



Preferred by Nature OÜ Evaluation of SE-BA Orman Ürünleri San. Tic. Ltd. Şti. Compliance with the SBP Framework: Public Summary Report

Third Surveillance Audit

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The promise of good biomass



Completed in accordance with the CB Public Summary Report Template Version 1.5

*For further information on the SBP Framework and to view the full set of documentation see
www.sbp-cert.org*

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1 Overview

Certification Body (CB) Name:	Preferred by Nature OÜ
Primary CB contact for SBP:	Ondrej Tarabus
Primary CB contact email:	otarabus@preferredbynature.org
Audit team leader:	Aliaksandr Zubkevich
Audit team members:	Aliaksandr Zubkevich
Name of the Company:	SE-BA Orman Ürünleri San. Tic. Ltd. Şti.
Company legal address:	OSB 6. Cadde No:1, 17100 Çanakkale, Turkey
Company contact for SBP:	Elvan Göynüer
Company contact email:	e.goynuer@sebabioenergy.com
Company website:	www.sebabioenergy.com
SBP Certificate Code:	SBP-07-42
Date of certificate issue:	19 Dec 2019
Date of certificate expiry:	18 Dec 2024
Audit closing meeting date:	14 Dec 2022
Audit cycle:	Third Surveillance Audit

2 Scope of the evaluation and SBP certificate

Scope Item	Check all that apply to the Certificate Scope	Change in scope (N/A for Assessments)
Primary Activity:	Biomass Producer	☐
Approved Standards:	SBP Standard 2: Verification of SBP-compliant Feedstock; SBP Standard 4: Chain of Custody; SBP Standard 5: Collection and Communication of Data Instruction; Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.5	☐
Includes Supply Base Evaluation (SBE):	No	☐
Includes communication of Dynamic Batch Sustainability Data (DBSD)	Yes	☐
Includes Group Scheme	No	☐
Products	Pellets	☐

Feedstock types:	Secondary, Primary	☐
Feedstock origin (countries):	Turkey	☐
SBP-endorsed Regional Risk Assessments used:	Not applicable	☐
Public link: https://sbp-cert.org/documents/standards-documents/risk-assessments/		☐
Chain of custody system implemented:	FSC: TT-COC-006548	☐
	Transfer	☐

2.1 Description of the company

The organization operates a pellet mill and acts as a Biomass Producer with production of wood pellets from secondary feedstock in the town of Çanakkale, Çanakkale, Turkey (Çanakkale Organize Sanayi Bölgesi 6. Cadde No:1, 17100 Çanakkale Turkey. The biomass processing plant has been commissioned in May 2019 . The feedstock for the production of wood pellets is sourced from a sawmill located next to the pellet mill via pipeline and from other suppliers of secondary feedstock – primary timber processors in the region. The feedstock includes material from a Supply Base consisting areas fully contained within the province of Çanakkale. The BP use secondary feedstock for the pellet production. For production of biomass the BP is using secondary feedstock containing wood industry residues – sawdust . No tertiary feedstock (dry sawdust with shavings) is planned to use as feedstock. It is planned to extend the range of FSC suppliers and include several more suppliers located in the province of Çanakkale. For production of industrial grade wood pellets the BP is also planning in future to use the primary feedstock – chips from logging residues. The scope of the certification does not include storage sites, but the organization is operating a logistics site in the port of Çanakkale. Feedstock to the biomass production plant is delivered by pneumatic pipeline from the nearby sawmill and the rest by road transport – bulk carrier trucks. Ready-made pellets will be transported by bulk carrier trucks to logistics site where pellets will be unloaded in warehouse for following storage and sales on FOB/CIF Çanakkale port conditions. The information about feedstock origin is expected to be available from agreements signed with all feedstock suppliers with requirement to provide the access to the information about origin. The BP is implementing FSC transfer volume control system. It is expected all amount of the feedstock will be FSC certified and the all volume of wood pellets produced will be sold as SBP-compliant biomass.

2.2 Detailed description of the Chain of Custody system

The organisation was producing wood pellets from secondary feedstock - residues of primary wood processing in the reporting period. For production of biomass it is also planned to use primary feedstock – logging residues. The BP does not use mass balance system for accounting of feedstock with 100% FSC claim since all feedstock shall be sourced with FSC 100% claim only. Non-certified feedstock is segregated and processed separately in non-certified product. At the time of on-site audit the organisation was sourcing only FSC certified input from neighboring sawmill. After the reception of feedstock via trucks, incoming loads of feedstock are weighted and moisture determined, feedstock unloaded into feedstock storage site and is registered into the recordkeeping system. In case of sawdust received via pneumatic pipeline, it is continuous process and the feedstock is delivered to warehouse and than loader to the feeder by loader.

3 Specific objective

The specific objective of this evaluation was to confirm that the Biomass Producer's management system is capable of ensuring that all requirements of specified SBP Standards are implemented across the entire scope of certification.

The scope of the evaluation covered:

- Review of the BP's management procedures;
- Review of the existing production processes,
- Production and loading site visits;
- Review of FSC Chain of Custody system critical control points, analysis of the FSC CoC system;
- Interviews with responsible staff and review of records of the system;
- Review of the records, calculations and conversion coefficients;
- analysis of GHG data collection and reporting system;

4 Evaluation process

4.1 Timing of evaluation activities

Audit Level of Effort (LoE)		
Activity	Auditors	Auditor hours
1. Preparation	Aliaksandr Zubkevich	4,0
2. On-site (excl. travel time)	Aliaksandr Zubkevich	16,0
3. Report writing	Aliaksandr Zubkevich	12,0
4. Other	N/A	N/A

Audit Schedule			
Activity	Location	Auditor name	Date/time
<i>Opening meeting</i>	Çanakkale	Aliaksandr Zubkevich	12 Dec 2022/09:00
<i>SBP Management system review, Documents and procedures review</i>	Çanakkale	Aliaksandr Zubkevich	12 Dec 2022/09:30
<i>Site tour: interviews, COC critical points check</i>	Çanakkale	Aliaksandr Zubkevich	12 Dec 2022/14:00

<i>Review of the documents and evidences related to implementation of the SBP standard</i>	Çanakkale	Aliaksandr Zubkevich	12 Dec 2022/16:00
<i>Continued review of SAR report and GHG calculations</i>	Çanakkale	Aliaksandr Zubkevich	13 Dec 2022/09:00
<i>Visiting Çanakkale port (logistics site)</i>	Çanakkale	Aliaksandr Zubkevich	13 Dec 2022/14:00
<i>Finalizing the office audit, clarification of missing issues and information, preparing for the closing meeting</i>	Çanakkale	Aliaksandr Zubkevich	13 Dec 2022/15:00
<i>Closing meeting</i>	Çanakkale	Aliaksandr Zubkevich	13 Dec 2022/17:00

Auditor qualification		
Auditor name	Role	Qualification
Aliaksandr Zubkevich	Lead auditor	Mr. Aliaksandr Zubkevich has education of engineer-economist in timber industry. He had postgraduate study at the Belarusian State Technological University. A. Zubkevich has training for lead auditors for forest management and chain of custody in 2007 and in 2010 in St. Petersburg, organized by NEPCon together with Smartwood. Aliaksandr Zubkevich participated in assessments and audits in Belarus, Ukraine, Latvia, Estonia, Bulgaria, Poland, India, Vietnam and Russia. Currently Mr. Zubkevich works for PREFERRED BY NATURE as a supply chain specialist.

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4.2 Description of evaluation activities

The evaluation visit was focused on management system evaluation: division of the responsibilities, document and system, input material classification (reception and registration), analysis of the existing FSC system and FSC system control points as well as GHG data availability.

Description of the audit evaluation:

Audit started with an opening meeting attended by the representatives from Organisation's management and staff.

Audit team leader introduced himself, provided information about audit plan, methodology, auditor qualification, confidentiality issues, and assessment methodology and clarified certification scope. During the opening meeting the auditor explained CB's approval related issues.

After that auditor went through all applicable requirements of the SBP standards nr. 2, 4, 5 and instruction document 5E covering input clarification, existing chain of custody system, management system, CoC, recordkeeping, emission and energy data and categorisation of input and verification of SBP-compliant biomass. During the process, overall responsible person for SBP system and other staff were interviewed. The auditor reviewed data registered in DTS.

The audit also included a site tour, with review of production facilities and equipment which was not in operation but in the process of reconstruction, review of feedstock reception process, feedstock storage and final product storage. Interviews were conducted with all staff relevant to the critical control points and key responsibilities in relation to the reception, production, storage and sales of the certified products. Attention was focused on practical implementation aspects of the SBP system, review of documents and system, evaluation of input material classification (reception and registration), analysis of the critical control points in existing CoC system and FSC system critical control points as well as correctness and availability of GHG data. During the first day of the audit, roundtrip around BP's pellet production was undertaken. During the round trip production technology and information about the main production facilities was presented to the auditor.

13.12.2022 a visit to Canakkale port facility was done. During the visit the pellet reception, storage and pellet trans-shipment processes were evaluated and observed, including machinery and storage site.

At the end of the audit findings were summarised and assessment conclusions based on use of 3 angle evaluation method were provided to the management and SBP responsible person

4.3 Sampling methodology

Auditor visited office, pellet mill located in Çanakkale, port facilities. Random sampling was implemented for purchase documentation and origin documents (different feedstock types were covered - sawdust, shavings, wood chips) and for SBP sales documents (including DTS transactions).

4.4 CB stakeholder engagement

stakeholder consultation was not conducted during this audit

4.5 Stakeholder feedback

stakeholder consultation was not conducted during this audit

5 Results

5.1 Main strengths and weaknesses

Strengths: small number of the management staff and clearly designated responsibilities within the staff members. Experienced and qualified staff. Mainly FSC certified feedstock is planned to be sourced for production of SBP-compliant biomass. Commitment and reliance on measurement-based data acquisition and reporting. In overall the main strength of the BP is in relatively simple scope and reliance mainly on FSC certified secondary feedstock input.

Weaknesses: few minor non-conformities (NCRs) were identified during the assessment process. See the NCRs in Section 10 of this report. The GHG data have been compiled, but are not complete, as refers to relatively short time frame of plant operation since commissioning and is based partly on empirical data and data from engineering specifications.

5.2 Rigour of Supply Base Evaluation

not applicable

5.3 Collection and communication of data

The organization has compiled emission data in the SBP Energy and GHG report (SAR) as a part of preparation process for the SBP audit. The data had been provided prior to the assessment audit and verified and validated at the time of audit. The data includes records from the recordkeeping system and engineering specifications. The BP has developed and are implementing a system to collect and record data on Energy use and associated Greenhouse Gas emissions. The BP has provided detailed overview of the systems and databases to collect and record Greenhouse Gas data during the assessment audit. All related evidence with regard to GHG calculation and assumptions were provided to the auditor.

The BP uses mainly secondary feedstock, holds documentation for energy and fuel use in the production of biomass, and a simple transport scheme with endpoints at the BP pellet mill in Çanakkale, and at the Çanakkale port. The accuracy and completeness of GHG data has been evaluated during the on-site audit.

5.4 Competency of involved personnel

During the audit responsibilities and competencies of staff members involved in the SBP system management and maintenance, were evaluated.

The General Director has been appointed the overall responsible for the SBP and FSC CoC system. The plant manager was found to have detailed knowledge of all aspects of the feedstock sourcing, pellet production and final product characteristics and logistics. He is supported by administrative staff – quality manager, process engineers, who handles all daily responsibilities for the SBP and FSC systems. The BP

responsible staff demonstrated a good understanding of both the overall objectives and specific requirements of the SBP system and standards.

6 Review of company’s risk assessments

6.1 Overview of company’s risk assessments and mitigation measures

not applicable

6.2 Specified risk indicators and mitigation measures

Country/Area	Indicator	Specified risk description	Mitigation measure
N/A	N/A	N/A	N/A

7 Non-conformities and observations

NC number NC-002897 (01/22)	NC Grading: Major
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock
Requirement:	IN2C; 4.1 The report shall be concise, covering the most important features, and shall be completed using the latest version of the SBR template for Biomass Producers downloaded from the SBP website.
Description of Non-conformance and Related Evidence:	
The relevant requirement is specified in documented SBP procedure, See Section 9.3 of the BP SBP documented procedure. The BP has prepared Supply base report using Audit portal. During review it was found out that the SBR is not concise and not cover the most important features: 1) mistakes in feedstock type 2) description of supply base is too short and not cover all requirements 3) number of supplier is missed 4) reporting period is not correct. Taking in account the number of mistakes the Major NCR 01/22 was issued	
Timeline for Conformance:	3 months from the report finalisation
Evidence Provided by Company to close NC:	Updated SBR
Findings for Evaluation of Evidence:	The BP has updated SBR and provided it to auditor prior audit closing day. During review it was found out that the SBR is concise and cover the most important features. The Major NCR is closed.
NC Status:	Closed

NC number NC-002900 (02/22)	NC Grading: Minor
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock
Requirement:	15.3 The BP management system shall document all necessary procedures.
Description of Non-conformance and Related Evidence:	
Review of SBP documented procedure (PR-25) show that the procedure is still referring to outdated SBP standard instruction documents: Instruction Documents 5A, 5B, 5C and does not have reference to SBP standard Instruction document 5E, which had replaced mentioned standard Instruction Documents. The procedure include not applicable indicator (f.e regarding SBE) and do not include applicable (f.e DBSD).	

The OBS 01/19 (from assessment) was upgraded to Minor NCR 02/22.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	Open

NC number NC-002901 (03/22)	NC Grading: Minor
Standard:	SBP Standard 4: Chain of Custody
Requirement:	5.3.1 All requirements of the relevant chain of custody control system specified in the SBP-approved CoC system shall be implemented to calculate outputs.
Description of Non-conformance and Related Evidence:	
The BP is receiving feedstock in bulk via blowpipe from nearby sawmill ((De-Re Orman Urunleri, which holds FSC Chain of Custody certificate TT-COC-007039) and with trucks in case of supplies from other external suppliers. The BP has weighbridge and all truck coming in with feedstock and coming out with biomass go through the weighbridge. In reporting period all feedstock received by BP via blowpipe is considered FSC certified and the volume of delivered feedstock is not measured but calculated according to mass balance principles by the supplier – De-Re Orman Urunleri (De-Re). The BP does not measure feedstock received via blowpipe but rely on information provided by De-Re as both companies are related and the BP has access to De-Re's input material and production data. There is a brief information on calculation methodology of sawdust and sawmill residue amount received from the Dere's sawmill provided in documented procedure (p. 10.2). On the other side the General director explained that the BP has a system of feedstock measuring. The loader driver count the number of shavels with feedstock loaded in the feeder. It was found out that the volume of feedstock registered in database in accordance with invoices is 4845.78 t, but the volume of measured feedstock is 5089.05 t. This difference was not registered or explained in any documents. The general director supposed that difference is due to incorrect conversion factor of sawmill. The volume of biomass produce in accordance with measurements is 3429.81 t, the volume of sold biomass is 2805.560 t, the end stock is 120,3 t The difference which is 503.95 is not registered in accounting system. It was explained that biomass was used for nearby sawmill boiler. Taking in account that the Chain of Custody system at the organization contains all necessary provisions for implementing the FSC transfer system, staff is well trained, all input and output volumes comes thru weighbridge with proper registration, the BP has not sold any SBP certified biomass auditor issued Minor NCR 03/22	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of	N/A

Evidence:	
NC Status:	Open

NC number NC-002898 (04/22)	NC Grading: Minor
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.5
Requirement:	5.2.1 Additional requirements apply to those SBP Certificate Holders wishing to supply certain markets, e.g. the Netherlands or Flanders. These additional requirements include transferring additional data about characteristics of the feedstock through the DTS by using DBSD. In order to be able to use the additional functionality of transferring DBSD through the DTS, the Biomass Producer's SBP certificate scope shall include communication of Dynamic Batch Sustainability Data (DBSD). DBSD data allocation must follow the Mass Balance (Credit) systems rules set out in SBP approved CoC systems, as per SBP Standard 4, section 5.3.2, currently FSC, SFI and PEFC endorsed schemes.
Description of Non-conformance and Related Evidence:	
It was found out that in SBP procedure DBSD requirements are not described. The organization has described only the mass balance system approach which maybe used for accounting of SDE+ category 5 feedstock. The definitions of DBSD, PBid 'AA', SDE categories are missed in the procedure. During the interview the General director demonstrated weak knowledge of DBSD requirements. Taking in account the small size of the company, lack of SBP sales the auditor has issued the Minor NCR	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	Open

NC number NC-002899 (05/22)	NC Grading: Minor
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.5

Requirement:	6.7.2 The quantity shall be evaluated by one or both of the following methods: • Monitoring by the BP at the plant gate (weighbridge) and/or at the end of the production chain. If the production amount is based on the quantity of biomass leaving the plant, any significant stock variation between the beginning and end of the production period shall be taken into account. The BP shall justify any changes in stock levels to the CB, and this shall be recorded in the SAR; or • Invoices to the End-users covering the sales during the period, if the accounting system guarantees that all invoices are taken into consideration. Sales figures and transport documents can be used for verification, and they shall be consistent with the production volume (including adjustments reflecting any stock variation). Note: It is recommended that both methods are used together.
Description of Non-conformance and Related Evidence:	
The BP measure volume on at the plant gate (weighbridge) as well as invoices to the End-users covering the sales during the period. In reporting period the volume of biomass produced in accordance with measurements is 3429.81 t, the volume of sold biomass is 2805.560 t, the end stock is 120,3 t. The difference which is 503.95 is not registered in accounting system and not recorded in the SAR. It was explained that biomass was used for nearby sawmill boiler. The auditor came to conclusion that the BP do not properly register the volume of biomass leaving the processing plant. Taking in account that the BP has system of measuring produced biomass, staff is well trained, the BP has not sold any SBP certified biomass auditor issued Minor NCR	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	Open

8 Certification decision

Based on the auditor's recommendation and the Certification Body's quality review, the following certification decision is taken:	
Certification decision:	Certification approved
Certification decision by (name of the person):	Pilar Gorria
Date of decision:	11 Jan 2023
Other comments:	N/A