

SCS Global Services Evaluation of Georgia Biomass, LLC Compliance with the SBP Framework: Public Summary Report

Scope Change 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

Primary contact for SBP: Sarah Harris, SHarris@scsglobalservices.com

Current report completion date: 02/Apr/2019

Report authors: Theodore Brauer

Name of the Company: Georgia Biomass, LLC

Company contact for SBP: Barry Parrish

Certified Supply Base: 128 counties of Alabama (5), Florida (38) and Georgia (85).

SBP Certificate Code: SBP-04-21

Date of certificate issue: 18/Jan/2016

Date of certificate expiry: 17/Jan/2021

This report relates to the Scope Change Audit

2 Scope of the evaluation and SBP certificate

This certificate covers the production and trade of wood pellets transported by rail to the Port of Savannah, Georgia, USA. It also covers a Supply Base Evaluation for the sourcing of feedstock from 128 counties of Alabama (5), Florida (38) and Georgia (85) in the United States of America. The scope includes communication of Dynamic Batch Sustainability Data.

3 Specific objective

The object of this expansion of scope audit was to confirm:

- The Biomass Producer's management system is implemented across the entire scope of certification (SBP ST 4, & 5).
- Implementation of Dynamic Batch Sustainability Data communication as per Instruction Document 5D.
- Organization conforms with the requirements at critical control points; including supplier documentation with feedstock properties (trip/ scale tickets) and incoming loads database, material accounting records, credit ledgers for tracking of volumes, feedstock types and claims, spreadsheets with total volume of pellets produced, staff awareness assessed through interviews.
- Collection assessment information.
- Generating assessment findings

Evaluation of compliance against Instruction Document 5D: Dynamic Batch Sustainability Data v1.1

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

Not applicable

5 Description of Company, Supply Base and Forest Management

5.1 Description of Company

Georgia Biomass supplies wood fiber to its pellet mill located in Waycross, Georgia. The company sources roundwood, in woods chips, sawmill residuals and hog fuel from the states of Alabama, Georgia and Florida. Pine is the primary component although some hardwood is utilized. The fiber procurement organization consists of a manager, two foresters and administrative personnel. Inputs: 26% of the input material is SFI and ATFS certified (both PEFC endorsed) and the remaining is FSC/PEFC controlled. Outputs: SBP Compliant and EUTR Compliant Biomass.

5.2 Description of Company's Supply Base

Georgia Biomass, LLC (GBLLC) purchases softwood and hardwood wood fiber from 128 counties: five in Alabama, 38 in Florida and 85 in Georgia within the United States. Forests are the predominant land use in this supply base (68%) Pine forests comprise the largest forest type (51%) of the supply area's forest followed by hardwood forests (37%). The pine/oak forest comprises 10% of the supply area's forest type while about 2% of the forest is considered non-stocked. About 59% of the supply area's forests are managed as natural forests (3.16 MM hectares) while the remaining 41% of the supply area's forests are artificially regenerated (2.17 MM hectares). GBLLC purchases its fiber primarily from private landowners. Small landowners provide 58% of the fiber furnish while large private landowners provide the remaining 42%. No fiber originates from public lands. The forest products industry is a very large part of the area's economy and is one of the top industries within both states generating \$16.9 billion in GA and \$14.5 billion in FL annually. In GA there are 12 pulp/paper manufacturing facilities and 10 bioenergy facilities within the state providing 48,740 jobs. In 2014, the bioenergy industry provided 672 jobs in Georgia. In FL there are 67 wood products facilities and 6 pulp/paper manufacturing facilities within the state. The GBLLC pellet mill is one of the largest in the United States. Pine species dominate most of the forests within the supply area. Primary species for these pine forests include loblolly pine (*Pinus taeda*), slash pine (*Pinus elliotii*) and longleaf pine (*Pinus palustris*). Primary species for the hardwood forests include oak (*Quercus* spp.), sweetgum (*Liquidambar styraciflua*), maple (*Acer* spp.), sycamore (*Platanus occidentalis*) and blackgum (*Nyssa sylvatica*). No species purchased at the GBLLC facility is listed on the CITES list. Longleaf pine was recently added to the IUCN Red List. Pine forests are typically managed on an even-aged basis with a rotation age of 25 to 30 years. During this rotation the pine stand may be thinned one or two times during the middle of the rotation with a final harvest completing the rotation. Most pine forests are artificially regenerated with pine seedlings planted by hand to defined stand densities. Chemical and/or mechanical site preparation is typically used to manage the less desirable hardwood species and herbaceous species at stand establishment. Chemical treatments are minimal or below label rates; do not kill all competing species and last about two years so the pine seedlings can become established. Fertilizers are not normally applied to these forests due to costs. Some private investment groups (REITS, TIMOs) may apply fertilizers on forests which are more intensively managed. These intensively managed pine forests represent a very small percentage of the overall pine forests in the supply basin. Hardwood forests can be managed either as even-aged or uneven-aged stands. Most hardwood stands are 40 to 50 years when harvested if managed as an even-aged stand. No site preparation or fertilizers are used on hardwood forests. Most forests in the GBLLC supply area are managed according to state forestry best management practices (BMPs). While these BMPs are normally voluntary, all GBLLC suppliers are contractually required to abide by them. Supplier compliance with state BMPs is verified by periodic audits conducted by GBLLC. GBLLC's Sustainable Forestry Initiative (SFI) fiber sourcing certification and procedures require all harvesting professionals to maintain continuing education training on BMPs and other sustainable forestry issues such as wildlife habitats and biodiversity and aesthetics. Overall BMP compliance reported for 2015 was 91.13% (GA), 99.3% (FL), and 98.2% (AL). Sustainable forestry certification is present in GBLLC's supply with the company purchasing 26% of its fiber as certified (SFI – 19% and ATF – 6.9%). No FSC certified fiber has been purchased to date. GBLLC purchases pine and hardwood roundwood as its primary feedstock from about 45 wood suppliers. Secondary feedstock is received in the form of pine and hardwood residual chips from about 32 sawmill suppliers. Pine roundwood accounts for the majority (70%) of the total feedstock with hardwood roundwood, sawdust, shavings, and residual chips comprising the remainder. Hardwood roundwood accounts for less than 1% of the total feedstock. Roundwood comes from small forest landowners (58%) and large forest landowners (42%). No roundwood comes from publically owned sources. The company's public summary information can be found at: <https://www.gabiomass.com/sustainable-products>.

5.3 Detailed description of Supply Base

a. Total Supply Base area (ha): 5,878,843 ha (Forested lands)
b. Tenure by type (ha): Privately owned (5,243,750 ha) / Public 635,092 ha
c. Forest by type (ha): Temperate (5,878,843 ha)
d. Forest by management type (ha): Plantation (2,130,885 ha) / Managed Natural (3,624,083 ha) / Natural (136,183 ha)
e. Certified forest by scheme (ha): SFI (2,931,384 ha - total) (GA – 957,162 ha) (FL – 760,642 ha), SFI (AL – 1,191,750 ha), ATF (GA state-wide 778,695 ha) / ATF (FL state-wide 385,487 ha), ATF (AL state-wide 1,117,865 ha). More information is available in the publicly available Supply Base report found on its SBP certificate page and its own website.

5.4 Chain of Custody system

The company is certified to the SFI Standard (NSF-SFI-CS-C0251114) as well as the FSC (SCS-COC-005306), SFI (NSF-SFI-COC-C0251114) and PEFC (NSF-PEFC-COC-C0251114) Chain of Custody Standards. All COC certificates cover its Waycross, GA facility and the port facility in Savannah, GA. The company uses the following outsourcer covered under the company's COC certifications: East Coast Terminal, Inc., a port facility manager in Savannah, GA that stores and loads pellets onto ocean-going vessels. For SBP, the outsourcer must ensure that COC control and outsourcing procedures are implemented properly. The company may purchase SBP-compliant pellets from other suppliers, have them delivered to the port facility, and mix them with the company's pellets. The company has developed a procedure to mass balance the GHG data from all suppliers should it elect to purchase pellets. Per purchase and sales documentation reviewed during the transfer audit, the company has not purchased pellets from any third-parties. The company uses the PEFC COC system as basis for the SBP COC.

6 Evaluation process

6.1 Timing of evaluation activities

Item	Topics	Date/time	participants
Desk audit opening meeting		02-April-2019 11:00am	Georgia Biomass: Barry Parrish SCS: Theodore Brauer
Review of ST 5 ID-5D: procedures, staff interviews, material balances and records. DTS.	Auditor-selected sample of the following: material tracking system, summary of purchases and sales, invoices, shipping documents, training records, and records, tracebacks from certified outputs to eligible inputs. Interviews with appropriate number and diversity of staff to assess knowledge of CoC procedures related to their position.	11:20	
Closing meeting		2:00pm	
End of audit		2:20pm	

6.2 Description of evaluation activities

The remote expansion of scope audit was conducted to include instruction document 5D.

Audit methods consisted of review of documentation, studies, assessments, surveys, websites, and staff interviews. Relevant documents and records relating to standards 4 and 5 were reviewed as provided by the company. Phone interviews were held as part of the desk audit to clarify the purpose of certain documents and records. This was a desk audit.

6.3 Process for consultation with stakeholders

Not applicable

7 Results

7.1 Main strengths and weaknesses

The company has a well-organized document control system used to identify and locate policies and procedures related to its FSC/PEFC and SBP compliance. Record-keeping systems are readily accessible by relevant staff. Opportunities for improvement have been identified as observations and are described in section 10.

7.2 Rigour of Supply Base Evaluation

N/A – expansion of scope to ID-5D

Collection and Communication of Data

The company regularly updates transaction and GHG data to the SBP DTS, as confirmed via interviews with staff, record review, and files downloaded from DTS.

7.3 Competency of involved personnel

The company prepared its own SBE and relied on external review from two experts in forestry and wildlife for feedback. The company is FSC- and PEFC-certified and has prepared its own Controlled Wood and Due Diligence Risk Assessments based on information from ENGOs, FSC, PEFC, Lacey Act, EUTR, and other credible sources of information.

7.4 Stakeholder feedback

No stakeholder comments have been received since the last surveillance audits.

7.5 Preconditions

No preconditions were 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.

Not applicable for this audit project

9 Review of Company's mitigation measures

Since low risk was determined for all indicators, the company has not implemented any mitigation measures outside of ensuring that BMPs and contracts are adhered to.

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: Observation
Standard & Requirement:	SBP Standard 5 Instruction Documents 5D (V1.1) – clause 2.1
Description of Non-conformance and Related Evidence:	
The Mass Balance account does not have a consistent methodology for calculating credit deductions. The organization has a process to ensure that credits are available prior to making a sale and credits have not been overdrawn. The organization knows credits expire and to deduct them from the credit ledger when a sale is made but there is not clear process as to how this will be done, creating a possible risk of nonconformance in the future.	
Timeline for Conformance:	Other Response is optional
Evidence Provided by Company to close NC:	<i>Click or tap here to enter description provided by Company to close the NC.</i>
Findings for Evaluation of Evidence:	<i>Click or tap here to enter findings for evaluation of evidence by the auditor.</i>
NC Status:	Open

NC number 2	NC Grading: Observation
Standard & Requirement:	SBP Standard 5 Instruction Documents 5D (V1.1) – clause 2.6
Description of Non-conformance and Related Evidence:	
Interview with Barry Parrish confirmed the organization is aware of the requirements for allocating unique Dynamic Batch SDI (SBP-XX-YY-ZZ-AA). However, there are no written procedures in place outlining how Dynamic Bath SDIs will be implemented in the sales process.	
Timeline for Conformance:	Other Response is optional
Evidence Provided by Company to close NC:	<i>Click or tap here to enter description provided by Company to close the NC.</i>
Findings for Evaluation of Evidence:	<i>Click or tap here to enter findings for evaluation of evidence by the auditor.</i>
NC Status:	Open

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):	Sebastian Häfele
Date of decision:	15/May/2019
Other comments:	<i>Click or tap here to enter text.</i>