

# Certification Evaluation Report: Surveillance Assessment

*Roundtable on Sustainable Biomaterials*

*Biomass Group*

## SCS Certificate Code-SCS-RSB/PC-0017

114, Ward Place, Colombo 7, Sri Lanka

[www.biomass-group.com](http://www.biomass-group.com)

CERTIFIED	EXPIRATION
August 26, 2015	August 25, 2020

DATE OF FIELD AUDIT
April 27-29, 2015
DATE OF LAST UPDATE
February 6, 2017

SCS Contact:

**Matthew Rudolf** | Manager

Environmental Certification Services

+1.510.452.8018

[mrudolf@scsglobalservices.com](mailto:mrudolf@scsglobalservices.com)

**SCS**global  
SERVICES  
*Setting the standard for sustainability™*

2000 Powell Street, Ste. 600, Emeryville, CA 94608 USA

+1.510.452.8000 main | +1.510.452.8001 fax

[www.SCSglobalServices.com](http://www.SCSglobalServices.com)

## FOREWORD

---

SCS Global Services (SCS) is a certification body accredited by the Roundtable on Sustainable Biomaterials (RSB) to conduct evaluations of biofuel operators. Under the RSB/SCS certification system, participating operators meeting international standards of biofuel production can be certified as “sustainable,” thereby permitting the Operator’s use of the RSB endorsement and logo in the marketplace subject to regular RSB/SCS oversight.

SCS deploys interdisciplinary teams of natural resource specialists and other experts all over the world to conduct evaluations of biofuel operations. SCS evaluation teams collect and analyze written materials, conduct interviews with Participating Operator’s staff and key stakeholders, and complete field and office audits of the operation(s) identified in the certification scope. Upon completion of the fact-finding phase of all evaluations, SCS teams determine compliance to the RSB Principles and Criteria.

Please Note: An RSB certificate itself does not constitute evidence that a particular product supplied by the certificate holder is certified to RSB standards. Products offered, shipped or sold by the certificate holder can only be considered covered by the scope of this certificate when the required RSB claim is clearly stated on-product. For more information about the RSB, visit their website at [www.rsb.org](http://www.rsb.org).

### **Organization of the Report**

This report of the results of our evaluation is divided into two sections. Section A provides the public summary and background information that is required by the Roundtable on Sustainable Biomaterials. This section is made available to the general public and is intended to provide an overview of the evaluation process, the management programs, and policies applied to the Participating Operator, and the results of the evaluation. Section A will be posted on the RSB Participating Operators Database (<http://rsb.org/certification/participating-operators/>). Section B contains more detailed results and information for use by the Participating Operator.

## CONTENTS

---

<b>SECTION A – PUBLIC SUMMARY .....</b>	<b>4</b>
<b>1.0 GENERAL INFORMATION.....</b>	<b>4</b>
1.1 Operator Information .....	4
1.1.1 Name and Contact Information .....	4
1.2 Scope of Certificate.....	4
1.3 Standards Used .....	6
1.3.1 Applicable RSB-Accredited Standards.....	6
<b>2.0 EVALUATION PLANNING &amp; PROCESS.....</b>	<b>6</b>
2.1 Documentation Submitted by Operator .....	6
2.2 Audit Type and Determination .....	8
2.3 Audit Team.....	8
2.3.1 Determination of Audit Team .....	8
2.3.2 Audit Team.....	9
2.4 Evaluation Schedule and Extent of Audit.....	9
2.4.1 Determination of Extent of Audit .....	9
2.4.2 Evaluation Itinerary and Activities .....	9
2.5 Evaluation of Management System.....	9
2.5.1 Methodology and Strategies Employed.....	9
2.5.2 Capacity of the participating operator to implement its management systems.....	10
2.5.3 Evaluation of RSB compliance claims and use of RSB trademarks .....	10
2.6 Stakeholder Consultation Process .....	10
2.6.1 Summary of Stakeholder Comments and Responses from the Team, Where Applicable .....	11
<b>3.0 RISK ASSESSMENT RESULTS.....</b>	<b>12</b>
<b>4.0 RESULTS OF THE EVALUATION .....</b>	<b>12</b>
4.1 Equivalence between the Audit Team Evaluation and the Operator Self Evaluation .....	12
4.2 Process of Determining Compliance.....	13
4.2.1 Structure of Standard and Degrees of Non-Compliance .....	13
4.2.2 Interpretations of Major and Minor Non-compliances .....	14
4.2.3 Major Non-compliances.....	14
4.2.4 Non-compliances and Current Status .....	14

**5.0 CERTIFICATION DECISION..... 20**

## SECTION A – PUBLIC SUMMARY

### 1.0 GENERAL INFORMATION

#### 1.1 Operator Information

##### 1.1.1 Name and Contact Information

Organization name	Biomass Supplies (Pvt.) Limited		
Operator Number	1327		
Contact person	Jude De Valliere		
Address	8A, St. Peter's Place, Colombo 4, Sri Lanka.	Telephone	+94 (0) 114 545 050 Mobile: +94 777 445 445
		Fax	
		e-mail	<a href="mailto:jude@biomass-group.com">jude@biomass-group.com</a>
		Website	<a href="http://www.biomass-group.com">www.biomass-group.com</a>

#### 1.2 Scope of Certificate

Please choose one:	<input type="checkbox"/> RSB EU RED	<input checked="" type="checkbox"/> RSB Global
The scope assessment agrees with the scope under which the operator applied	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If no, please explain:		
<i>Note: If the scope is different, please contact SCS.</i>		

SITE INFORMATION FOR AGRICULTURAL SITES OR FEEDSTOCK PRODUCTION SITES	
Site Type	<input type="checkbox"/> Agriculture <input type="checkbox"/> Forestry
	<input checked="" type="checkbox"/> Biomass Production (only transport activities for biomass) <input type="checkbox"/> Other:
Feedstock Produced:	
Current Land Use	Prior Land Use
<input type="checkbox"/> Biomass Production	<input type="checkbox"/> Biomass Production
<input type="checkbox"/> Agriculture	<input type="checkbox"/> Agriculture
<input checked="" type="checkbox"/> Other: not relevant, because only transport activities for biomass	<input type="checkbox"/> Other:
Current Employment on Site	Prior Employment on Site
<input checked="" type="checkbox"/> Negligible	<input type="checkbox"/> Negligible

<input type="checkbox"/> Local Average	<input type="checkbox"/> Local Average			
<input type="checkbox"/> Above Local Average	<input type="checkbox"/> Above Local Average			
<input type="checkbox"/> Full	<input type="checkbox"/> Full			
<b>Total workers covered by scope of certification:</b>	Head office: 5, Staff: 1, Field Officers: 5, Extension Officers: 8, Consultants: 3 Total number of employees: 22			
<b>Owned/Controlled By:</b>	No agricultural activities, all the farmers in the project are suppliers of the Gliricidia sticks			
<b>Location/City:</b>	Farmers are currently located in Polonnaruwa district, but the company's intention is to include the whole area of Sri Lanka.			
<b>Total farms included in certification scope</b>	22			
<b>Geographic location:</b>	Farm/Entity	Location (Lat. – Long.)	Area (Hectare)	Area Planted (Hectare)
	K. Chandrani Podimanike Representative farmer from (Medirigiriya)	8° 9'33.04"N 80°58'5.85"E	.405	.004
	Mhaweli coconut Plantation (Dimbulagala)	7° 49' 11.8884"N 81° 6' 55.5402"E	546.33	14.86
<b>Total Area (ha)</b>	Total area amounts to 1380.50 acres. Collection of sticks takes place in Polonnaruwa district, area of Sri Lanka.			
<b>Total Planted Area (ha)</b>	Total planted area amounts to 37.33 acres.  Currently Polonnaruwa district: <ul style="list-style-type: none"> <li>• Medirigiriya (9,000 potential farmers, 600 farmers registered for the programme, 22 are active suppliers), covering the period of November 2015 to October 2016</li> <li>• Dimbulagala (one plantation company with 1350 acres and three other active farmers), to the date of October 2016</li> </ul>			
<b>Total area set aside for conservation purposes (ha)</b>	Gliricidia are grown in the fences of the farmers' home gardens, thus no conservation areas needed /set aside.			

<b>Annual Feedstock Production Volume</b> (please specify unit of measurement)	360 tons (20-30 tons per month)
<b>Amount sold as RSB certified in last calendar year (tons)</b>	201.34 tons

### 1.3 Standards Used

#### 1.3.1 Applicable RSB-Accredited Standards

Title	Version	Date of Finalization
RSB Chain of Custody (RSB-STD-20-001 V3.1)	3.1	Date of approval: 23 September 2014 Date of publication: 28 November 2014
RSB Standard for Participating Operators (RSB-STD-30-001 V3.1)	3.1	Date of Approval: 1 May 2016 Date of Publication: 2 June 2016
RSB By-products and Residues (RSB-STD-01-010 V1.6)	1.6	Date: 22-11-2013
RSB Risk Management (RSB-STD-60-001 V3.1)	3.1	Date: 1 September 2016
RSB Procedure on Communication and Claims (RSB-PRO-50-001 V3.1)	3.1	Date of approval: 29 January 2016 Date of publication: 04 February 2016
All standards employed are available on the websites of the Roundtable on Sustainable Biomaterials ( <a href="http://rsb.org/sustainability/rsb-sustainability-standards/">http://rsb.org/sustainability/rsb-sustainability-standards/</a> ). Standards are also available, upon request, from SCS Global Services ( <a href="http://www.scsglobalservices.com/">http://www.scsglobalservices.com/</a> ).		

## 2.0 EVALUATION PLANNING & PROCESS

### 2.1 Documentation Submitted by Operator

Internal documents reviewed:	Date of issue:
RSB Certification – Questionnaire for Self-Risk Assessment	No date
2.1_Training Itinerary	No date
2.2_Aug 2016 – AttendanceQs Sheet	Aug 2016
2.3_Jan 2015 – AttendanceQs Sheet	Jan 2015
2.4_May 2014 – AttendanceQs Sheet	May 2014
2.5_May 2016 – AttendanceQs Sheet	May 2016
2.6_Nov 2014 – AttendanceQs Sheet	Nov 2014
2.7_Sept 2015 – AttendanceQs Sheet	Sept 2015

3.1_RSB Training Itinerary	No date
3.2_RSB Training Presentation	No date
3.3_Oct 2016 – Training Attendance Sheet	Oct 2016
3.4_Meeting Attendance Sheet Samples	1 Oct 2016
4.1_Stakeholder Complaints and Suggestions	ongoing
4.2_Field Officer Record Book	ongoing
4.3_Translated Field Officer Record Book	ongoing
5.1.1_Invoice 50	11 Nov 2015
5.1.2_Invoice 50 Declaration	11 Nov 2015
5.2.1_Invoice 54	15 Dec 2015
5.2.2_Invoice 54 Declaration	15 Dec 2015
5.3_Invoice 59 Declaration	28 Mar 2016
5.4.1_Invoice 61	7 Apr 2016
5.4.2_Invoice 61 Declaration	7 Apr 2016
5.5.1_Invoice 63	28 Apr 2016
5.5.2_Invoice 63 Declaration	5 Oct 2015
5.5.3_Invoice 63 Declaration	5 Oct 2015
5.5.4_Invoice 63 Registration	5 Oct 2015
5.6_Invoice 70 Declaration	2 Jul 2016
5.7_Invoice 72 Declaration	11 Jul 2016
5.8_Invoice 74 Declaration	23 Jul 2016
5.9.1_Invoice 79	15 Sep 2016
5.9.2_Invoice 79 Declaration – declaration on ethical labor practices	No date
5.9.3_Invoice 79 Declaration	No date
6.1_Collector List	No date
6.2_Agent File Sample	No date
6.3_Agent Summary 1	12 Aug 2016
6.4_Agent Summary 2	12 Aug 2016
7.1_Farmer List	No date
7.2_Farmer Reg Form 1	No date
7.3_Farmer Reg Form 2	No date
7.4_Farmer Reg Form 3	No date
8_Pre-assessment on the Social Impact of Biomass Supplies, Final Report Dr. Sabine Samarawickrema	7 Oct 2016
9.1_2016-12-08_06-10-09_User_biomassgroup_Module_Gliricidia Transport_RSB_Blending_Type_1_Data	8 Dec 2016
9.2_GHG Calculation Data	ongoing
9.3_November 2015 – Running Chart	Nov 2016
9.4_December 2015 – Running Chart	Nov 2015



9.5_December 2015 – Running Chart 2	Dec 2015
9.6_July 2016 – Running Chart	Jul 2016
10_Coordinates of the current farmer base	No date
Summary of the documents required Surveillance Audit 2016	No date
Farmer Registry – Brandix Suppliers	ongoing
Biomass Supplies Organisational Chart incl. responsibilities	Jan 2017
Database of farmers in Google Earth incl. maps and coordinates	Jan 2017
Biomass Extended Supply Chain Flow Chart [Draft] - for 2017	Jan 2017
Environmental and Social Management Plan (ESMP), Version 2	13 July 2015
Stakeholder Management Plan	13 July 2015

## 2.2 Audit Type and Determination

The following table summarizes the audit types for RSB Audits:

	Low risk class	Medium risk class	High risk class
Certificate validity	5 years	3 years	2 year
Main audit	Every 5 years	Every 3 years	Every 2 year
Surveillance audit	Annual	Annual	Annual

## 2.3 Audit Team

### 2.3.1 Determination of Audit Team

- Desk audits shall always be conducted by at minimum one (1) international lead auditor. The lead auditor appointed may include additional auditors and/or technical experts in the audit team if this is required by the extent of the audit.
- Field audits shall always be led by one (1) international lead auditor.
- The lead auditor appointed shall include at minimum one (1) local auditor in the audit team. The lead auditor appointed may include additional auditors and/or technical experts in the audit team if this is required by the extent of the audit.
- For field audits of participating operators in High Risk class shall always the lead auditor appointed shall appoint at minimum
  - one (1) local auditor and
  - one (1) technical expert on social issues to evaluate compliance with social requirements and the risk of non-compliance due to social issues and
  - one (1) technical expert on environmental issues to evaluate compliance with environmental requirements and the risk of non-compliance due to environmental issues.
  - The lead auditor appointed may include additional auditors and/or technical experts in the audit team if this is required by the extent of the audit.

### 2.3.2 Audit Team

<b>Auditor Name:</b>	Dr.-Ing. Karolina Kapsa	<b>Auditor role:</b>	Lead auditor
<p><b>Qualifications:</b> Dr.-Ing. Karolina Julia Kapsa is a lead auditor for ISCC, REDcert, RSB, ISO 14001 / 50001 and waste management. She did her Master’s degree in Economics in 2003 and obtained PhD degree in Environmental Engineering from the Technical University of Berlin in 2010. Currently she works as an Auditor for different Certification Bodies and as an associate Lecturer for Hochschule für Technik und Wirtschaft Berlin (HTW). Dr.-Ing. Karolina Kapsa has extensive project management/Research/Consulting experience in energy &amp; waste management and sustainable biomass certification with various companies worldwide.</p>			

### 2.4 Evaluation Schedule and Extent of Audit

#### 2.4.1 Determination of Extent of Audit

Total number of subsidiaries, branch offices, affiliated entities, external third parties contracted or otherwise engaged, operational structures, sites, facilities, processing and production units, and supply chain structures	Main office in Colombo, no production sites, only collection and transport of Gliricidia sticks
Participating Operator Risk Class	Risk Assessment, score 4 → low risk
Disputes or prior Non-compliances	None
Changes in scope since last evaluation	No changes
Total number of compliance claims	None

#### 2.4.2 Evaluation Itinerary and Activities

<b>Date: 11 Jan 2017</b>	
<b>Operation(s)/ sites visited</b>	<b>Activities/ notes</b>
None	Off-site surveillance audit based on documents delivered by Biomass Group

### 2.5 Evaluation of Management System

#### 2.5.1 Methodology and Strategies Employed

SCS deploys interdisciplinary teams with expertise in agriculture, ecology, forestry, social sciences, natural resource economics, and other relevant fields to assess an Operator’s compliance to RSB standards and policies. Evaluation methods include document and record review, implementing sampling strategies to visit a broad number of site and facility types, observation of implementation of management plans and policies, and stakeholder analysis. When there is more than one team member, team members may review parts of the standards based on their background and expertise. On the final day of an evaluation, team members convene to deliberate the findings of the assessment jointly. This involves an analysis of all relevant site observations, stakeholder comments, and reviewed

documents and records. Where consensus between team members cannot be achieved due to lack of evidence, conflicting evidence or differences of interpretation of the standards, the team is instructed to report these in the certification decision section.

**2.5.2 Capacity of the participating operator to implement its management systems**

*Note: include an overall evaluation of the participating operator’s responsiveness and ability to consistently and effectively implement its management system based on the financial, technical, and human resources available.*

See Appendix 2 (the details of the observations and substantiating evidence collected during evaluation of the central management office and management systems of the participating operator)

**2.5.3 Evaluation of RSB compliance claims and use of RSB trademarks**

Type (compliance claim, trademark use)	Description	Findings
Compliance claim	None	None
Trademark use	RSB trade mark is being used on invoices to clients (Brandix Apparel (Pvt) Ltd)	An effective way of communication to the end customer

**2.6 Stakeholder Consultation Process**

In accordance with SCS and RSB protocols, consultation with key stakeholders is an integral component of the evaluation process. Stakeholder consultation takes place prior to, concurrent with, and following field evaluations. The primary purpose of such consultation is to solicit input from affected parties as to the strengths and weaknesses of the Participating Operator’s management system and operations, relative to the standard, and the nature of the interaction between the company and the surrounding communities.

Principal stakeholder groups are identified based upon the certification scope of the participating operator.

Stakeholder consultation activities are organized according to the requirements of the RSB. The table below summarizes the major comments received from stakeholders and the assessment team’s response. Where a stakeholder comment has triggered a subsequent investigation during the evaluation, the corresponding follow-up action and conclusions from SCS are noted below.

**2.6.1 Summary of Stakeholder Comments and Responses from the Team, Where Applicable**

Stakeholder Comments	SCS Response
<b>Economic Concerns</b>	
Pay scheme of Gliricidia sticks for farmer	Pay scheme is sufficient at the moment but due to the system development pay issues should be considered by Biomass Group (increasing numbers of farmers, sales of products etc.).
Contracts with recipients	Biomass Group does not have contracts with recipients for sales of sticks due to limited supply quantities at the moment. This issue should be addressed by Biomass Group when the supplies increase.
Use of tools for cutting of sticks	The use of tools for cutting of sticks is an issue for Biomass Group and was addressed as an observation in the checklist. Due to the expected growing participation of farmers a higher level of mechanization is expected.
Contracts with farmers	Once the farmer has signed the relevant documents (Registration Form and Declaration of Ethical labor practices for both harvesting and transport), this is considered as the contract
<b>Social Concerns</b>	
Land rights	During interview with J.S.S.K. Dimbulagala land rights were discussed. In 1971 there was a land demarcation and in 1982 a so called “System B” was introduced. As a result, land was given to people. Land rights and use of land were addressed during interviews with single farmers. Farmers either inherited land or were given land in the 1950s-70s. There were no identified social tensions regarding this issue.
Trainings of staff and farmers	Biomass Group runs an intensive training program for farmers and staff by Dr. Weerakoon. Farmers learn how to grow Gliricidia, how to produce liquid fertilizer and microbe culture. There is also a Village Development Programme for participating farmers that aims at supplying seeds to the participating farmers. Both initiatives enjoy growing interest of farmers to participate in the program offered by Biomass Group and should be continued.
Child labor	Initial awareness about child labour is given to farmers at the first farmer training session. During the registration process, a declaration is signed by the farmer agreeing to not use child labour and only practice ethical labour practices. (Reference- Biomass Suppliers-Stakeholder Management Plan).  Furthermore, random observations are made by the field officers to check the farmers’ ethical labour practices (Reference- Farmer record book).

Stakeholder management	<p>Biomass Suppliers has set up a process on Stakeholder Management. (Reference – Biomass Suppliers Stakeholder Management Plan).</p> <p>Biomass Suppliers Field officers maintain a good relationship with the farmers and are committed to do the needful to farmers.</p>
<b>Environmental Concerns</b>	
Water management	<p>During interview with J.S.S.K. Dimbulagala water issues were discussed. There is no water shortage in Sri Lanka, but water pollution is a big issue due to insufficient number of waste water plants in the country and not treating waste water. Regarding operation of Biomass Group – water is distributed free of charge by the state to the farmers via system of irrigation canals. At the moment there is no water problem in the Biomass Group project.</p>
Role of Gliricidia tree in Sri Lanka	<p>During office audit on 27 April role and different use of Gliricidia trees were discussed. Gliricidia is after tea, rubber, coconut and cinnamon as the most important, leguminous plant, fixing nitrogen and can be used as a fertilizer (leaves), for feeding cattle, as a fence or insect repellent.</p> <p>There is no specific use of sticks and due to the high calorific value, their energy use is a complementary use to other uses of the tree.</p>

### 3.0 RISK ASSESSMENT RESULTS

SCS Risk Assessment Results	Deviations from Operator Risk Assessment Results	Risk Factor Difference
Low risk	No deviations	0

Due to the results of the Risk Assessment, the evaluation did not need to be rescheduled.

### 4.0 RESULTS OF THE EVALUATION

#### 4.1 Equivalence between the Audit Team Evaluation and the Operator Self Evaluation

Principle/ Subject Area	Summary of Audit Team Findings	Comparison to Operator Self Evaluation (Equivalence)	Added Risk (Yes/No)
<b>P1: Legality</b>	compliant	equivalent	No
<b>P2: Planning, Monitoring &amp; Continuous Improvement</b>	Some non-conformities in place (for details see the checklist)-NCs closed	equivalent	No

<b>P3: Greenhouse Gases</b>	Not compliant, no GHG Calculation - NC closed	equivalent	No
<b>P4: Human and Labor Rights</b>	Some non-conformities in place (for details see the checklist) - NC closed.	equivalent	No
<b>P5: Rural &amp; Local Development</b>	Some non-conformities in place (for details see the checklist) - NCs closed.	equivalent	No
<b>P6: Food Security</b>	Not relevant	-	No
<b>P7: Conservation</b>	Complaint, some observations issue	equivalent	No
<b>P8: Soil</b>	Not relevant	-	-
<b>P9: Water</b>	Complaint, some observations issue	equivalent	No
<b>P10: Air</b>	Complaint, some observations issue	equivalent	No
<b>P11: Technology</b>	One non-conformity and one observation issued, most of the indicators are not applicable Not equivalent		
<b>P12: Land Rights</b>	Not relevant	-	No
<b>FINAL RISK CLASS</b>			Low

## 4.2 Process of Determining Compliance

### 4.2.1 Structure of Standard and Degrees of Non-Compliance

RSB-accredited biofuel standards consist of a three-level hierarchy: the principle, the criteria that correspond to that principle, and then the performance indicators that elaborate upon each criterion. Consistent with SCS Sustainable Biofuels Program evaluation protocols, the team collectively determines whether or not the subject operation is in compliance with every applicable indicator of the relevant sustainable biofuel standard. Each non-compliance must be evaluated to determine whether it constitutes a major or minor non-compliance at the level of the associated criterion or sub-criterion. Not all indicators are equally important, and there is no simple numerical formula to determine whether an operation is in non-compliance. The team therefore must use their collective judgment to assess each criterion and determine if the Operator is in compliance. If the Operator is determined to be in non-compliance at the criterion level, then at least one of the applicable indicators must be in major non-compliance.

#### 4.2.2 Interpretations of Major and Minor Non-compliances

*Major Non-compliances*, either alone or in combination with non-compliances of other applicable indicators, result (or are likely to result) in a fundamental failure to achieve the objectives of the relevant RSB Criterion. These non-compliances must be resolved or closed out before a certificate can be awarded. If Major NCs arise after an operation is certified, the timeframe for correcting these non-compliances is typically no more than three months. Certification is contingent on the certified FME’s response to the NCs within the stipulated time frame.

*Minor Non-compliances* are typically limited in scale or can be characterized as an unusual lapse in the system. Most minor NCs are the result of a non-conformance at the indicator-level. Non-compliances must be closed out within a specified time period of award of the certificate.

#### 4.2.3 Major Non-compliances

<input checked="" type="checkbox"/>	No major NCs were issued to the Operator during the evaluation. Any minor CARs from previous surveillance audits have been reviewed and closed prior to the issuance of a certificate.
<input type="checkbox"/>	Major NCs were issued to the Operator during the evaluation, which have all been closed to the satisfaction of the audit team and meet the requirements of the standards. Any minor CARs from previous surveillance audits have been reviewed and closed prior to the issuance of a certificate.
<input type="checkbox"/>	Major NCs were issued to the Operator during the evaluation and the Operator has not yet satisfactorily closed all major NCs.

#### 4.2.4 Non-compliances and Current Status

Instructions:

- Initial certification audit: list all Non-conformities and Opportunities for Improvement issued during this audit.
- Surveillance/Recertification: list status of minor NCs that were not closed in previous audit, then list new NCs/OFIs issued during this audit.

Summary of Non-compliances and Current Status				
Non-compliance Number	Type of Non-compliance	Relevant RSB Standard & Indicator No.	Summary of Finding and Evidence Collected	Status of Non-compliance (Open/Closed)
1	minor	Criterion 2a	EMSP and its monitoring are not sufficient. For details see the P&C checklist.	Closed in 2015

2	major	Criterion 2b	Not all stakeholder groups were identified and as a result all the indicators 2.b.i.1 to 9 cannot be verified. In general, there is no established program for management of stakeholders that would be in line with RSB requirements, although there have been first trainings for farmers.	Closed in 2015
3	observation	Criterion 2b	Training material should be available during audit to verify the contents. There is also a need for internal auditors to manage the whole process of effective introduction of RSB requirements at Biomass Group.	Closed in 2017 off-site audit. Evidence: 3.1_RSB Training Itinerary 3.2_RSB Training Presentation
4	observation	Criterion 2b	After each training / consulting of stakeholders the lists of participants, programs and issues raised should be recorded for a better management of stakeholders.	Closed in 2017 off-site audit. Evidence: 2.2_Aug 2016 – AttendanceQs Sheet 2.3_Jan 2015 – AttendanceQs Sheet 2.4_May 2014 – AttendanceQs Sheet 2.5_May 2016 – AttendanceQs Sheet 2.6_Nov 2014 – AttendanceQs Sheet 2.7_Sept 2015 – AttendanceQs Sheet
5	observation	Criterion 2c	Although not stated as a business plan as such, the project of Biomass Group indicates a long-term economic viability. During next audit, an economic progress of the project will be verified on site.  Status in 2017: Biomass Suppliers is planning to expand the scope of the existing operation. They are currently in discussions with RSB on how to expand the scope/apply for a new project. Tentative project plan and a time plan are being developed.	To be checked at next audit on site.
6	major	Criterion 3a	GHG calculation that is necessary for transport is not in place and therefore no documentation & evidence could be verified on site.	Closed in 2015



7	major	Criterion 3a	GHG calculation that is necessary for transports is not in place. Therefore, no calculation methodology can be verified at the moment.	Closed in 2015
8	major	Criterion 4.b	Regarding farmers / growers that supply biomass to Biomass Group: There is no company policy and no system in place to make sure that suppliers (Farmers) do not engage in or support the use of forced, compulsory, bonded, trafficked or otherwise involuntary labor as defined in ILO Convention 29 either directly or through independent third parties.	Closed in 2015
9	major	Criterion 4.c	Regarding farmers / growers that supply biomass to Biomass Group: There is no policy from company side and no system in place to make sure that suppliers (Farmers) do not engage children of age 14 & under (or the legal national age). At the moment 95% of suppliers are family farms, therefore issue of child labor is critical here.	Closed in 2015
10	minor	Criterion 4 g	There is no evidence (e.g. policy) in place to ensure the human rights & labor rights outlined in the principle 4 apply equally when labor is contracted through third parties	Closed in 2015
11	observation	Criterion 5a	During interviews with farmers the issue of mechanization was raised by almost all the farmers. Currently very simple and time consuming tools such as saws, knives or axes are in use.  Once the project develops due to the planned pellet plant and expressed interest of other farmers to join the program, the issue of mechanization will become problematic. The PO should reflect this at the current stage of development and respond to the arising needs.  Status in 2017: Biomass Suppliers are planning to expand the scope. The expansion is expected to be involved with the mechanical harvesting of the Gliricidia sticks, thus the proper ESMP plan will be introduced.	To be checked at next audit on site

			Furthermore, the new expansion includes certain livelihood developments of the farmers by introducing new mechanisms.	
12	minor	Criterion 5b	The project encourages women participation in the project. It could have been noted during interviews with farmers (field officers are women at Biomass Group). But there is no objective evidence that a social plan has been agreed with directly impacted stakeholders which includes special measures to benefit women, youth, indigenous people & vulnerable people & involve them in the biomass/biofuels operation(s) of the participating operator.	Closed in 2015
13	observation	Criterion 7.a	The objective evidence provided by the participating operator on the land identification of conservation values as per the screening exercise does not include site level mapping, including Delineation of areas to be planted & areas to be set aside for conservation values of global, regional or local importance. Evidence of consultation (e.g. meeting records) with relevant national/regional experts & institutions to identify conservation values of global, regional or local importance has not been provided.  This is Observation at the moment because no agricultural production is taking place.	Closed in 2015
14	observation	Criterion 7.a	PO has not provided objective evidence that no area with conservation values of global, regional or local importance has been converted for biofuels production after 1 January 2009, or earlier as prescribed by other international standards.  This is Observation at the moment because no agricultural production is taking place.	Closed in 2015
15	observation	Criterion 7b	According to the company, there are no ecosystem functions & services that are directly affected by biofuel operations. For this, no objective evidence was presented in the audit. The ESMP does neither address these issues. This is Observation at the	Closed in 2015

			moment because no agricultural production is taking place	
16	observation	Criterion 7c	<p>According to the company, there are no buffer zones that should be protected, restored or created by PO. For this, no objective evidence was presented in the audit. The ESMP does not address these issues.</p> <p>This is Observation at the moment because no agricultural production is taking place.</p>	Closed in 2015
17	observation	Criterion 7d	<p>According to the company, there are no ecological corridors to be protected, restored or created to minimize fragmentation of habitats. For this, no objective evidence was presented in the audit. The ESMP does not address these issues.</p> <p>This is Observation at the moment because no agricultural production is taking place.</p>	Closed in 2015
18	observation	Criterion 9a	<p>Water issues are not a problem at the moment but PO should reflect water issues on potential conflicts when more farmers join the program, especially from other areas in Sri Lanka, not considered at the moment.</p>	Closed in 2015
19	observation	Criterion 9b	<p>Although current operations of PO do not affect water management, water management plan needs to be addressed in the ESMP to comply with RSB water issues requirements.</p> <p>This is an Observation at the moment because no agricultural production is taking place.</p>	Closed in 2015
20	observation	Criterion 9c	<p>Although current operations of PO do not affect water management, depletion of surface or groundwater resources beyond replenishment capacities needs to be addressed in the ESMP to comply with RSB water issues requirements.</p> <p>This is an Observation at the moment because no agricultural production is taking place.</p>	Closed in 2015
21	observation	Criterion 9d	<p>Although current operations of PO do not affect water management, enhancement or maintaining of the quality of the surface &amp; groundwater resources needs to be addressed in the</p>	Closed in 2015

			<p>ESMP to comply with RSB water issues requirements.</p> <p>This is an Observation at the moment because no agricultural production is taking place.</p>	
22	observation	Criterion 10a	<p>Although current operations of PO do not cause any air pollution emissions, air pollution needs to be addressed in the ESMP to comply with RSB water issues requirements.</p> <p>This is an Observation at the moment because no agricultural production is taking place.</p>	Closed in 2015
23	observation	Criterion 10b	<p>Although current operations of PO do not clear the land, open-air burning of residues, wastes or byproducts or open air burning need to be addressed in the ESMP to comply with RSB water issues requirements.</p> <p>This is an Observation at the moment because no agricultural production is taking place.</p>	Closed in 2015
24	observation	Criterion 11a	<p>For future project needs, PO should consider changes in use of technology in the project area, if relevant.</p> <p>Status in 2017: Biomass Suppliers, a new expansion plan will identify all possible environmental and social risks, and Biomass will develop a new EMSP as per the new scope.</p>	To be checked at next audit on site
25	observation	Criterion 11d	<p>For future project needs, PO should consider changes in use &amp; disposal of chemicals in the project area, if relevant.</p> <p>Status in 2017: New expansion plan will be include how to implement good practices for storage, handling, use, and disposal of by-products and chemicals.</p>	To be checked at next audit on site
26	minor	Criterion 11e	<p>PO uses residues, wastes &amp; byproducts provided by farmers. Safe and environmentally handling of these products when transported must be in place. This issue is not currently addressed in ESMP.</p>	Closed in 2015
27	major	Chain of Custody	<p>The Chain of Custody procedure is not sufficient. There are many non-</p>	Closed in 2015

	procedure	conformities and observations. For details see the P&C checklist.	
--	-----------	-------------------------------------------------------------------	--

## 5.0 CERTIFICATION DECISION

Certification Recommendation		
<b>Operator to be awarded RSB certification subject to the minor non-compliances stated in Section 4.2.5.</b>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
The SCS evaluation team makes the above recommendation for certification based on the full and proper execution of the SCS Responsible Biofuels Program evaluation protocols. If certification is recommended, the Operator has satisfactorily demonstrated the following without exception:		
Operator has addressed any Major NC(s) assigned during the evaluation.	Yes <input checked="" type="checkbox"/> No <input checked="" type="checkbox"/>	
Operator has demonstrated that their system of management is capable of ensuring that all of the requirements of the applicable standards are met over the sites and facilities covered by the scope of the evaluation.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
Operator has demonstrated that the described system of management is being implemented consistently over the sites and facilities covered by the scope of the certificate.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
Comments and/or details of any issue which was difficult and/or impossible to evaluate:		
<b>To be completed by Certification Decision-Making Entity</b>	<b>Technical Review by:</b> If different to decision-maker	Inna Kitaychik
	<b>Certification decision:</b>	Approved.
	<b>Certification decision by:</b>	Matthew Rudolf
	<b>Date of decision:</b> For initial or continued certification	2/2/17
	<b>Surveillance schedule:</b>	Surveillance audit will be scheduled this year as this surveillance audit is for 2016.
	Notes:	