

# Certification Evaluation Report

## *Roundtable on Sustainable Biomaterials*

*ASB Biodiesel (Hong Kong) Ltd.*

**SCS Certificate Code-SCS-RSB/PC-0028**

22 Chun Wang Street, Tseung Kwan O Industrial Estate, Hong Kong, China

Roberto Jose Vazquez Lucerga

<http://www.asb-biodiesel.com/>

CERTIFIED	EXPIRATION
March 29, 2017	March 28, 2020

DATE OF FIELD AUDIT
Feb 23-24, 2017
DATE OF LAST UPDATE
March 31, 2017

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## FOREWORD

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SCS Global Services (SCS) is a certification body accredited by the Roundtable on Sustainable Biomaterials (RSB) to conduct evaluations of biofuel operators. 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	ASB Biodiesel (Hong Kong) Ltd		
Operator Number	2094		
Contact person	Roberto Jose Vazquez Lucerga		
Address	22 Chun Wang Street Tseung Kwan O Industrial Estate New Territories, Hong Kong	Telephone	852-3183 4300
		Fax	
		e-mail	r.vazquez@asb-biodiesel.com
		Website	http://www.asb-biodiesel.com/

##### 1.1.2 Additional Parties Involved **(Can be moved to appendix if certain information is confidential)**

Organization name	ASB Chun Yip		
Contact person	MR. Ng		
Address	DD96, LOT 839, SC SS1, Ho Sheung Heung, Shueng Shui, North Territories	Telephone	+852 37411640
		Fax	+852 3741 1661
		e-mail	
		Website	
Nature of Involvement:			
UCO Collector			

#### 1.2 Scope of Certificate

Please choose one:	<input checked="" type="checkbox"/> RSB EU RED	<input type="checkbox"/> RSB Global
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: If the scope is different, please contact SCS.</i>		

INDUSTRIAL FACILITIES	
<b>Name</b>	ASB Biodiesel
<b>Type</b>	<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"/> Storage or Distribution <input type="checkbox"/> Other, please explain here:
<b>Location/City</b>	Hong Kong
<b>Geographic location (<i>Latitude &amp; Longitude</i>)</b>	22.2846° N, 114.2689° E
<b>Number of processing steps</b>	1 (transesterification and distillation)
<b>Annual throughput of previous 12 months</b> <i>(Can be moved to appendix if certain information is confidential)</i>	
<b>Feedstock Input (Metric Ton)</b>	Used cooking oil (12,360 MT) Grease Trap oil (5387 MT) Palm oil Mill Effluent (737 MT)
<b>Final/Primary Product Output (Metric Ton)</b>	Biodiesel (17532 MT)
<b>Intermediate/by-product Output (Metric Ton)</b>	Crude Glycerine (1473 MT) Bioheating oil (1886 MT)
<b>% output yield compared to input material (total output/total input)</b>	Biodiesel 93%
<b>Amount sold as RSB certified (tons)</b>	Not applicable yet- first audit
<b>Description of Production/Processing Activities:</b>	
<p>The plant uses a multi-feedstock blend which consists of waste cooking oil (WCO/UCO), oil and grease recovered from grease trap waste (GTW), palm oil mill effluent (POME). These inputs go through the process of transesterification and distillation to produce biodiesel.</p> <p>Palm Oil Mill Effluent (POME) is received from ISCC suppliers and tracked accordingly in mass-balance documents. ASB is the point of origin for the grease trap; the waste water treatment plant that treats grease trap water and produces the grease trap oil is inside the ASB facility, and is integrated with the biodiesel plant. The mass balance of the grease trap water is part of ASB's chain of custody system.</p>	

### 1.3 Standards Used

#### 1.3.1 Applicable RSB-Accredited Standards

Title	Version
RSB Principles & Criteria (RSB-STD-11-001-01-001 V 2.1);	V2.1
RSB Chain of Custody (RSB-STD-11-001-20-001 V3.5)	V3.5
RSB Standard for Participating Operators (RSB-STD-11-001-30-001 V3.2);	V3.2

RSB Risk Management (RSB-STD-11-001-60-001 V3.2);	V3.2
RSB Procedure on Communication and Claims (RSB-PRO-11-001-50-001 V3.2)	V3.2
RSB Standard for EU Market Access (RSB-STD-11-001 V 3.0);	V3.0
RSB Waste and Residues (RSB-STD-11-001-01-010 V1.0)	V1.0

## 2.0 EVALUATION PLANNING & PROCESS

### 2.1 Documentation Submitted by Operator

Air and water licenses	Mass Balance rev22 WIP 18
Mass Balance Topsafe rev 14	Mass Balance Guidelines
RSB Chain of Custody Procedure rev01	12-02-22 Emissions Template
Emission Inventory	ASB Business Registration
DG License Manufacturing Dangerous Goods 2016	DG License Storage of Dangerous Goods 2016
EPD Permit	Water Assessment Report
Communications & Claims ASB Biodiesel	BioGrace GHG calculations
Self-Risk Assessment	RSB Screening Tool
Training Plan 2017	RSB POS template

### 2.2 Audit Type and Determination

The following table summarizes the audit types for RSB Audits:

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

### 2.3 Audit Team

#### 2.3.1 Determination of Audit Team

- Desk audits shall always be conducted by at minimum one (1) international lead auditor. The lead auditor appointed may include additional auditors and/or technical experts in the audit team if this is required by the extent of the audit.
- Field audits shall always be led by one (1) international lead auditor.
- The lead auditor appointed shall include at minimum one (1) local auditor in the audit team. The lead auditor appointed may include additional auditors and/or technical experts in the audit team if this is required by the extent of the audit.
- For field audits of participating operators in High Risk class shall always the lead auditor appointed shall appoint at minimum
  - one (1) local auditor and

- one (1) technical expert on social issues to evaluate compliance with social requirements and the risk of non-compliance due to social issues and
- one (1) technical expert on environmental issues to evaluate compliance with environmental requirements and the risk of non-compliance due to environmental issues.
- The lead auditor appointed may include additional auditors and/or technical experts in the audit team if this is required by the extent of the audit.

**2.3.2 Audit Team**

<b>Auditor Name:</b>	Jingting Zhou	<b>Auditor role:</b>	Lead Auditor
<b>Qualifications:</b> Jingting is an experienced auditor having completed audits on a local and international level. She is both a certified RSB and Bonsucro auditor. Jingting previously worked as an associate at SCS Global Services in the Biofuels program for several years. As such, Jingting has a well-rounded understanding of the auditing process from both an auditor’s perspective as well as the certification logistics viewpoint. Prior to working at SCS, Jingting received a master of Pacific International Affairs from the University of California at San Diego. She has fluency in Mandarin Chinese (Native) and English and intermediate knowledge of Korean and Spanish.			

**2.4 Evaluation Schedule and Extent of Audit**

**2.4.1 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 factory together with the head office 1 collector
Participating Operator Risk Class	First audit-Medium
Disputes or prior Non-compliances	First Audit with RSB ISCC certificate withdrawn
Changes in scope since last evaluation	N/A-First Evaluation
Total number of compliance claims	N/A-First Evaluation

**2.4.2 Evaluation Itinerary and Activities**

<b>Date: Feb 23</b>	
<b>Operation(s)/ sites visited</b>	<b>Activities/ notes</b>
ASB Biodiesel	Opening meeting
	Site walk through, mass balance review, workers interview
	Closing meeting of the day
<b>Date: Feb 24</b>	

Operation(s)/ sites visited	Activities/ notes
ASB UCO Collector	Site visit
ASB Biodiesel	Documents review; workers interview;
	Closing meeting

## 2.5 Evaluation of Management System

### 2.5.1 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.

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

*Note: include an overall evaluation of the participating operator’s responsiveness and ability to consistently and effectively implement its management system based on the financial, technical, and human resources available.*

Include overall evaluation of management system implementation here or fill in the table in Appendix 2 (the details of the observations and substantiating evidence collected during evaluation of the central management office and management systems of the participating operator)

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

Type (compliance claim, trademark use)	Description	Findings
N/A-First Evaluation	ASB does not make any claim or use of RSB trademarks yet. This is the first audit.	ASB has provided their RSB communications procedure stating the use of compliance claim and use of trademark in alignment with RSB standard



## 2.6 Stakeholder Consultation Process

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.

### 2.6.1 Summary of Stakeholder Comments and Responses from the Team, Where Applicable

Stakeholder Comments	SCS Response
<b>Economic Concerns</b>	
No concerns raised	ASB is using UCO to generate clean energy and has brought around 60 jobs to local community.
<b>Social Concerns</b>	
None raised	
<b>Environmental Concerns</b>	
ISCC certificate withdraw	<p>Auditor reviewed ISCC reports and the integrity assessment report and found the following reasons for certificate cancellation:</p> <ol style="list-style-type: none"> <li>1) NCs in the integrity assessment report about specific GHG calculations have been corrected by ASB. Though ASB will use default values for RSB certified product, ASB has also presented that they are capable of calculating actual values now;</li> <li>2) ASB was allotted non-conformities regarding their mass balance calculation as it did not meet ISCC requirements. Review of the mass balance calculation file received by the auditor showed that the methodology is clearly and scientifically arranged in line with RSB standards. ISCC did not point out what is not in compliance with their mass balance system in the report. This NC does not affect ASB’s RSB system.</li> <li>3) ASB did not have any minor or major non-conformity issued in previous ISCC reports prior to the integrity assessment. During the integrity assessment, Roberto, who is in charge of sustainability certification, was not available on site. The</li> </ol>

	<p>withdrawn certificate can be a partially explained by the absence of the person in charge; the staff who attended the assessment may not have had a sufficient understanding of mass balance and GHG calculations. This is also recognized as one potential risk by the RSB auditor, namely that ASB employees may not be sufficiently trained in the Standard. As ASB has identified this as high risk themselves and also provided training records and training plan, a major NC was downgraded to minor NC in this RSB report. Auditor suggests that employee competence and implementation of the RSB system be reassessed during the annual surveillance audit.</p>
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### 3.0 RISK ASSESSMENT RESULTS

SCS Risk Assessment Results	Deviations from Operator Risk Assessment Results	Risk Factor Difference
Medium	Lower than operator self-assessment	Less risk

Due to the results of the Risk Assessment, the evaluation did not need to be rescheduled.

### 4.0 RESULTS OF THE EVALUATION

#### 4.1 Equivalence between the Audit Team Evaluation and the Operator Self Evaluation

Principle/ Subject Area	Summary of Audit Team Findings	Comparison to Operator Self Evaluation (Equivalence)	Added Risk (Yes/No)
<b>P1: Legality</b>	In compliance. Relevant licenses are provided for valid business registration and are in line with Hong Kong regulations.	Equivalent	No
<b>P2: Planning, Monitoring &amp; Continuous Improvement</b>	In compliance	Equivalent	No
<b>P3: Greenhouse Gases</b>	In compliance	Equivalent	No
<b>P4: Human and Labor Rights</b>	In compliance	Equivalent	No
<b>P5: Rural &amp; Local Development</b>	Not applicable. Hong Kong is not an area of poverty.	N/A	N/A
<b>P6: Food Security</b>	Not applicable. ASB does not use food feedstock for production,	N/A	N/A

	UCO is the major feedstock. Hong Kong does not have food security issues.		
<b>P7: Conservation</b>	Water assessment report has proved that ASB is not located in an area of conservation. The land is a reclaimed land built for industrial estate.	Equivalent	No
<b>P8: Soil</b>	Not applicable. ASB is not a feedstock producer. ASB is not built on bare soil.	Equivalent	No
<b>P9: Water</b>	In compliance. Water assessment report reviewed. Third party water quality monitoring report reviewed.	Equivalent	No
<b>P10: Air</b>	In compliance	Equivalent	No
<b>P11: Technology</b>	In compliance	Equivalent	No
<b>P12: Land Rights</b>	In compliance	Equivalent	No
<b>FINAL RISK CLASS</b>	Medium		No

## 4.2 Process of Determining Compliance

### 4.2.1 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.

### 4.2.2 Interpretations of Major and Minor Non-compliances

*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 certified FME’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.

**4.2.3 Major Non-compliances**

<input checked="" 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 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.

**4.2.4 Non-compliances and Current Status**

Instructions:

- Initial certification audit: list all Non-conformities and Opportunities for Improvement issued during this audit.
- Surveillance/Recertification: list status of minor NCs that were not closed in previous audit, then list new NCs/OFIs issued during this audit.

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)
1	Major downgraded to Minor	RSB-STD-11-001-20-001-vers.3.4 Criterion 1.4	Insufficient training records. Given that their ISCC certificate was cancelled and one of the reason was the employees’ insufficient understanding of the Standard, this is still a potential risk to RSB system. This NC is identified and downgraded from major to minor because training records, training plan were provided. During the next audit, the implementation of RSB procedure and training records will be checked.	Open

2	Minor	RSB-STD-11-001-20-001-vers.3.4 Criterion 1.13	That ASB shall notify their Certification Body and the System Operating Entity (SOE) about any modification in the chain of custody system is not included in the COC procedure	Open
3	Major NC downgraded to minor NC	RSB-STD-11-001-20-001-vers.3.4 Criterion 4.2	During the on-site audit, there wasn't any RSB specific document to record outgoing RSB certified material information. RSB POS template was provided one day after the on-site audit.  To be checked during next audit on the implementation.	Open

### 5.0 CERTIFICATION DECISION

Certification Recommendation	
<b>Operator to be awarded RSB certification subject to the minor non-compliances stated in Section 4.2.5.</b>	Yes <input checked="" 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 checked="" type="checkbox"/> No <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:	

<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>	Operator to be awarded RSB certification
	<b>Certification decision by:</b>	Matthew Rudolf
	<b>Date of decision:</b> For initial or continued certification	 23 March 2017
	<b>Surveillance schedule:</b>	6 month surveillance from the time of certification and annual surveillance in 2018.  Notes: