# Compliance with the SBP Framework: Public Summary Report

## Preferred by Nature OÜ
## Evaluation of Balcas Timber Ltd.

## Reinstatement Audit

**Sustainable Biomass Program**
sbp-cert.org



## Completed in accordance with the CB Public Summary Report Template Version 2.1 and SBP Bridging Requirements for Meeting the Directive EU/2023/2413 (REDIII)

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

### Document history

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|---|---|
| **Version 2.0** | **Published 10 August 2023** |
| **Version 2.1** | Published 21 May 2025 |

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# Table of contents


**1 Overview** **3**

**2 Audit conclusions** **4**

2.1 Certification decision 4
2.2 Open non-conformities and observations 4
2.2 Closed non-conformities 5
2.3 Actions taken by Organisation Prior to Report Finalisation 8
2.4 Notes for the next Audit 8

**3 Scope of the audit and SBP certificate** **9**

3.1 Description of the company 10
3.2 Site details 10
3.3 Detailed description of the Chain of Custody system and Product Groups 10

**4 Specific objective of the audit** **11**

**5 Evaluation process** **12**

5.1 Timing and duration of evaluation activities 12
5.2 Auditor team qualification 12
5.3 Description of evaluation activities 12
5.4 List of forest management units and feedstock suppliers visited 13
5.5 Describe audit sampling methodology used 13
5.6 CB stakeholder engagement 13
5.7 Stakeholder feedback and response 13
5.8 Main strengths and weaknesses of the management system and operations 13
5.9 Summary of evaluation activities for robustness of the Supply Base Evaluation 14
5.10 Summary of evaluation activities for Processing residues and/or Post-consumer feedstock requirements per Standard 2 and EU RED 14
5.11 Summary of evaluation activities for chain of custody system per Standard 4 14
5.12 Summary of evaluation activities for collection and communication of data per Standard 5 14
5.13 Summary of audit findings for competency of involved personnel 14
5.14 Summary of audit findings for GHG methodology per Standard 6 (if applicable) 14

**6 Detailed evaluation of BP's Supply Base Evaluation (if applicable)** **15**

6.1 Overview of BP's risk assessments and mitigation measures including EU RED scope 15
6.2 CB evaluation of specified risk indicators and mitigation measures 15

# 1 Overview

| | |
|---|---|
| **Certification Body (CB) Name:** | Preferred by Nature OÜ |
| **Primary CB contact for SBP:** | Pilar Gorria Serrano |
| **Primary CB contact email:** | pgorria@preferredbynature.org |
| **Audit team leader:** | Gerimantas Gaigalas |
| **Audit team members:** | none |
| **Name of the Company:** | Balcas Timber Ltd. |
| **Company legal address:** | 75 Killadeas Road, Laragh, Ballinamallard, BT94 2ES Enniskillen, United Kingdom |
| **Company contact for SBP:** | Meave McCartney |
| **Company contact email:** | meave.mccartney@balcas.com |
| **Company website:** | www.balcas.com |
| **Date of installation:** | |
| **SBP Certificate Code:** | SBP-13-23 |
| **Date of certificate issue:** | 03 Apr 2025 |
| **Date of certificate expiry:** | 02 Apr 2030 |
| **Audit closing meeting date:** | 20 Oct 2026 |
| **Audit cycle:** | Reinstatement Audit |

# 2 Audit conclusions

## 2.1 Certification decision

| Based on the auditor's recommendation and the Certification Body's technical review, the following certification decision is taken: | |
|---|---|
| **Certification decision:** | Certification approved |
| **Certification decision by (name of the person):** | Liene Suveizda |
| **Date of decision:** | 27 Oct 2026 |
| **Other comments:** | N/A |

## 2.2 Open non-conformities and observations

| NC number 9940 | NC Grading: Observation |
|---|---|
| **Standard:** | Instruction Document REDII: Bridging requirements of the SBP scheme for meeting REDII. v1.2 |
| **Requirement:** | 6.1.6 The procedure for the annual internal audit process shall be documented.<br>N/A<br>N/A<br>N/A |
| **Description of Non-conformance and Related Evidence:** | |
| Assessment 2025: • 2025 AuditProvisions for internal audits are included in the ISO 9001 Quality Management procedures and are part of Balcas Integrated Management System. There are procedures in place for internal audits. The FSC, PEFC & SBP requirements are included in the Balcas Integrated Management System Internal Audit Planner. The person responsible (Customer Engineering Manager) confirmed that the requirement is known, and the BP intends to include the mass balance and related chain of custody requirements to the scope of internal audits within the Balcas Integrated Management System prior to the next annual audit. An observation raised. Reinstatement audit 2026 • It was confirmed that the responsible person knows the procedures about the internal audit. As during the previous auditing period the certificate was suspended and no SBP material / products have been received / sold, the annual internal audit is planned at the end of this year as foresee the procedures, together with FSC/PEFC internal audit in order to evaluate the whole system. | |
| **Timeline for Conformance:** | N/A |
| **Evidence Provided by Company to close NC:** | N/A |
| **Findings for Evaluation of Evidence:** | N/A |
| **NC Status:** | Open |
| **Original Due Date:** | N/A |
| **Closing Date:** | N/A |
| **Upgrade Date:** | N/A |
| **Update Date:** | N/A |

## 2.2 Closed non-conformities

| NC number 9936 | NC Grading: Minor |
|---|---|
| **Standard:** | SBP Standard 2: Feedstock Verification v2.0 |
| **Requirement:** | 4.1 The Organisation shall prepare a Supply Base Report (SBR) using the SBP Audit Portal.<br><br>N/A<br>N/A |
| **Description of Non-conformance and Related Evidence:** | |
| The Supply Base Report (v1.0) has been created in the SBP auditor portal. All information available for data entry in SBP audit portal is entered, but review of Supply Base Report shows that general description of supply base (Section 3.1) lacks description of forest resources with regard to land used and ownerships status, socio-economic conditions, forest composition, profile of adjacent lands, a description of the forestry management practices, or land management practices used and the presence of CITES or IUCN species for each of countries in the Supply Base. A minor non-conformity raised. | |
| **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:** | Updated SBR |
| **Findings for Evaluation of Evidence:** | SBR was prepared according to standard version 2.1 where the data fields and requirements have been changed. All data are entered in SBR according to version 2.1. are correct and sufficient. |
| **NC Status:** | Closed |
| **Original Due Date:** | 2027-10-27 |
| **Closing Date:** | 2026-10-27 |
| **Upgrade Date:** | N/A |
| **Update Date:** | N/A |

| NC number 9937 | NC Grading: Minor |
|---|---|
| **Standard:** | SBP Standard 2: Feedstock Verification v2.0 |
| **Requirement:** | 5.3 For each Indicator in SBP Standard 1, the Organisation shall identify and maintain a list of SBVs in accordance with the following:<br><br>N/A<br>N/A |
| **Description of Non-conformance and Related Evidence:** | |
| BP's documented procedure contains procedures for principal FSC/PEFC Chain of Custody and SBP processes. The systems manual contains procedures for principal CoC related processes. However, review of documented procedures shows that procedures are mostly FSC and PEFC Chain of Custody oriented and to a lesser extent oriented towards requirements of SBP standards. There are no procedures or weakly defined for several specific SBP relevant processes such as delivery of feedstock from the Balcas Timber sawmill to the pellet production, and respective feedstock accounting, claims control - maintenance of SBP credit system, including specifics of SBP credits | |

| | |
|---|---|
| control, inputs and outputs, SBP sales process, and GHG related data and accounting. A minor NCR raised. | |
| **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:** | Balcas System Manual |
| **Findings for Evaluation of Evidence:** | The Organization updated Balcas System Manual where SBP requirements have been described. In addition, during the audit it was confirmed that responsible persons know, understand and implement all relevant SBP requirements. |
| **NC Status:** | Closed |
| **Original Due Date:** | 2027-10-27 |
| **Closing Date:** | 2026-10-27 |
| **Upgrade Date:** | N/A |
| **Update Date:** | N/A |

| **NC number 9938** | **NC Grading: Minor** |
|---|---|
| **Standard:** | SBP Standard 2: Feedstock Verification v2.0 |
| **Requirement:** | 3.2 The Organisation shall identify the applicable requirements of this Standard using the table in Standard 2, p3.2.<br><br>N/A<br>N/A |
| **Description of Non-conformance and Related Evidence:** | |
| The complaints procedure does not envisage this requirement, i.e., informing SBP of the outcomes of analysis of a complaint. | |
| **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:** | Balcas System Manual |
| **Findings for Evaluation of Evidence:** | The Organization updated Balcas System Manual where SBP requirements have been described and updated. Stakeholder Input and Complaints Procedure includes the provision about informing SBP of the outcomes of the analysis of a complaint. In addition, during the audit it was confirmed that responsible persons know, understand and implement all relevant SBP requirements. |
| **NC Status:** | Closed |
| **Original Due Date:** | 2027-10-27 |
| **Closing Date:** | 2026-10-27 |
| **Upgrade Date:** | N/A |
| **Update Date:** | N/A |

| **NC number 9939** | **NC Grading: Minor** |
|---|---|

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|---|---|
| **Standard:** | Instruction Document REDII: Bridging requirements of the SBP scheme for meeting REDII. v1.2 |
| **Requirement:** | 6.1.1 The organisation shall establish and document its commitment to implement and maintain the chain of custody system and mass balance requirements (if relevant). The commitment of the organisation shall be made available to its personnel, suppliers, clients and other stakeholders.<br><br>N/A<br>N/A |
| **Description of Non-conformance and Related Evidence:** | |
| There is no commitment established and documented, signed by the management, to implement REDII requirements. A minor NCR 2025-001288 raised. | |
| **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:** | Balcas Systems Manual |
| **Findings for Evaluation of Evidence:** | The Organization updated Balcas Systems Manual, where the commitment to established and document to implement REDII requirements is included and signed by the management. |
| **NC Status:** | Closed |
| **Original Due Date:** | 2027-10-27 |
| **Closing Date:** | 2026-10-27 |
| **Upgrade Date:** | N/A |
| **Update Date:** | N/A |

| **NC number 9941** | **NC Grading: Minor** |
|---|---|
| **Standard:** | Instruction Document REDII: Bridging requirements of the SBP scheme for meeting REDII. v1.2 |
| **Requirement:** | 6.3.1 The organisation shall have a consistent methodology for calculating conversion factors and shall keep it up to date. The conversion factor shall be based on the actual output of a specific product.<br><br>N/A<br>N/A |
| **Description of Non-conformance and Related Evidence:** | |
| Conversion factors (CF) are included in the BP's documented procedures. Conversion factors are determined as the output (volume or weight) of the input of logs (volume or weight) and are applied to each individual component of a product group (Sawnwood, Co- Products & Wood Pellets). Review of the procedure shows the conversion factors are determined for Balcas Timber sawmill raw material inputs and outputs – product groups. The BP maintains the CF within its MS Excel inventory sheet regularly. Review of documented procedure shows lacking documented procedure/methodology to determine the conversion factor (CF) from the secondary feedstock/processing residues (sawdust, chips) to products (pellets). A minor NCR raised. | |
| **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:** | • Balcas Systems Manual • SBP reporting file |

| | |
|---|---|
| **Findings for Evaluation of Evidence:** | The Organization updated its procedures (Balcas System Manual) describing the content of conversion factors. In addition, the Organization prepared the separate conversion factor calculation file with detailed explanation and demonstration how CF is calculated. The interview with responsible person and review of the Manual as well as CF calculation file, confirmed that the responsible person knows, understands and implements this requirements. |
| **NC Status:** | Closed |
| **Original Due Date:** | 2027-10-27 |
| **Closing Date:** | 2026-10-27 |
| **Upgrade Date:** | N/A |
| **Update Date:** | N/A |

### 2.3 Actions taken by Organisation Prior to Report Finalisation

none

### 2.4 Notes for the next Audit

none

## 3 Scope of the audit and SBP certificate

| Scope item | Check all that apply to the Certificate scope |
|---|---|
| **Primary activity** | Biomass Producer |
| **Secondary activity** | |
| **Approved Standards** | SBP Standard 2: Feedstock Verification v2.1 ; SBP Standard 4: Chain of Custody v2.1 ; SBP Standard 5: Collection and Communication of Data v2.1 ; Instruction Document 5E: Collection and Communication of Energy and Carbon data. v2.1; Instruction Document EU RED: Bridging Requirements for Meeting the Directive EU/2023/2413 v2.0 |
| **Product Group IDs** | ☐ Forest feedstock (1A)<br>☐ Trees outside forest (TOF) - Urban and landscape feedstock (2A)<br>☐ Trees outside forest (TOF) - Agricultural land feedstock (3A)<br>☒ Processing residues feedstock (4A)<br>☐ Post-consumer feedstock (5A)<br>☐ Other (please specify) |
| **SBP Feedstock types** | ☒ SBP Compliant; ☐ SBP Controlled |
| **Includes Supply Base Evaluation (SBE)** | No |
| **Includes EU RED Scheme** | Yes |
| **Includes EU RED Supply Base Evaluation (SBE)** | No |
| **Products** | WB 1.1 Wood pellets |
| **Feedstock origin (countries):** | Ireland, United Kingdom |
| **SBP-endorsed Regional Risk Assessments used:**<br><br>**Public link:** https://sbp-cert.org/documents/standards-documents/risk-assessments/ | N/A |
| **Chain of custody system** | ☐ Physical separation<br>☒ Mass balance |
| **Outsourcing** | No |
| **Changes in the scope** | none |

### 3.1 Description of the company

*Guidance: Please describe the type, structure and operations of the company including its role in the supply chain, its inputs and outputs as they related to SBP Standards.*

Balcas Timber Ltd operates the largest sawmill in the UK at its group headquarters site in Enniskillen in Northern Ireland. At this site, it produces the usual sawmill timber products and co-products from roundwood sourced on the island of Ireland and Scotland. A Combined Heat & Power (CHP) plant is on site which generates heat for its own use and electricity which is supplied to the national grid using a mixture of inputs such as wood chips, dust, bark, and general wood waste. The other major operation on site is the production of Wood Pellets which are produced both in bag and bulk from a mixture of wood chips and sawdust. The only pellets sold as FSC certified are the 10kg bags for domestic use, produced at Balcas Enniskillen. SBP-certified pellets is sold in bulk.

### 3.2 Site details

| Legal entity name | Address | Site Activity | Visited during the audit |
|---|---|---|---|
| Balcas Timber Ltd. | 75 Killadeas Road, Laragh, Enniskillen County Fermanagh, Northern Ireland BT94 2ES | Biomass producer | ☒ |

### 3.3 Detailed description of the Chain of Custody system and Product Groups

*Guidance: Please describe the operation of the CoC system including details of the mass balance management and a list of established Product Groups.*

The Organisation holds a valid FSC Chain of Custody and FSC Controlled wood certificate PBN-COC-014380/PBN-CW-014380. The certificate covers the production of wood pellets both in bags and in bulk along with trader activities. Pellets are produced from secondary feedstock: (wood industry residues: sawdust, wood chips) and tertiary feedstock (dry sawdust with shavings) or mixture of these two feedstock types classified as secondary feedstock. The origin of the feedstock is the United Kingdom and Ireland. Most of the feedstock is sourced from its own primary processing facility with FSC certification. For claims control the BP is implementing the FSC credit system. Sales of SBP pellets is taking place from the factory gate on EXW conditions.

# 4 Specific objective of the audit

The scope of the evaluation covered:

- Review of the BP's management procedures;
- Review of the production processes, production site visit;
- Review of FSC system control points, analysis of the existing FSC CoC system;
- Interviews with responsible staff;
- Review of the records, calculations and conversion coefficients;
- SAR data collection analysis;
- REDIII Bridging Document, review applicable updates.

# 5 Evaluation process

### 5.1 Timing and duration of evaluation activities

| Audit Level of Effort (LoE) | | |
|---|---|---|
| **Activity** | **Auditors** | **Auditor hours** |
| 1. Preparation | Gerimantas Gaigalas | 4.0 |
| 2. On-site (excl. travel time) | Gerimantas Gaigalas | 8.0 |
| 3. Report writing | Gerimantas Gaigalas | 6.0 |
| 4. Other | Gerimantas Gaigalas | 2.0 |

### 5.2 Auditor team qualification

| Auditor qualification | | |
|---|---|---|
| **Auditor name** | **Role** | **Qualification** |
| Gerimantas Gaigalas | Lead auditor | He has Master ‘s degree on Forestry (graduated in Lithuanian Academy of Agriculture), BSc degree in Law and Master ‘s degree in International Law (graduated in University of Mykolas Romeris) and diploma in programming (Electronic College in Vilnius). He has experience leading the International Relations and Agreements Division in the Ministry of Environment as well as experience working in United Nations Development Programme (UNDP) Papua New Guinea regional office and Institute of Environment Sustainability of EU Commission in Italy. Gerimantas has successfully passed Forest Management and Chain of Custody lead auditor training. Gerimantas is working in UAB ”NEPCon LT” as certification manager since 2013. Since 2014 he is implementing PEFC CoC audits, in 2013 completed PEFC CoC auditor training according to the new Chain of Custody standard. In 2016, he got the SBP lead auditor qualification and started to audit according to SBP scheme. |

### 5.3 Description of evaluation activities

The audit began with an opening meeting on October 20 at 10.00 with attendance from the FSC Officer, Customer Support Engineer, and the overall responsible, operational, and administration staff. During the opening meeting, the auditor introduced himself, presented the audit aims and objectives, explained the reinstatment audit methodology and clarified the scope of the audit, as well as rehearsed the audit agenda, and discussed the related practicalities. After the opening meeting auditor went through all applicable requirements of the SBP standards nr .2, 4, 5 and instruction document 5E covering input clarification, an existing chain of custody and controlled wood system, management system, CoC, recordkeeping/mass balance requirements, emission and energy data and categorization of input and verification of SBP compliant biomass. During the process, the overall responsible person for the SBP system and over-responsible staff as well as other staff having responsibilities within the system were interviewed. The audit included a review of documents, a check of

calculations regarding the GHG emission data reported by the BP. All SBP-related documentation, including SBP, FSC chain of custody procedures, GHG data calculations/ data sheet, and Supply Base Reports.
Later the auditor conducted a site tour to the pellet mill, with review of the production facilities and equipment. Auditors reviewed the feedstock reception process, feedstock storage and final product storage. Interviews were conducted with all staff members who were 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 control points, and correctness and availability of GHG data.
After the site tour, the auditor reviewed the RED system, including verification of conformance to RED requirements, accounting of the material, and the mass balance system.
The audit was concluded with a preliminary closing meeting with attendance by the responsible operational/administrative staff. During the preliminary closing meeting, the audit findings were summarised using the triangulation method and concluded with a brief summary.

### 5.4 List of forest management units and feedstock suppliers visited

☒ N/A – No forest sites or suppliers visited during this evaluation
SBE is not included. There is no supplier, which needs the supply audits.

### 5.5 Describe audit sampling methodology used

A standardized sampling approach used by PbN was applied to select and review documents and records. Sampling of suppliers' sites shall be based on volume and considering logistics. The organization does not have a supply base evaluation and as such supplier visits are not necessary. BP is sourcing feedstock from its own sawmill nad other sister sawmill. The local sawmill was visited and the sister sawmill was checked remotly as supplier verification audit.

### 5.6 CB stakeholder engagement

☒ N/A – Certification Body stakeholder consultation not applicable for this evaluation

*Guidance: Please specify the number and types of stakeholders engaged, method of engagement and its outcomes.*

### 5.7 Stakeholder feedback and response

☒ N/A – Certification Body stakeholder consultation not applicable for this evaluation

### 5.8 Main strengths and weaknesses of the management system and operations

Strengths: ISO 9001 Quality Management and ISO 14001 Environmental Management System certification. SBP system elements integrated in the Integrated Management System, in process of implementation at the time of the assessment. A small number of the management staff and clearly designated responsibilities within the staff members. Experienced and qualified staff. The BP is sourcing FSC-certified feedstock mainly. Strong reliance on measurement-based data acquisition and reporting. In overall, the main strength of the BP is in relatively simple

scope and use of secondary feedstock, which is all supposed to be received as FSC Certified and therefore can be sourced without the need for a Supply Base Evaluation.
Weaknesses: See NCRs in Section 10 of this report

### 5.9 Summary of evaluation activities for robustness of the Supply Base Evaluation

☒ N/A – Standard 1 not in the scope of the evaluation

Not applicable. Supply Base Evaluation not applied.

### 5.10 Summary of evaluation activities for Processing residues and/or Post-consumer feedstock requirements per Standard 2 and EU RED

☐ N/A – processing residues and/or post-consumer feedstock not used.

### 5.11 Summary of evaluation activities for chain of custody system per Standard 4

### 5.12 Summary of evaluation activities for collection and communication of data per Standard 5

The data had been provided before the main evaluation audit and verified and validated at the time of the audit. The data are complete and are based both on the last 12 months of plant operation, records from the recordkeeping system and engineering specifications. The BP uses the secondary feedstock only, has documentation for energy and fuel use in the production of pellets, and a simple transport scheme with endpoints at the BP pellet mill in Enniskillen. The accuracy and completeness of GHG data is evaluated as good because biomass processing-related data, including information on feedstock physical properties, are based on empirical data.

### 5.13 Summary of audit findings for competency of involved personnel

During the assessment audit responsibilities and competencies of staff members involved in the SBP system management and maintenance, were evaluated.
All involved, interviewed personnel, including responsible staff, demonstrated sufficient knowledge in relevant fields. Auditors evaluated the competency of main responsible staff to be sufficient for implementing the SBP system. It is based on interviews, a review of qualification documents, training records, and a set of procedures and documents.

### 5.14 Summary of audit findings for GHG methodology per Standard 6 (if applicable)

☒ N/A – Standard 6 not in the scope

# 6 Detailed evaluation of BP's Supply Base Evaluation (if applicable)

☒ N/A – Supply Base Evaluation not in the scope of the evaluation

## 6.1 Overview of BP's risk assessments and mitigation measures including EU RED scope

N/A

## 6.2 CB evaluation of specified risk indicators and mitigation measures