consumption | | …………………………kWh / metric ton final biomass  product | | |
| Give the origin of the **electricity** used in the final biomass product production process6. | | * from network * own generation   + genset   + **fossil** cogeneration plant   + **bio**-CHP plant   + wind or solar farm   + other (specify)   …………………………… | \_ \_ \_ %  \_ \_ \_ %  \_ \_ \_ %  \_ \_ \_ %  \_ \_ \_ %  \_ \_ \_ % | |

6 In accounting for the consumption of electricity not produced within the fuel production plant, the RED states that the GHG emission intensity of the production and distribution of that electricity shall be assumed to be equal to the average emission intensity of the production and distribution of electricity in a defined region. By derogation from this rule, producers may use an average value for an individual electricity production plant for electricity produced by that plant, if that plant is not connected to the electricity grid.

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Each fossil and non fossil energy resource used in the biomass production process has to be described in the table hereunder. Use as many copies of this table as necessary.

|  |  |
| --- | --- |
| **Fuel 1** | * natural gas * industrial gas * diesel oil * propane * waste heat fossil boiler * biomass * other (specify)………………………. |
| Low heating value | …………………………MJ/liter  …………………………MJ/kg  …………………………MJ/Nm³ |
| Fuel consumption  *(please report in litre or kg for liquid fuel, in Nm³ for gas, and in kg for solid fuels)* | …………………………litres / metric ton final biomass product  …………………………kg / metric ton final biomass product  …………………………Nm³ / metric ton final biomass product |

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**Transportation scheme of the biomass product**

**Inland road transportation**

|  |  |  |
| --- | --- | --- |
| Road distance **K**=...………………. km Load of the trucks **Q**=...…………metric tons | Transport to:  City/Town of …………………….…   * train station * sea harbour * river harbour * power plant | Truck powered by:   * fossil diesel oil * bio-diesel * bio-ethanol * other   ................................................. |

**Inland rail transportation**

|  |  |  |
| --- | --- | --- |
| Distance  **K**=...…………………. km | Station of origin:  City/Town of ………………………  Transport to:  City/Town of ………………………   * train station * sea harbour * river harbour * power plant | Train powered by:   * electricity * diesel oil * bio-diesel * other   ................................................. |

**Inland river transportation (flatboats)**

|  |  |  |
| --- | --- | --- |
| Distance  **K**=...…………………. km  Load of the boat **Q**=...…………metric tons | *River harbour of origin:*  City/Town of ………………………  Transport to:  City/Town of ………………………   * sea harbour * power plant | Boats powered by:   * fossil diesel oil * bio-diesel * other   ................................................. |

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**International sea or river transportation**

|  |  |
| --- | --- |
| **Harbour of departure**   * sea harbour * river harbour | *City/Town: ……………………………*  Country : ……………………………... |
| **Contract type** | * Free-on-Board (*FOB*) * Cost Insurance Freight (*CIF*) |
| **Capacity of the whole ship used**  (whether be full or partial load) | **Nominal capacity Q =**   * Panamax: 70 000 metric tons * Handysize: 35 000 metric tons * Small ships: 3 000 metric tons * Other (specify)………………. metric   tons |
| **Backhaul**  Can you deliver evidence that backhaul is applied for the whole journey? | * ALWAYS * SOMETIMES, then please explain * NEVER |
| Approx. distance to ARAG port area :  Number of days of sea : | **S**=...………………………….. sea miles  **D**=...………………………….. days |
| **TOTAL energy consumption for the sea transport**  **L**=...……………………metric tons/day  **L x D**=...………………metric tons total | Type of used fuel by vessel   * Heavy Fuel Oil * Medium Diesel Oil * Light Diesel * Bio-Diesel * other, specify |

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**POLICY PRINCIPLE 2: CARBON STOCK**

|  |  |  |  |
| --- | --- | --- | --- |
| **2.** | **IF woody biomass raw material is produced from plantations only (not for waste and residues) Production of woody biomass does not take place at the expense of significant carbon reservoirs in vegetation and soil.** | | |
| 2.1 | Since January 1, 2008, have lands been converted?  If the answer is yes please notify which was the previous status of the land.  =>Verification  - Check maps and aerial pictures available from the forest management company or from other sources (including GIS portals, web based applications, local administrations...), licenses and permits | yes | no |
| COMMENTS: | | | |
| 2.2 | For any harvesting operations that occur, have practices, plans and timelines for enabling the subsequent natural regeneration or replanting the trees been implemented?  =>Verification   * Check details in the forest management documents: formal managements plans or other way to demonstrate commitment to replant * Check legal status of the land where the wood is harvested : is there any legal requirement that forest is replanted or regenerated after harvesting? * If replanting is needed : check what arrangements have already be taken   (service supplier, contract, planning, ….)   * Check manuals and procedures; also minutes of board of directors: is this practice really at the heart of the company? | yes | no |

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|  |  |  |  |
| --- | --- | --- | --- |
| 2.3 | Since January 1, 2008, has woody biomass production impacted the carbon storage property of existing wetlands, peatland and forest?  If Yes, please provide evidence that this has not led to negative impact on the carbon storage property of the wetlands, peatland and forests.  => Verification   * -Soil map or soil information layers on GIS portals (where peat soils and drainage status of the soils can be checked). * If no soil map is available, check if the forest management plans include the wetlands and peatland extent. * Critical: check when drainage installations (underground network or open channels) were installed or if they are present.   => Interpretation :   * production of wooded land does not change its status if reforestation or natural regeneration is secured by law, by a forestry certification system or by other evidence. * Maintenance of existing draining systems (older than 1/1/2008) is not considered as land use change. | yes | no |
| COMMENTS: | | | |
| 2.4 | Describe any additional efforts that have been made to prevent or mitigate a net loss of carbon from vegetation and/or soils e.g. by limiting the amount of forestry residues used or by insuring that trees removed will come back within a reasonable period (meaning at least no longer than 20 years) of time by natural regeneration or by replanting. | | |
|  | | | |

*Goal*

* + To gain insight into the change in land use due to plantation or the harvesting of biomass and understand if potential carbon sinks / storage are impacted.
  + To determine if above-ground carbon sinks (vegetation) and below-ground carbon sinks (soils) are conserved when “new” (beginning on or after January 1, 2008) plantations are set up or harvesting operations begin.
  + This criteria is qualitative and no quantitative and does not imply any baseline or monitoring assessment.

## Types of evidence / sources of information

* + Historic agricultural or forestry records that indicate the same type of biomass materials have been grown on, and harvested from, the same lands since January 2008.
  + Methodologies used to determine carbon losses from the soils and vegetation.
  + Studies indicating the probability of carbon recovery and the associated timeframe.
  + Research papers performed on carbon losses and recovery from similar geographical regions and biomass types.

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* Contracts with consultancies engaged to undertake research in this area.
* Note that forestry operations within OECD are usually not granted licenses to operate within wetlands, peatlands, highly biodiverse grasslands, protected areas or primary forest (due to environmental and other regulations).

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**POLICY PRINCIPLE 3: BIODIVERSITY**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **3.** | **POLICY PRINCIPLE: Production of wood biomass may not take place in areas with high biodiversity value, unless evidence is provided that the production of that raw material did not negatively interfere with nature protection purposes** | | | |
| 3.1 | Since January 1, 2008, have plantations or harvesting operations taken place into   * **highly biodiverse grassland**. * **areas designated for nature protection** * **primary forest**   If yes, a detailed risk analysis should be performed to prove that no significant negative effects are induced on biodiversity.  Verification :   * interviews with Forest Managers, Agricultural Plantation Managers, regulatory authorities and other stakeholders; * review of policies, procedures and records.   => Demonstrate previous exploitation older than 2008;  => Verification : according to definition. | | yes | no |
| COMMENTS: | | | | |
| 3.2 | Does biomass production and harvesting occur under a valid PEFC/FSC type forest certification that requires the protection of endangered species and the protection of biodiversity? | | yes | no |
| Certification standard: |  | | |
| Certificate holder participant: |  | | |
| Certificate number area: |  | | |
| COMMENTS: | | | | |
|  | ***If the answer to question 3.1 is “yes”, please skip to Section 4.0.*** | | | |

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|  |  |  |  |
| --- | --- | --- | --- |
| 3.3. | Do plantation or harvesting operations demonstrably meet applicable legislation with respect to endangered species and biodiversity?  => Criteria  1. In signatory countries, the provisions of all the binding international agreements shall be respected such as   * Cites (Convention on international Trade in endangered species of wild fauna and flora), * ITTA (International Tropical Timber Agreement) and * CBD (Convention on Biological Diversity).   2. Forest and Agricultural Plantations were not made in :   * “World heritage sites” UNESCO, * IUCN List of protected areas of IUCN categories I,II,III and IV * Ramsar areas, being wetlands falling under the “Convention on wetlands and “integrated biodiversity assessment tool” (IBAT).   In countries were such conventions were not signed, there is evidence that the local law addresses those matters.  => Indicators   * There is awareness and implementation of the requirements of the Convention of International Trade in Endangered Species (CITES) and CBD (Convention on Biological Diversity), controls in place to ensure continuous compliance with such. * Forest Managers are aware of the requirements and have implemented controls to ensure continuous compliance with ITTA * Non-native plant (non-tree) and animal species are introduced and/or native species re-introduced only if consultation with acknowledged experts and regulatory authorities establishes that they are non- invasive and will bring environmental benefits. * Where appropriate, local stakeholders are consulted prior to any introduction: all introductions are closely monitored.   => Verification   * Interviews with Forest Managers. * Operational documentation. * Review of policies, procedures and records. * Licenses and permits. | yes | no |
| 3.4 | What is the qualification of the staff responsible for managing the protection of endangered species and strengthening of biodiversity (including meeting applicable legislation), and for reporting outcomes to senior management? | | |
| 3.5 | Are environmental studies or assessments available to determine the existing species composition, objective valuable species , landscape patterns and to identify threatened species. Do these studies what might me the impact of plantations or harvesting operations on the biodiversity? | yes | no |
| COMMENTS: | | | |

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|  |  |  |  |
| --- | --- | --- | --- |
| 3.6 | Have these studies contributed to the development and implementation of management systems, plans, and practices for plantations or harvesting operations? Check the implementation.  => Verification   * Interviews with Forest Managers * Operational documentation * Review of policies, procedures and records. | yes | no |
| COMMENTS: | | | |
| 3.7 | Describe the outcomes of efforts, investments and/or practices used in production and harvesting that have been implemented to protect endangered species and to not negatively affect biodiversity . Provide any other information that is relevant to Policy Principle 3. This requires actual policies to be implemented and annually reviewed by the board. | | |
| COMMENTS: | | | |

*Goal*

* + To determine whether biomass plantations or harvesting operations do not negatively impact biodiversity and threatened species, and that measures have been taken to prevent and/or mitigate potential impacts.

*Types of evidence / sources of information*

* + Certificate or registration documents for sustainable resource management or environmental quality assurance scheme certification, which include measures to maintain biological diversity and valuable ecosystems.. Indeed some certification programs will encourage landowners to reforest following harvest, to conserve biological diversity and to identify and protect important habitat elements for wildlife (including endangered species). In addition some standards will require the promotion of biological diversity at stand and landscape levels.
  + Records of Forestry Management plan and/or operational procedures
  + Documentation that identifies applicable biodiversity and endangered species legislation.
  + Studies specifically focused on biodiversity and/or endangered species.
  + Field audit or inspection reports.
  + Personnel listings and qualifications.
  + Environmental studies or assessments that pertain to biodiversity and endangered species in and around the area of plantations or harvesting operations.

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* Many companies operating within the OECD are closely monitored for regulatory compliance. This public record, together with certified sustainable management system elements and other quality management processes will probably meet the intention of this Policy Principle.

**POLICY PRINCIPLE 4: PROTECTION OF SOIL QUALITY**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **4** | **POLICY PRINCIPLE: Production of woody biomass should maintain or improve the soil quality.** | | | | | |
|  | **PLANTATION OR HARVESTING OPERATIONS** | | | | | |
| 4.1 | Do biomass cultivation and harvesting operations demonstrably meet applicable soil quality legislation? | | yes | | no | |
| 4.2 | Do biomass production and harvesting operations occur under a valid certification that requires the protection of soil ? | | yes | | no | |
| Certification standard: |  | | | | |
| Certificate holder :participant: |  | | | | |
| Certificate number area: |  | | | | |
|  | ***If the answer to question 4.1 is “yes”, please skip to question 4.7.*** | | | | | |
| 4.3 | Can formal management systems, plans or practices demonstrate the prevention of erosion, preservation of the nutrient balance and of the soil organic matter (SOM) and prevention of soil eutrophication or salination during plantations or harvesting operations? | | yes | no | | n/a |
| 4.4. | Can formal management system, plans or practices demonstrate the minimization of compaction or other soil degradation risks? | | yes | no | | n/a |
| 4.5 | Can formal management systems, plans and practices demonstrate the minimization of pesticide and/or agrochemical use? | | yes | no | | n/a |
| 4.6 | Can formal management systems, plans and practices demonstrate the prevention of residual products use be in violation of other local essential operations for the preservation of the soil quality and structure? | | yes | | no | |
|  |  | |  | |  | |
| 4.7 | Describe the outcome of any measures used to prevent soil degradation, being physical or chemical, and provide any other information that is relevant to Policy Principle 4. | | | | | |
| COMMENTS: | | | | | | |
| 4.8 | What is the experience and qualification of the personnel on staff who are responsible for managing the protection of soil quality (including meeting applicable legislation) and for reporting outcomes to senior management? | | | | | |

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|  |  |  |  |
| --- | --- | --- | --- |
|  | **BIOMASS PROCESSING AND TRANSFORMING** | | |
| 4.9 | Do biomass processing/transforming operations demonstrably meet applicable legislation for soil? | yes | no |
| 4.9 | Describe any measures used to prevent pollution to soil.  Locked storage from unauthorized personnel and watertight flooring should be used for fertilizers, pesticides and/or agrochemicals. Personnel using these materials should be qualified.  Provide any other information that is relevant to Policy Principle 4. | | |
| COMMENTS: | | | |
| 4.10 | What is the experience and qualification of personnel on staff who are responsible for managing the protection of soil quality (including meeting applicable legislation) and for reporting outcomes to senior management? | | |

*Goal*

* + To determine if operations throughout the supply chain maintain or improve the soil quality .

*Types of evidence / sources of information*

* + For plantations or harvesting operations:
    - Management plan elements and/or operational procedures.
    - Certificate or registration documents for sustainable resource management or environmental quality assurance scheme certification7.
    - Agricultural or forestry operational records.
    - Documentation that identifies applicable soil quality legislation.
    - Field audit or inspection reports.
    - Personnel listings and qualifications.
    - Environmental studies or assessments that pertains to soil impacts.
    - Studies specifically focused on soil quality as it relates to the area used for plantations or harvesting operations.
  + For transforming and processing:
    - Description of all operations on-site.
    - Management plan elements and/or operational procedures.
    - Operational or planning documents that identify applicable soil quality legislation.

7 Some certification programs will specifically require landowners to meet or exceed applicable federal, regional (provincial/state), and implement good management practices. The details of potentially applicable certification schemes or programs should be provided.

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* Operational procedures for disposal of waste.
* Personnel listings and qualifications.
* Many companies operating within the OECD are closely monitored for regulatory compliance. This public record, together with certified sustainable management plan elements and other quality management system elements will probably meet the intention of this Policy Principle.
* Because certification programs do not necessarily address the prevention of soil degradation, additional questions have been included.

# POLICY PRINCIPLE 5: PROTECTION OF WATER RESOURCES

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **5** | **POLICY PRINCIPLE: Production of woody biomass should not exhaust ground and surface water and should avoid or significantly limit negative impacts on water.** | | | | | |
|  | **PLANTATIONS OR HARVESTING OPERATIONS** | | | | | |
| 5.1 | Do biomass production and harvesting operations demonstrably meet applicable water legislation (including necessary permits) ? | | yes | | no | |
| 5.2 | Do biomass production and harvesting operations occur under a valid certification that requires the protection of water quality? | | yes | | no | |
| Certification standard: |  | | | | |
| Certificate holder :participant: |  | | | | |
| Certificate number : : |  | | | | |
|  | ***If the answer to question 5.2 is “yes”, please skip to question 5.9.*** | | | | | |
| 5.3. | Can formal management systems, plans or practices demonstrate that annual measurements are carried out to evaluate the use of irrigation water in litres per hectare a year, to identify the origin of this irrigation water and the level of water in receiving water bodies used? | | |  | |  |
| 5.4. | Can formal management systems, plans or practices demonstrate that the practices applied in operational management are aimed at efficient water use? | | |  | |  |
| 5.5 | Can formal management systems, plans or practices demonstrate that the use of non-renewable water sources is prevented? | | | yes | | no |
| 5.6 | Can formal management systems, plans or practices demonstrate that annual measurements are carried out to evaluate the biological oxygen demand (BOD) on and near the production and processing unit? | | | yes | | no |
| 5.7 | Indicate the average quantity of fertilizer inputs used to establish and cultivate the biomass | | …………tons/ha/year  ….…. (type fertilizer) | | | |
| 5.8. | Describe the outcome of any measures used to prevent pollution to water and to treat effluents, and provide any other information that is relevant to Policy Principle 5. | | | | | |
| COMMENTS | | | | | | |
| 5.9. | What is the experience and qualification of personnel on staff who are responsible for managing the protection of water quality (including meeting applicable legislation) and for reporting outcomes to senior management? | | | | | |
| COMMENTS: | | | | | | |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **BIOMASS PROCESSING AND TRANSFORMING** | | | | |
| 5.10 | Do biomass processing/transforming operations demonstrably meet applicable legislation for water discharges? | yes | | no | |
| 5.11 | Can formal management systems, plans or practices demonstrate that annual measurements are carried out to evaluate the biological oxygen demand (BOD) on and near the production and processing unit? | yes | | no | |
| 5.12 | Can formal management systems, plans or practices demonstrate that the practices applied in operational management are aimed at efficient water use? | yes | no | | n/a |
| 5.13 | Can formal management systems, plans or practices demonstrate that the use of non-renewable water sources is prevented? | yes | no | | n/a |
| COMMENTS: | | | | | |
| 5.14. | What is the experience and qualification of personnel on staff who are responsible for managing the protection of water quality (including meeting applicable legislation) and for reporting outcomes to senior management? | | | | |
| COMMENTS: | | | | | |
| 5.15 | Describe any measures used to prevent pollution to water, and/or to treat effluents, and provide any other information that is relevant to Policy Principle 5. | | | | |
| COMMENTS: | | | | | |

## Goal

* + To determine whether operations throughout the supply chain do not exhaust ground and surface water and avoid or significantly limit negative impacts on water.

## Useful specific definitions

* + **irrigation** water– specifically drawing water for production and harvesting (as opposed to natural rainfall). This does not include drawing water for dust suppression during harvesting.

## Types of evidence / sources of information

* + For plantations or harvesting operations:

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•

* + - Management plan elements and/or operational procedures.
    - Certificate or registration documents for sustainable resource management or environmental quality assurance scheme certification8.
    - List of all water sources that are used for artificial irrigation.
    - Agricultural or forestry operational records.
    - Documentation that identifies applicable to water quality legislation.
    - Field audit or inspection reports.
    - Personnel listings and qualifications.
    - Environmental studies or assessments that pertains to water impacts.
    - Studies specifically focused on water quality as it relates to the area used for plantations or harvesting operations.
* For transforming and processing:
* Description of all operations on-site.
* Management plan elements and/or operational procedures.
* Operational or planning documents that identify applicable water quality legislation.
* List of all water sources that are used in operations.
* Liquid effluent licenses.
* Operational procedures for treatment of discharges.
* Personnel listings and qualifications.
* Many companies operating within the OECD are closely monitored for regulatory compliance. This public record, together with certified sustainable management plan elements and other quality management system elements will probably meet the intention of this Policy Principle.
* Because certification programs do not necessarily address the conservation of water resources, and equipment maintenance, additional questions have been included.

8 Some certification programs will specifically require landowners to meet or exceed applicable federal, regional (provincial/state), and implement good management practices. The details of potentially applicable certification schemes or programs should be provided.

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# POLICY PRINCIPLE 6: PROTECTION OF AIR QUALITY

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **6** | **POLICY PRINCIPLE: Production of woody biomass should avoid negative impact or significantly reduce impact on air quality.** | | | |
|  | **PLANTATION AND HARVESTING OPERATIONS** | | | |
| 6.1 | Do biomass production and harvesting operations demonstrably meet applicable air quality legislation? | | yes | no |
| 6.2 | Do biomass production and harvesting operations occur under a valid certification that requires the protection of air quality? | | yes | no |
| Certification standard: |  | | |
| Certificate holder participant: |  | | |
| Certificate number area: |  | | |
|  | ***If the answer to question 6.2 is “yes”, please skip to question 6.8.*** | | | |
| 6.3. | Do management policies and practices demonstrate that measures are applied to minimize emissions of substances in the air? | | yes | no |
| 6.4. | Do management policies and practices demonstrate that the burning of residues or waste material in open air is avoided unless it can be proven that it is the desirable choice to conquer pests? | | yes | no |
| 6.5. | Do management policies and practices demonstrate that any case of burning are registered and that the presence of adequate firefighting equipment is ensured? | | yes | no |
| 6.6. | What is the experience and qualification of personnel on staff who are responsible for managing the protection of air quality (including meeting applicable legislation) and for reporting outcomes to senior management? | | | |
| 6.7. | Provide any other information that is relevant to Policy Principle 6. | | | |
| COMMENTS: | | | | |
|  | **BIOMASS PROCESSING AND TRANSFORMING** | | | |
| 6.8. | Do biomass processing/transforming operations demonstrably meet applicable legislation for emissions to the air | | yes | no |
| 6.9. | Do management policies and practices demonstrate that measures are applied to minimize emissions of substances in the air? | | yes | no |
| 6.10. | Do management policies and practices demonstrably show that annual measurements of substances emission in air are carried out and that the results are recorded ? | | yes | no |

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|  |  |  |  |
| --- | --- | --- | --- |
| 6.11. | Do management policies and practices prohibit the disposal of processing & transforming wastes through open burning)?  If No, please provide evidence that adequate firefighting equipment is in place. | yes | no |
| COMMENTS: | | | |
| 6.12. | What is the experience and qualification of personnel on staff who are responsible for managing the protection of air quality (including meeting applicable legislation) and for reporting outcomes to senior management? | | |
| COMMENTS: | | | |
| 6.13 | Provide any other information that is relevant to Policy Principle 6. | | |
| COMMENTS: | | | |

## Goal

* + To determine if operations throughout the supply chain are avoid negative impact or significantly reduce impact on air quality..

## Useful specific definitions

* + **open burning** – practices specifically used to dispose of biomass wastes resulting from harvesting, transforming or processing operations. This is not meant to include acceptable forest management techniques, such as controlled burning for site preparation, wild fire control or pest removal.

## Types of evidence / sources of information

* + For plantations or harvesting operations:
    - Management plan elements and/or operational procedures.
    - Certificate or registration documents for sustainable resource management or environmental quality assurance scheme certification9.
    - Agricultural or forestry operational records.
    - Documentation that identifies applicable air quality legislation.
    - Field audit or inspection reports.
    - Personnel listings and qualifications.
    - Environmental studies or assessments that pertains to air impacts.

9 Some certification programs will specifically require landowners to meet or exceed applicable federal, regional (provincial/state), and implement good management practices. The details of potentially applicable certification schemes or programs should be provided.

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- Studies specifically focused on air quality as it relates to the area used for production and harvesting operations.

* For transforming and processing:
* Description of all operations on-site.
* Management plan elements and/or operational procedures.
* Operational or planning documents that identify applicable air quality legislation.
* Air emission licenses.
* Operational procedures for treatment of emissions.
* Personnel listings and qualifications.
* For local transportation:
* Management plan elements and/or operational procedures for reducing and controlling air emissions.
* Air emissions monitoring plans and results.
* Equipment maintenance and optimization schedules.
* Many companies operating within the OECD are closely monitored for regulatory compliance. This public record, together with certified sustainable management plan elements and other quality management system elements will probably meet the intention of Policy Principle 6.
* Because certification programs do not necessarily address the prevention of burning to dispose of harvesting wastes, and equipment maintenance, additional questions have been included.

# POLICY PRINCIPLE 7: COMPETITION WITH LOCAL BIOMASS APPLICATION

In section 7 of this document the term “local” designates workers or community included in the

direct sphere of economical influence or in the same administrative area of the most relevant level.

|  |  |  |  |
| --- | --- | --- | --- |
| **7.** | **Production of woody biomass should not endanger food, water supply or subsistence means of communities where the use of this specific biomass or water is essential for the fulfilment of basic needs.** | | |
| 7.1 | Is there documentation of risks assessment performed with regard to competition with food, water supply or other subsistence means ? | yes | no |
| 7.2 | Is the raw biomass material likely to be used by local communities for the fulfilment of basic needs (? | yes | no |
| 7.3. | Describe the potential changes to land use, water availability, prices and availability of land and food that were identified |  | |
| COMMENTS: | | | |
| 7.4 | Have formal management systems, practices or plans been established to monitor and mitigate any potential impacts on subsistence uses of the biomass? | yes | no |
| 7.5 | Have the representatives of the local community been consulted to assess the potential local and regional impacts of the commercial use (i.e. for energy purposes) of this biomass and to define mitigation measures? Are there any agreements between the company and formal representatives of the local community that approve the use of biomass material? | yes | no |
| COMMENTS: | | | |
| 7.6 | Describe, if any, the risks mitigation measures with regard to competition with food, water supply or other subsistence means that derive from the risk assessment. | | |
| COMMENTS: | | | |

Goal

* + To determine if using the biomass raw material for bio-electricity generation has adversely affected communities that may rely, or have relied, upon it for basic needs, and if measures have been taken to prevent and/or mitigate potential impacts.

## Types of evidence / sources of information

* + Interviews of a representative sample of stakeholders.

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* Description of any customary and traditional uses of the biomass materials in the geographic area of the plantations or harvesting operations.
* Methodologies used to monitor and report on the impacts of biomass establishment, plantations or harvesting operations on subsistence uses.
* Studies or research detailing per capita production of biomass for subsistence uses, and any changes due to industrial use of the biomass.
* Studies or research performed on the availability of biomass for food, wood fuel, building materials or other necessities and any changes due to the industrial use of the resource.
* Contracts with consultancies engaged to undertake research in this area.
* Management plan elements that identify monitoring and mitigation measures.

# POLICY PRINCIPLE 8: LOCAL SOCIO-ECONOMIC PERFORMANCE

In section 8 of this document the term “local” designates workers or community included in the direct sphere of economical influence or in the same administrative area of the most relevant level.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **8.** | **Production of woody biomass should respect property rights and contribute to local prosperity and to the welfare of the employees and the local population.** | | | |
|  | **BIOMASS PRODUCTION AND HARVESTING** | | | |
| 8.1 | Do management policies and/or practices demonstrate a preference for using local suppliers and contractors (including design & development)? | | yes | no |
| 8.2 | Provide the approximate percentage of the procurement budget that is spent on local suppliers and contractors.  Please detail the scope of your suppliers involved. | | % | |
| 8.3 | Do management policies and practices demonstrate a preference for hiring and promoting from within the local community? | | yes | no |
| 8.4 | Provide the approximate percentage of employees and senior management that are local. | % of employees | % of senior  mgmt. | |
| 8.5 | Can it be demonstrated that management policies and practices specifically include the provision of appropriate wages and benefits to migrant labourers? | | yes | no |
| 8.6 | Describe voluntary contributions, donations and other investments that are being made to cover the needs of the local community or linking up with an existing program in the area to contribute to the local society. | | | |
| COMMENTS | | | | |
| 8.7 | Describe any corporate social responsibility reports, certifications or audits. | | | |
| COMMENTS | | | | |
| 8.8 | Describe any other efforts that are contributing to the prosperity of the local community. | | | |
| COMMENTS | | | | |
| 8.9 | Have management policies and practices been implemented, and regularly audited, to protect worker health and safety, to prevent potential accidents and injury, to minimize workplace hazards, to ensure employee safety training, and to provide necessary protective equipment in the workplace? | | yes | no |
| 8.10 | Describe who within the company are responsible for the safety of all personnel, for implementing regular employee safety training, for ensuring the provision of appropriate | | | |

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|  |  |
| --- | --- |
|  | safety equipment, and for regular reporting to senior management. |
| COMMENTS | |
| 8.11 | Describe the management policies and practices implemented, and / or the consultation processes and dispute resolution mechanisms used to   * ensure that no lands are used without the informed consent of the land users, and customary rights of the indigenous populations are recognized and respected. * address and mitigate issues regarding tenure rights and land use claims, in particular for indigenous populations. * to contribute to the social well-being of employees and the local community * engage local communities in any other way |
| COMMENTS | |
| 8.12 | Describe management policies and practices that has been correctly and demonstrably implemented to:   * uphold high standards of business integrity and not engage in illegal activities, such as corruption, bribery, fraud, extortion or money laundering * allow employees to form/join trade unions and bargain collectively without discrimination, harassment, intimidation or retaliation * prevent discrimination in the following areas: hiring, remuneration, access to training, promotion, termination and retirement * ensure that employee wages meet or exceed legal minimums and/or industry standards, and that illegal, unauthorized or disciplinary deductions from wages do not occur * prevent the illegal employment of underage workers, any other forms of underage   worker exploitation, and working conditions harmful to young workers’ health   * prevent all forms of forced labor (e.g. lodging “deposits”, retention of identity documents, corporal punishment, mental/physical coercion, or withholding wages, benefits or property) |
| COMMENTS | |
| 8.13 | Describe by which means the staff responsible for managing the implementation of policies and practices regarding business ethics, fair labor practices, preventing forced and underage labor (including meeting applicable legislation in these areas), and reporting outcomes to senior management are suitably qualified. |
| COMMENTS | |
| 8.14 | Describe the management policies and practices used to uphold high standards of business ethics, protect fair labour practices and human rights, and prevent forced and underage labour and their outcomes. |
| 8.15 | Describe any additional efforts that are being made to uphold high standards of business ethics, protect fair labour practices and human rights, and prevent forced and underage labour. Refer to ILO conventions applicable locally if possible. |
| COMMENTS | |

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| --- | --- | --- | --- | --- |
|  | **BIOMASS PROCESSING AND TRANSFORMING** | | | |
| 8.16 | Do management policies and/or practices demonstrate a preference for using local suppliers and contractors? | | yes | no |
| COMMENTS: | | | | |
| 8.17 | Provide the approximate percentage of the procurement budget that is spent on local suppliers and contractors. | | % | |
| 8.18 | Do management policies and practices demonstrate a preference for hiring and promoting from within the local community? | | yes | no |
| COMMENTS: | | | | |
| 8.19 | Provide the approximate percentage of employees and senior management that are local. | % of employees | % of senior  mgmt. | |
| 8.20 | Do management policies and practices specifically include the provision of appropriate wages and benefits to migrant labourers? | | yes | no |
| COMMENTS: | | | | |
| 8.21 | Describe voluntary contributions, donations and other investments that are being made to the local community. | | | |
| 8.22 | Describe any corporate social responsibility reports, certifications or audits. | | | |
| 8.23 | Describe any other efforts that are contributing to the prosperity of the local community. | | | |

## Goals

* + To determine if all stages of the supply chain provide both direct and indirect positive economic benefits and/or contributions to the local community.
  + To determine if production and harvesting operators are upholding basic human rights, protecting community health and safety, and implementing fair labour and ethical business practices.
  + Specifically to ensure that production and harvesting operators are:
    - Not employing underage workers (as defined by applicable local laws) or using forced labour, which consists of any work or service not voluntarily performed that is exacted from the individual under threat of force or penalty;
    - Not breaching any fundamental human rights in the countries in which they operate, or are complicit in the breach of such rights by third parties, including their governments;
    - Upholding high standards of business ethics and not engaging in illegal activities such as corruption, bribery, fraud, extortion or money laundering;

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