

# Certification Evaluation Report

*Roundtable on Sustainable Biomaterials*

*Global*

*SSGE Bio-Energy Company Limited*

**SCS Certificate Code: SCS/RSB-PC-0046**

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<http://ssbe-energy.com/en/introduction/>

CERTIFIED	EXPIRATION
3 December 2021	2 December 2026

DATE(S) OF AUDIT
11-18 October 2021
DATE OF LAST UPDATE
3 December 2021

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## FOREWORD

SCS Global Services (SCS) is a certification body accredited by the Roundtable on Sustainable Biomaterials (RSB) to conduct evaluations of biofuel operators (CB Registration No. 592). 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.

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## SECTION A – PUBLIC SUMMARY

### 1.0 GENERAL INFORMATION

#### 1.1 Operator Information

##### 1.1.1 Name and Contact Information

Organization name	SSGE Bio-Energy Co. Ltd		
Operator Number	2158		
Contact person	Dr. Dennis Lai		
Address	1/F, Block B, Cheung Wah Factory Building, 39-41 Sheung Heung Road, Tokwawan, Hong Kong	Telephone	+44-7545962739
		Fax	
		e-mail	dennis.lai@hiplikagri.com
		Website	

#### 1.2 Scope of Certificate

Please select one:	<input type="checkbox"/> RSB EU RED	<input checked="" type="checkbox"/> RSB Global
Please select boxes that apply:	<input type="checkbox"/> Pre-assessment <input checked="" type="checkbox"/> Initial Assessment <input type="checkbox"/> Re-certification <input type="checkbox"/> Follow-Up to NCs	<input type="checkbox"/> 1st Annual Surveillance <input type="checkbox"/> 2nd Annual Surveillance <input type="checkbox"/> 3rd Annual Surveillance <input type="checkbox"/> 4th Annual Surveillance
Scope as it appears on certificate:	<b>First Collector of Rice Husk                  Production of Torrefied Rice Husk Pellets from Rice Husk</b>	
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 1: If the scope is different, please contact SCS.</i> <i>Note 2: Where the client uses external organizations (public or private) to provide utilities services, such as electricity, waste disposal, water, the auditor shall check that these organizations are run according to local requirements (i.e. the law) but these organizations will not be considered in scope of the audit. Therefore no on-site visits to these utility services are required.</i>		
<b>Total workers covered by scope of certification:</b>	313 when in full production	

### 1.2.1 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	1 Main office 1 Industrial Processor 25 Rice Husk First Collectors/ Traders with Storage (over 15 storage sites, some shared) 60 Rice Mills (points of origin of rice husk)
Participating Operator Risk Class	Low (9)
Disputes or prior Non-compliances	None – initial audit

### 1.2.2 Standards Used

#### Applicable RSB-Accredited Standards

Standard Name and Version
• RSB Principles & Criteria (RSB-STD-01-001 V3.0)
• RSB Chain of Custody (RSB-STD-20-001 V3.2)
• RSB Standard for Participating Operators (RSB-STD-30-001 V3.3)
• RSB Procedure on Communication and Claims (RSB-PRO-50-001 V3.5)
• RSB Procedure for Risk Management (RSB-STD-60-001 V3.3)
• RSB GHG Calculation Methodology (RSB-STD-01-003-01 V2.3)
• RSB Standard for Advanced Fuels (RSB-STD-01-010 V2.3)

All standards employed are available on the websites of the Roundtable on Sustainable Biomaterials (<https://rsb.org/the-rsb-standard/working-with-the-rsb-standard/>). Standards are also available, upon request, from SCS Global Services.

### 1.3 Sites in Scope

#### 1.3.1 Industrial Operator/ Mechanical Processor

Name of Facility	SSBE (Myanmar) Group Co Ltd
Type	<input type="checkbox"/> Agriculture Milling and/or Fermentation <input type="checkbox"/> Vegetable oil Extraction <input checked="" type="checkbox"/> Biofuel Production and/or Distribution <input type="checkbox"/> Other, please explain here:
Location/City	Hlaing Thar Yar Township, Myanmar
Geographic location ( <i>Latitude &amp; Longitude</i> )	Land U/#22-71,Plot #494(B),Poelaung Village Tract, Myaung Mya Township, Myaung Mya District, Ayeyarwaddy Region, Myanmar
Start date of operations (initial start date)	Not yet officially started up
Number of processing steps	5 steps:

	Filter Crush Dry High and low temperature treatment Pelletization
Description of the product or the product component that the certification covers, including, if applicable, the specification of the mass of the certified component related to the total product.	Torrefied Rice Husk Pellets
<b>Annual throughput of previous 12 months</b> <i>(Can be moved to appendix if certain information is confidential)</i>	
Feedstock Input (Metric Ton)	0 – Initial audit
Final/Primary Product Output (Metric Ton)	0 – Initial audit
Intermediate/by-product Output (Metric Ton)	0 – Initial audit
% output yield compared to input material (total output/total input)	0 – initial audit
Amount sold as RSB certified (tons)	0 – Initial audit

### 1.3.2 Points of Origin

<b>Number of Points of Origin in Scope</b>	60
<b>Number of Points of Origin providing more than ten metric tons per months</b>	60
<b>Number of Points of Origin Assessed on a Sample Basis during This Audit</b>	8
<b>List of Points of Origin Assessed on a Sample Basis during This Audit</b>	See confidential annex

### 1.3.3 Traders/First Collectors

<b>Number of Traders in Scope</b>	25 (15 with Storage)
<b>Number of Traders Assessed on a Sample Basis during This Audit</b>	8 (and 4 warehouses)
<b>List of Points of Origin Assessed on a Sample Basis during This Audit</b>	See confidential annex

### 1.4 GHG Intensity

<b>Final Biofuel:</b>	<b>Torrefied rice husk pellets</b>	<b>GHG:</b>	<b>17.1g Co2 eq/ MJ</b>
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## 2.0 EVALUATION PLANNING & PROCESS

### 2.1 Audit Team

<b>Auditor Name:</b>	Robert Earley	<b>Auditor role:</b>	Lead Auditor
<b>Qualifications:</b> Rob Earley is a certified RSB auditor and ISCC auditor since 2017 and has been based in Beijing, China since 2005. He studied at the Beijing International Studies University and received his Master’s degree in environmental studies at the University of Waterloo, in Ontario, Canada. Mr. Earley is an expert on sustainable biofuel projects. He has worked on projects involving incorporating biofuel-based vehicles into diesel fleets and linking sustainable biodiesel projects with food safety and elimination of used cooking oil as a waste to improve sustainability of urban and inter-urban transport systems. He has also worked on several air quality projects for transit systems in China. Robert is fluent in Mandarin Chinese.			
<b>Auditor Name:</b>	Khun Sann Kyaw	<b>Auditor role:</b>	Translator
<b>Qualifications:</b> Khun Sann Kyaw is a consultant and co-auditor of social compliance in Myanmar and Thailand. He has worked on community-based organization and auditing since 2009. Khun Sann has a Master’s degree in Public Health from Curtin University (Perth), and a Bachelor of Arts in Sociology from Griffith University (Queensland, Australia). He is fluent in English, Thai, Burmese and Pa-O.			
<b>Auditor Name:</b>	Otavio Cavalett	<b>Auditor role:</b>	GHG Verifier
<b>Qualifications:</b> Otavio Cavalett is a Researcher in the Industrial Ecology Programme (IndEcol), Department of Energy and Process Engineering, NTNU (Norway) and an Auditor in SCS Global Services (USA). Prior to this, he was Leader of the Sustainability Analysis Team at the Brazilian National Biorenovables Laboratory (LNBR/CNPEM) in Brazil. He has more than 15 years of experience with Life Cycle Assessment of biofuel and biorefinery systems, with emphasis on climate metrics and other environmental areas of interest in relation to the United Nations Sustainable Development Goals. He has contributed to recent IPCC reports and published more than 60 scientific papers.			

### 2.2 Evaluation Schedule and Extent of Audit

#### 2.2.1 RSB Audit types Matrix

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

#### 2.2.2 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.

The audit was conducted remotely via video conference software and telephone where necessary, with an experienced auditor/translator on-site to make local observations and translations of documents written in Burmese.

### 2.2.3 Evaluation Itinerary and Activities

Time	Element/Activity Stakeholder Interviews	Personnel Involved
Pre-audit and throughout the audit period as possible	<ul style="list-style-type: none"> <li>- Stakeholder Interviews</li> <li>- Auditor to listen to independent assessment of prior and informed consent</li> <li>- Independent cross check of potential social (e.g status and impacts, land tenure, food security) and environmental issues (e.g. understanding of no-go areas, high biodiversity or special conservation areas addressed or not)</li> <li>- Check child labour and piece work payments</li> </ul>	<p>Local stakeholders</p> <p>Interviews will be conducted in Burmese by local expert and the auditor</p>

Time	Element/Activity	Personnel Involved
<b>Day 1</b> 11 October 2021	<p><b>Management Office and Industrial Site</b></p> <p><b>Microsoft Teams with on-site translator</b></p> <p><b>Auditor: Robert Earley Translator: Khun Sann Kyaw</b></p>	
8:00 a.m.	<p><b>Opening Meeting and General Requirements</b></p> <ul style="list-style-type: none"> <li>- Introduction to certification program and assessment process to on-site staff</li> <li>- Review of scheduled activities</li> <li>- Review of RSB Procedures; confirm roles, responsibilities and processes</li> <li>- Confirmation of scope of products to be certified</li> <li>- Clarification of all suppliers; i.e. rice mills, traders, transportation, storage</li> <li>- Client to outline production process and overall process flow</li> </ul>	<p>All key staff related to RSB certification: Business management, facility management, supply chain management, community relations management.</p>

	<ul style="list-style-type: none"> <li>- Review site map(s)</li> </ul>	<p>Translator</p> <p>*Meeting to be conducted primarily in Mandarin Chinese</p>
9:00	<p><b>Document Review: Participating Operator/ Standards Checklist</b></p> <ul style="list-style-type: none"> <li>- Review of training procedures and records</li> <li>- Review of Grievance Mechanism</li> <li>- Review of traceability method and implementation (including acquiring, handling, and forwarding sustainable material)</li> <li>- Analysis of material balances and records</li> <li>- Review of records</li> <li>- Review of GHG inputs</li> <li>- Communications and Claims</li> </ul>	<p>Company RSB Coordinator</p> <p>Supply Chain management</p>
1:00	<p><b>Lunch Break</b></p>	
2:00	<p><b>Employee Interviews</b></p> <ul style="list-style-type: none"> <li>- Employees will be interviewed without management present. Please provide a room where interviews can be conducted. Interviews will be conducted in Burmese by the local expert and lead auditor.</li> </ul>	<p>4 workers</p> <p>Lead Auditor</p> <p>Local Expert</p> <p>(No management present)</p>
3:00 p.m.	<p><b>Document Review: Compliance with Principles and Criteria</b></p> <p>Principle 1:</p> <ul style="list-style-type: none"> <li>- Review of all relevant business licenses</li> <li>- Review of land and water use permits</li> </ul> <p>Principle 2:</p> <ul style="list-style-type: none"> <li>- Review screening tool</li> <li>- Review environmental and social management plan</li> <li>- Review impact assessments, if applicable</li> <li>- Review stakeholder engagement records</li> </ul> <p>Principle 4:</p> <ul style="list-style-type: none"> <li>- Work conditions, piece work and living wage, equality issues, unions</li> <li>- Review of contracts, policies and training records grievances</li> <li>- Training and occupational health and safety record</li> <li>- Records for freedom of association mechanism</li> </ul> <p>Principle 5:</p> <ul style="list-style-type: none"> <li>- Social and economic development</li> </ul> <p>Principle 7:</p> <ul style="list-style-type: none"> <li>- Conservation values, ecosystems, buffers, water rights</li> </ul> <p>Principle 9:</p> <ul style="list-style-type: none"> <li>- Water permits, water management in ESMP</li> </ul> <p>Principle 10:</p> <ul style="list-style-type: none"> <li>- Air permits, air management in ESMP</li> </ul> <p>Principle 11:</p> <ul style="list-style-type: none"> <li>- Use of technology: GMO, fertilizers, pesticides</li> <li>- Integrated waste management</li> </ul>	<p>Company RSB Coordinator</p> <p>Business management</p> <p>Environmental and Social Coordinator</p> <p>Local Expert</p> <p>Lead Auditor</p>

	<ul style="list-style-type: none"> <li>– Resource and energy usage, and efficiency</li> </ul> <p>Principle 12:</p> <ul style="list-style-type: none"> <li>– Review documentation of historic land use/land tenure, legal tenure</li> </ul>	
4:00 p.m.	<p><b>Site Walk-through – video presentation</b></p> <ul style="list-style-type: none"> <li>– Observe operations at processing facility</li> <li>– Observe feedstock and product storage area</li> <li>– Observe chemical storage and disposal</li> <li>– Observe other critical control points</li> </ul>	Production, Warehouseman, and Post Production Personnel
4:45	<p><b>Report Writing</b></p> <ul style="list-style-type: none"> <li>– Auditor(s) take time to consolidate notes and confirm audit findings</li> </ul>	
	<b>End of Day 1</b>	

**Storage sites/Warehouses audited 12 October, 2021 – See list of Storage sites audited in Confidential annex**

Time	Element/Activity	Personnel
<i>Days 2</i> 12 Oct, 2021	<p><b>Storage Facility/Warehouse Audit Plan: Conducted with Lead Auditor using Microsoft Teams or Whatsapp</b></p> <p><b>Lead Auditor (Remote): Robert Earley    Local Expert/Translator (on-site): Khun Sann Kyaw</b></p> <p><b>4 Warehouses (listed above) observed 12 October, 2021</b></p>	
8:00 a.m.	<p><b>Opening Meeting and General Requirements</b></p> <ul style="list-style-type: none"> <li>– Review of assessment process to on-site staff</li> <li>– Confirm roles, responsibilities and processes and scope</li> </ul>	Management Warehouse Staff
8:30 a.m.	<p><b>Document Review: Participating Operator/ Standards Checklist</b></p> <ul style="list-style-type: none"> <li>– Review of training procedures and records – focus on material balance and material handling</li> <li>– Review of contracts and records with rice husk providers and with SSGE</li> <li>– Review of traceability method and implementation (including acquiring, handling, and forwarding sustainable material, quarterly mass balance templates</li> <li>– Requirement for Advanced Fuels</li> </ul> <p><b>Site Walk-through</b></p> <ul style="list-style-type: none"> <li>– Observe storage area – local expert to observe with auditor on telephone.</li> <li>– Meters and other measurement instruments, data gathering and processing tools are adequate. Please provide photographs of measurement instruments to be confirmed during the audit.</li> </ul>	Management Warehouse Staff  Local expert Lead auditor (by phone)
9:45 a.m.	<b>Findings</b>	Management

	- Presentation of all non-compliances and opportunities for improvement	Warehouse Staff
	<b>End of Warehouse audit</b>	

Point of Origin Audits: See list of Points of Origin audited in Confidential Annex

**Point of Origin audit template (2.5 hours per Point of Origin):**

Time	Element/Activity	Personnel
<i>Day 3, 4,5</i> 13-15 Oct, 2021	<p><b>Point(s) or Origin: 4 points of origin per day for a total of 8 Points of origin.</b></p> <p><b>Conducted with Lead Auditor using Microsoft Teams or Whatsapp</b></p> <p><b>Lead Auditor (Remote): Robert Earley Local Expert/Translator (on-site): Khun Sann Kyaw</b></p> <p><b>8 Points of Origin observed 13-15, 2021</b></p>	
8:00 a.m.	<p><b>Opening Meeting and General Requirements</b></p> <ul style="list-style-type: none"> <li>- Introduction to certification program and assessment process to on-site staff</li> <li>- Confirm roles, responsibilities and processes</li> <li>- Confirmation of scope of products to be certified</li> </ul> <p><b>Document Review: Participating Operator/ Standards Checklist</b></p> <ul style="list-style-type: none"> <li>- Review of eligibility of material</li> <li>- Review of process flows and feasibility of production</li> <li>- Review of declarations of outgoing material</li> <li>- Review of feedstock specific requirements, if applicable</li> </ul> <p><b>Site Walk-through</b></p> <ul style="list-style-type: none"> <li>- Observe processing area</li> </ul>	Point of Origin staff Local audit expert Lead auditor (remote)
10:30	<p><b>Findings</b></p> <ul style="list-style-type: none"> <li>- Presentation of all non-compliances and opportunities for improvement</li> </ul>	Auditor
	<b>End of Point of Origin Audit</b>	

Rice Husk Trader Audits (15 October, 2021): See confidential annex

**First Collector/Trader Audit template:**

Time	Element/Activity	Personnel Involved
<i>Day 5</i>	<p><b>Rice Husk Traders</b></p> <p><b>Conducted with Lead Auditor using Microsoft Teams or Whatsapp</b></p>	

October 15, 2021	<p><b>Lead Auditor (Remote): Robert Earley Local Expert/Translator (at SSBE Office): Khun Sann Kyaw</b></p> <p><b>5 Traders audited 15 October, 2021: – All traders audited at SSBE Office, Pathein</b></p>	
8:00 a.m.	<p><b>Opening Meeting and General Requirements</b></p> <ul style="list-style-type: none"> <li>– Review of assessment process to on-site staff</li> <li>– Confirm roles, responsibilities and processes</li> <li>– Confirmation of scope of products to be certified</li> </ul>	Trader staff
8:30	<p><b>Document Review: Participating Operator/ Standards Checklist</b></p> <ul style="list-style-type: none"> <li>– Review of training procedures and records – focus on material balance and material handling</li> <li>– Review of contracts with Points of Origin and warehouses and records such as receipts to Points of Origin and delivery notes</li> <li>– Review of traceability method and implementation (including acquiring, handling, and forwarding sustainable material</li> <li>– Analysis of material balances and records - observation of the quarterly mass balance reporting system – please provide photographs of template documents in advance of the audit.</li> <li>– Requirement for Advanced Fuels</li> </ul>	Trader staff
10:30	<p><b>Site Walk-through (If necessary)</b></p> <ul style="list-style-type: none"> <li>– Observe storage area – local expert to observe with auditor on telephone.</li> <li>– Meters and other measurement instruments, data gathering and processing tools are adequate. Please provide photographs of measurement instruments to be confirmed during the audit.</li> </ul>	Trader staff
11:15	<p><b>Report Writing</b></p> <ul style="list-style-type: none"> <li>– Auditor(s) take time to consolidate notes and confirm audit findings</li> </ul>	Auditor
11:45	<p><b>Findings</b></p> <ul style="list-style-type: none"> <li>– Presentation of all non-compliances and opportunities for improvement</li> </ul>	Management Warehouse Staff
	<b>End of Trader audit</b>	

Time	Element/Activity	Personnel Involved
Day 6 October 18, 2021	<p><b>Closing meeting</b></p> <p><b>Management Office and Industrial Site</b></p> <p><b>Microsoft Teams with on-site translator</b></p> <p><b>Auditor: Robert Earley Translator: Khun Sann Kyaw</b></p>	

11:00 a.m.	<p><b>Closing meeting</b></p> <ul style="list-style-type: none"> <li>- Presentation of general audit findings</li> <li>- Presentation of all non-compliances and opportunities for improvement</li> <li>- Review of closing meeting record</li> <li>- Establish timetables for signed closing meeting record, corrective action and submission of Correction Action Plan</li> <li>- Overview of timetable for audit report completion</li> <li>- Reiterate SCS appeal and grievance policy</li> <li>- Questions</li> </ul>	
	<b>End of Audit</b>	

### 2.3 Evaluation of Management System

#### 2.3.1 Capacity of the participating operator to implement its management systems

See confidential annex.

#### 2.3.2 Evaluation of RSB compliance claims and use of RSB trademarks

<b>Are all claims used in line with scope and allowed claims per RSB-PRO-50-001 or Advanced Product Standard, as applicable?</b>	No claims made to date or planned
<b>If claims deviate from approved language in standard, signed document specifying claims approved by RSB:</b>	
<b>Does Operator use RSB trademarks on off-product or on-product claims?</b>	No claims made to date or planned

### 2.4 Stakeholder Consultation Process (for Main audits)

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.

### 2.4.1 Summary of Stakeholder Comments and Responses (for Main audits)

Stakeholder Comments	SCS Response
<b>Economic Concerns</b>	
Stakeholders strongly supported the project from the economic perspective	
<b>Social Concerns</b>	
Traffic was raised as a potential social concern, but other stakeholders noted that the company does coordinate construction traffic with the community	Issue seems to be addressed in interaction with community. Operator has improved the road through the nearest village to accommodate traffic and coordinates construction vehicles with community when necessary.
Community members highly supportive of health, school and road improvement projects	
<b>Environmental Concerns</b>	
Environmental issues were not raised by any stakeholders	

### 3.0 RISK ASSESSMENT RESULTS

Highest Risk Class will Apply for the Participating Operator

Site	Based on the most recent self-risk assessment the PO's risk assessment results are (The number):	Corresponding risk class (low, medium, high):	Date of risk assessment (must be no older than 3 months from the audit date)	Auditor's assessment of Operator's risk
SSBE (Myanmar) Co. Ltd.	6 (original) 9 (after adjustment)	Low	6 Oct 2021	Disagree – adjusted to 9
Overall Risk				Low

If risk assessment deviates:

Site	Risk Assessment #	Risk Assessment Topic	PO's assessment	Auditor's assessment and explanation
SSBE (Myanmar) Co. Ltd.	C.1	Scope of certification includes suppliers	PO answered "No, certification does not include suppliers"	First collectors are in scope, these are suppliers and are therefore certification does include suppliers.

## 4.0 RESULTS OF THE EVALUATION

### 4.1 Process of Determining Compliance

#### 4.1.1 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.

#### 4.1.2 Interpretations of Findings

*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 operator’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.

*Opportunity for Improvement* is an observation made which does not fully impact compliance but could potentially affect the PO’s ability to comply with RSB requirements in the future.

#### 4.1.3 Major Non-compliances

<input 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 checked="" 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.
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#### 4.1.4 Non-compliances and Current Status

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)
2021-1	Major	Standards checklist 6.3.1	<p>Sein Mitter Rice mill delivery notes do not include statement that the material is eligible for Waste and Residue under RSB (e.g. Sein Mitter Rice mill delivery note, applicable to all traders/PoOs sampled)</p> <p>RCA submitted 18 Nov 2021</p> <p>Evidence submitted: Delivery Note Template (Trader) updated with note "Eligible raw material complies with RSB Global Waste/Residue Standard".</p>	Closed 17 Oct 2021:
2021-2	Major	Standards checklist 1.8, 12.5.2, 12.5.4	<p>Trader contract does not include reference to provide required data for RSB CoC, nor to allow access to all aspects of certification scope. (e.g. Grand Prospect contract with SSBE. All entities in scope use the same management manual)</p> <p>RCA submitted 18 Nov 2021</p> <p>Evidence submitted: Updated contract template supplied indicating that data will be supplied and sites will be accessible to auditors.</p>	Closed 17 October, 2021.
2021-3	Major	Standards checklist 6.3.1	<p>Trader template for delivery note does not include reference that material is eligible as waste or residue. (e.g. Grand Prospect trader delivery note to SSBE)</p> <p>RCA submitted 18 Nov 2021</p> <p>Evidence submitted: Delivery note Template (Trader) updated with note</p>	Closed 17 October, 2021.

			"Eligible raw material complies with RSB Global Waste/Residue Standard".	
2021-4	Major	Standards Checklist 6.3.1	<p>Country of Origin not included on delivery note template (Central Unit example, applicable to all traders sampled)</p> <p>RCA submitted 18 Nov 2021</p> <p>Evidence submitted: Delivery note updated 11/18/21 to reflect country of origin (Myanmar)</p>	Closed 18 November, 2021.
2021-5	Obs	Principle 5 Indicator a.4	<p>Operator is reminded about requirement to measure improvements in social and economic indicators set against the baseline in the ESMP every 3 years</p> <p>RCA submitted 18 Nov 2021</p> <p>Evidence submitted: ESMP Update 28.10.21 Section 8.2 updated to note that comparison against baseline should be prepared every three years.</p>	Closed 29 October, 2021.
2021-6	Major	Principle 5 Indicator b.1	<p>Although baseline summary research indicates a majority of Kayin people (a minority in Myanmar) in the Po Long village tract, there is no special measure that benefits or encourages participation in the project.</p> <p>RCA submitted 18 Nov 2021</p> <p>Closed 29 October, 2021: Evidence: ESMP Update 28.10.21.pdf indicates that a policy is in place to actively encourage the hiring of ethnic minorities in the local region, as well as promoting the benefits of improved infrastructure and improved indirect economic opportunities to ethnic minorities/indigenous people in the area.</p> <p>Progress to be checked next audit</p>	Closed

2021-7	Obs.	Principle 11.a.1	Patent is currently under review and is not available to the public. To be checked in future audits.	Open
2021-8	Minor	Principle 11.e.1	<p>Residential waste produced on-site does not have a waste and by-product management plan in place. This is a small volume of waste but should be addressed.</p> <p>RCA submitted 18 Nov 2021</p> <p>Evidence submitted: ESMP Update 28.10.21.pdf includes information about the recycling of recyclable wastes such as paper, glass and metal. Food scraps are sold or delivered to local farmers for organic fertilizer. Remaining waste will be disposed by the Myaung Mya City Development Committee once every two days.</p>	Closed 29 October, 2021:
2021-9	Major	RSB-PRO-20-001 Checklist 6.2.2, 8.3.10	<p>Mass balance template does not calculate mass balance on dry material basis and does not include a method for ensuring no deficit can occur on a quarterly basis.</p> <p>RCA submitted 18 Nov 2021</p> <p>Evidence submitted: Mass balance template submitted including moisture levels for each transaction as well as a deficit column that shall be resolved to 0 at each quarter. "SSBE Mass Balance Quarterly Inventory Record.pdf"</p>	Closed 17 October, 2021
2021-10	Major	RSB-PRO-20-001 Annex (Checklist 6.3.3, 6.3.4)	<p>Outgoing material Proof of Sustainability does not contain required information to pass to client, also does not contain required GHG information.</p> <p>RCA submitted 18 Nov 2021</p> <p>Evidence submitted: "SSBE Delivery Note (Outgoing material)" Contains all required information from the standard</p>	Closed 18 November 2021.

## 5.0 CERTIFICATION DECISION

Certification Recommendation		
<b>For Initial and Re-certifications: Operator to be awarded RSB certification subject to the minor non-compliances stated in Section 4.2.5.</b>	Yes <input 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 type="checkbox"/> No <input checked="" type="checkbox"/> <b>No Major NCs issued</b> <input 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:	On-site implementation of safety and hygiene practices were difficult to evaluate from a remote meeting due to limitations of remote meetings and data signal availability at the site. These should be checked during an on-site audit. The pellet factory was not complete or in production at the time of audit, so actual implementation should be examined at the next audit.	
<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>	Certification against the standards listed in Section 1.2.2 to the RSB Global scheme
	<b>Certification decision by:</b>	Inna Kitaychik
	<b>Date of decision:</b> For initial or continued certification	3 December 2021
	<b>Surveillance schedule:</b>	The 1 <sup>st</sup> surveillance audit must take place by 24 November 2022.  Notes: As this audit was conducted remotely under RG-2020-02 V2.3 Paragraph 3.1, the 1 <sup>st</sup> surveillance audit must be conducted on-site

**Sub Certificate Codes (if applicable)**

Legal Entity/Operational Site	Sub-Certificate Code

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