Compliance with the SBP Framework: Public Summary Report

Preferred by Nature OÜ
Evaluation of MGT Teesside

Scope Change 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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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:	Igor Miilvee
Audit team members:	Igor Miilvee
Name of the Company:	MGT Teesside
Company legal address:	TeesREP, Tees Dock Road, Middlesbrough TS6 6AF, United Kingdom
Company contact for SBP:	Sam Knight
Company contact email:	sam.knight@mgtteesside.co.uk
Company website:	
Date of installation:	
SBP Certificate Code:	SBP-08-68
Date of certificate issue:	21 Feb 2022
Date of certificate expiry:	20 Feb 2027
Audit closing meeting date:	02 Sep 2026
Audit cycle:	Scope Change 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):	Kersti Kuum
Date of decision:	29 Sep 2026
Other comments:	N/A

2.2 Open non-conformities and observations

NC number 9651 copied from 7885 copied from 4528	NC Grading: Minor
Standard:	SBP Standard 4: Chain of Custody v2.0
Requirement:	1.14 The Organisation shall identify stakeholders, develop, implement, monitor, evaluate and adapt as necessary, a Stakeholder Engagement Plan (SEP) appropriate for their business operations and scope of certification. N/A N/A N/A
Description of Non-conformance and Related Evidence:	
The Organisation has developed a Stakeholder Engagement Plan (SEP) and included it in the procedure (Exhibit 2). During the audit, it was observed that the organisation has identified only a supplier and the Certification Body as stakeholders. According to SBP requirements under Standards 4 and 5 (Version 2.0), Certificate Holders (CHs) are expected to engage a diverse range of stakeholders to uphold transparency, accountability, and inclusivity within the certification process. The limited identification of stakeholders to just these two parties suggests a gap in the comprehensiveness of the stakeholder mapping process. A typical stakeholder group would include a wider array of interested or affected parties such as regulatory bodies, environmental organizations, local communities, NGOs, and other groups connected to or impacted by the organisation's biomass activities. The selection of only a supplier and Certification Body raises concerns because these identified stakeholders are unlikely to challenge the organisation due to the nature of their existing relationship with it.	
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
Original Due Date:	2027-09-29
Closing Date:	N/A
Upgrade Date:	N/A
Update Date:	N/A

2.2 Closed non-conformities

2.3 Actions taken by Organisation Prior to Report Finalisation

N/A

2.4 Notes for the next Audit

Reporting period quarter based. For the reassessment 01OCT25 to 31SEP26.
No new non-conformities or observations were identified during the scope-change audit. Minor NC 9651, carried forward from the previous surveillance audit, remained open and will be evaluated during the scheduled reassessment.
Verify continued conformity of the existing wood-pellet system and implementation of the newly approved wood-chip controls. For chips, sample truck receipt, weighbridge records, supplier and DTS claim linkage, buffer and dryer controls, moisture conversion, energy data and material reconciliation. Evaluate the status of minor NC 9651 concerning stakeholder engagement.

3 Scope of the audit and SBP certificate

Scope item	Check all that apply to the Certificate scope
Primary activity	End User
Secondary activity	Trader
Approved Standards	SBP Standard 2: Feedstock Verification v2.0; SBP Standard 4: Chain of Custody v2.0; Instruction Document EU RED: Bridging Requirements for Meeting the Directive EU/2023/2413; Instruction Document 5E: Collection and Communication of Energy and Carbon data. v2.1
Product Group IDs	☒ Forest feedstock (1A) ☒ Trees outside forest (TOF) - Urban and landscape feedstock (2A) ☒ Trees outside forest (TOF) - Agricultural land feedstock (3A) ☒ Processing residues feedstock (4A) ☒ Post-consumer feedstock (5A) ☐ 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, WB 2.1 Wood chips
Feedstock origin (countries):	United States, United Kingdom
SBP-endorsed Regional Risk Assessments used: **Public link:** https://sbp-cert.org/documents/standards-documents/risk-assessments/	Not applicable
Chain of custody system	☒ Physical separation ☐ Mass balance
Outsourcing	No
Changes in the scope	The Organisation's scope has been updated with wood chips. Product's inputs and outputs changed to SBP-compliant only. The Primary cert holder contact and Public Contact has been updated.

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.

MGT Teesside Ltd owns and manages Tees Renewable Energy Plant, TeesREP, in Middlesbrough, United Kingdom. MGT operates within the SBP system as an End User and Trader with physical possession. Wood pellets are principally delivered by vessel, unloaded and stored in on-site silos. Pellet cargoes are identified and managed using the site Distributed Control System and biomass log. Pellets are primarily consumed at TeesREP, although MGT retains procedures for occasional onward sales. Wood chips are delivered by truck from UK-based SBP-certified suppliers, weighed at receipt, offloaded into the on-site truck unloader and buffer pit, dried using the site wood-chip dryer, transferred by conveyor to the boiler feed and consumed at TeesREP. Wood chips are co-fired alongside wood pellets. MGT intends to accept wood pellets and woodchips only with SBP-compliant claims. Physical separation is applied. No external storage or outsourcing is included.

3.2 Site details

Legal entity name	Address	Site Activity	Visited during the audit
MGT Teesside Ltd	TeesREP, Tees Dock Road, Middlesbrough, TS6 6AF, United Kingdom	End User and Trader with physical possession	☐

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.

MGT applies physical separation. Wood-pellet cargoes are allocated to on-site silos, with movements and consumption recorded through the DCS, silo logs and biomass records. Certified and non-certified pellet material is kept physically separate. Wood chips are delivered by truck and weighed at receipt. The chips are offloaded into the truck unloader and buffer pit, transferred through the wood-chip dryer and conveyed to the boiler feed for consumption. Only SBP-compliant wood chips are intended to enter that route. Wood pellets and wood chips are maintained as separate product types. No conversion factor applies to pellets. For chips, MGT uses a moisture-based calculation to account for mass loss during drying. Incoming mass is supported by weighbridge records and incoming moisture by supplier certificates of analysis. Supplier, claim, transaction, energy and carbon data are retained and linked to the applicable physical delivery and DTS transaction. No external storage or outsourcing is included.

4 Specific objective of the audit

The objective of this remote desk audit was to evaluate whether MGT Teesside's documented management system and controls were capable of supporting the addition of wood chips to the existing certified wood-pellet scope under Standards 4 and 5 and the applicable instruction documents. The established pellet controls remained within scope, while additional evaluation focused on chip suppliers, truck receipt, physical separation, drying, conversion calculation, DTS, material accounting and energy and carbon data.

5 Evaluation process

5.1 Timing and duration of evaluation activities

Audit Level of Effort (LoE)		
Activity	**Auditors**	**Auditor hours**
1. Preparation	IM	3.0
2. On-site (excl. travel time)	IM	3.0
3. Report writing	IM	5.0

5.2 Auditor team qualification

Auditor qualification		
Auditor name	**Role**	**Qualification**
Igor Miilvee (IM)	Lead Auditor	Preferred by Nature Certification, FSC, PEFC and SBP specialist and lead auditor. BSc in Ecology and Biodiversity Conservation and MSc in Biochemistry and Molecular Ecology. Has worked in Estonian state and private environmental research institutions in the fields of industrial GHGs and air pollutant monitoring, climate change adaptation and forest monitoring. Auditing experience from Estonia, Finland, Ukraine, Germany, UK.

5.3 Description of evaluation activities

The scope-change audit was conducted remotely as a desk audit on **2 September 2026** through documentation review and interviews with responsible personnel. The auditor reviewed the revised SBP Procedure, Management Commitment Statement, wood-chip specification, potential supplier information, scope-change process description, training records, internal-audit records, conversion methodology and relevant energy and carbon guidance.

The established pellet scope remained unchanged. The evaluation focused on controls added for wood chips, including supplier and claim verification, truck receipt, physical separation, drying, conversion factors, material accounting, DTS and energy and carbon data.

No wood-chip deliveries had occurred by the audit date. Implementation records and physical controls will therefore be sampled during the scheduled on-site reassessment.

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5.4 List of forest management units and feedstock suppliers visited

☒ N/A – No forest sites or suppliers visited during this evaluation
N/A. The scope-change audit was conducted remotely. No operational site, forest site or supplier was visited as part of this audit. The Organisation's role in the SBP supply chain is as an End-user with occasional Trader with physical possession.

5.5 Describe audit sampling methodology used

Risk-based sampling focused on the controls added for wood chips while retaining consideration of the established pellet management system. Samples included the revised procedure, Management Commitment Statement, two potential chip suppliers, responsible-person training, the previous internal audit, the proposed chip-conversion methodology and related process controls. No chip transaction had occurred, so system readiness rather than transaction implementation was evaluated.

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:

- The established pellet system includes defined controls for receipt, silo allocation, physical separation, DTS and material accounting;
- The SBP Procedure was updated to cover wood-chip receipt, drying, conversion and data controls;
- Responsible personnel demonstrated familiarity with both the existing pellet scope and the proposed chip activity;
- Potential chip suppliers were identified and their documented SBP scopes include wood chips;
- MGT intends to receive only SBP-compliant wood chips through a dedicated handling route.

Evaluation limitation:
No wood-chip deliveries had occurred by the audit date, so actual transaction records and physical implementation will be sampled during the reassessment.

No new non-conformities or observations were identified.

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

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

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

The established pellet system includes documented supplier verification, vessel and delivery records, silo allocation, physical separation, DTS, material accounting, consumption and sales controls.

For the chip scope, documented controls include supplier and certificate verification, truck delivery and weighbridge records, DTS linkage, physical separation, rejection of ineligible material, moisture conversion and record retention. MGT intends to receive only SBP-compliant wood chips.

No chip transaction had occurred by the audit date, and implementation will be sampled during the reassessment.

No new NCR or observation was identified.

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

MGT continues to retain applicable supplier, transport, storage, transaction and energy and carbon information for pellets. The procedure was expanded to include chip supplier data, truck transport, moisture, drying, material accounting and energy data relevant to the period of legal ownership. Changes in profiling and energy or carbon information are recorded in accordance with ID 5E and communicated through DTS where applicable. No chip transaction was available for sampling.

5.13 Summary of audit findings for competency of involved personnel

The Commercial Manager has overall accountability for SBP conformity, supported by the Sustainability Analyst for day-to-day system administration. Training records and interviews demonstrated adequate knowledge of the existing pellet system and the proposed chip controls. Operational competence relating to physical chip receipt and handling will be sampled following implementation.

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