



SCS Global Services Evaluation of MDS Energy LTD Compliance with the SBP Framework: Public Summary Report

Main (Initial) Audit

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Completed in accordance with the CB Public Summary Report Template Version 1.4

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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1 Overview

CB Name and contact:	SCS Global Services 2000 Powell St, Ste. 600 Emeryville CA 94608 USA
Primary contact for SBP:	Maggie Schwartz mschwartz@scsglobalservices.com
Current report completion date:	04/Jun/2020
Report authors:	Sebastian Häfele
Name of the Company:	MDS Energy LTD
Company contact for SBP:	Matthew Da Silva
Certified Supply Base:	none, trader
SBP Certificate Code:	SBP-04-55
Date of certificate issue:	19/Jun/2020
Date of certificate expiry:	18/Jun/2025

This report relates to the Main (Initial) Audit

2 Scope of the evaluation and SBP certificate

This certificate includes the trade of SBP-certified woodchips and pellets at the port of Teessport, with point of purchase and point of sale being identical. The scope does not include an SBE.

The scope of the evaluation covered Standards 4 and 5 and a full desk audit with interviews and review of records.

3 Specific objective

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

4 SBP Standards utilised

4.1 SBP Standards utilised

Please select all SBP Standards used during this evaluation. All Standards can be accessed and downloaded from <https://sbp-cert.org/documents/standards-documents/standards>

- ☐ SBP Framework Standard 1: Feedstock Compliance Standard (Version 1.0, 26 March 2015)
- ☐ SBP Framework Standard 2: Verification of SBP-compliant Feedstock (Version 1.0, 26 March 2015)
- ☒ SBP Framework Standard 4: Chain of Custody (Version 1.0, 26 March 2015)
- ☒ SBP Framework Standard 5: Collection and Communication of Data (Version 1.0, 26 March 2015)

4.2 SBP-endorsed Regional Risk Assessment

None

5 Description of Company, Supply Base and Forest Management

5.1 Description of Company

The company is a one-person operation out of Stokesley, North Yorkshire, UK and trades in SBP compliant woodchips and wood pellets. The point of purchase and sale is identical and at the port of Teesport. The company exclusively trades wood pellets and wood chips from Eastern European countries and never takes physical possession.

5.2 Description of Company's Supply Base

None, trader

5.3 Detailed description of Supply Base

None, trader

5.4 Chain of Custody system

The company is using the FSC COC system to which it was audited in parallel with the SBP audit. The company tracks SBP and FSC volumes separately as they are also for different markets. Matthew Da Silva is responsible for keeping track of volumes. Claims are transferred from the supplier to the customer (transfer system).

6 Evaluation process

6.1 Timing of evaluation activities

The audit was conducted as desk audit on 02/24/2020 using a videocall software. Lead auditor was Sebastian Häfele. He met with MDS Energy Director Matthew Da Silva. Total audit duration was approximately 4h.

<i>Audit activity</i>		<i>Approx. duration (min)</i>	<i>People involved</i>
Opening meeting	Introductions, auditor review of audit scope, audit plan and intro/update to SBP, FSC, and SCS standards and protocols, client description of organization	30	<i>Matthew Da Silva Sebastian Häfele</i>
Review of FSC and SBP procedures, products and material accounting	Written procedures, work instructions, feedstock description, product group list, accounting system	90	
Review of COC system	Review of material balances and records, underlying COC system	60	
Trademark use	Review of SBP trademark requirements	20	
Closing meeting	Convene with all relevant staff to summarize audit findings, review identified nonconformities.	40	

6.2 Description of evaluation activities

Details are already given in the table above. The audit was conducted as remote audit, thus only interviews and the review of procedures and records were conducted. Interviews were conducted through a zoom videocall and exchange of documents and records was done through email. The auditor reviewed the documents prior to the audit and also with the company to get a deeper understanding of the operations in this initial evaluation. Since there is no physical possession and no energy and GHG data to review, these sections were not included in the audit. Critical control points that were audited were procedures, staff awareness, purchasing, volume accounting, DTS transactions and trademark use by using the aforementioned audit methods.

6.3 Process for consultation with stakeholders

SCS relies on its Master Stakeholder List, which contains stakeholders that are identified by type, e.g. ENGO, Government/regulatory, Educational/Academic, Industry, Indigenous/Aboriginal/Tribal, etc. This list is categorized by country and state/province at the very least, and for this consultation was filtered to omit any stakeholders that were not geographically relevant to the certificate-holder/applicant's supply base.

SCS did not conduct a stakeholder consultation, neither did the company.

7 Results

7.1 Main strengths and weaknesses

The company has an appropriate set of procedures and the owner shows a very good understanding of applicable standards.

7.2 Rigour of Supply Base Evaluation

NA

7.3 Collection and Communication of Data

Due to the company's operations, there is no need to track energy data. If the need arises, the company is aware of the requirement to complete an SREG. The company is aware of the DTS system and will track transactions as required.

7.4 Competency of involved personnel

The sole employee and Director is responsible for maintaining the SBP program. He has shown good understanding of the relevant SBP requirements and has developed sufficient procedures. The Director is self-taught in the requirements and uses the resources that are offered by SBP.

7.5 Stakeholder feedback

No stakeholder comments were received nor came to the attention of the auditor.

7.6 Preconditions

One conditional nonconformity was identified.

8 Review of Company's Risk Assessments

Describe how the Certification Body assessed risk for the Indicators. Summarise the CB's final risk ratings in Table 1, together with the Company's final risk ratings. Default for each indicator is 'Low', click on the rating to change. Note: this summary should show the risk ratings before AND after the SVP has been performed and after any mitigation measures have been implemented.

NA

9 Review of Company's mitigation measures

NA

10 Non-conformities and observations

Identify all non-conformities and observations raised/closed during the evaluation (a tabular format below may be used here). Please use as many copies of the table as needed. For each, give details to include at least the following:

- applicable requirement(s)
- grading of the non-conformity (major or minor) or observation with supporting rationale
- timeframe for resolution of the non-conformity
- a statement as to whether the non-conformity is likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks.

NC number 1	NC Grading: Major
Standard & Requirement:	SBP ST 4, 5.1.1
Description of Non-conformance and Related Evidence:	
The organization does not have a valid FSC certificate at audit closing date, but is in progress of becoming FSC-certified with this CB. Evidence reviewed: FSC database	
Timeline for Conformance:	Prior to (re)certification
Evidence Provided by Company to close NC:	FSC Certificate was issued to MDS on 19-June-2020
Findings for Evaluation of Evidence:	Verification of FSC certificate validity on the FSC database.
NC Status:	Closed

11 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):	Theodore Brauer
Date of decision:	19/Jun/2020
Other comments:	-