

# SBP

Sustainable Biomass Partnership

## NSF International Evaluation of Fram Renewable Fuels, LLC (Appling County Pellets) Compliance with the SBP Framework: Public Summary Report

### First Surveillance Audit

[www.sustainablebiomasspartnership.org](http://www.sustainablebiomasspartnership.org)



## Completed in accordance with the CB Public Summary Report Template Version 1.0

*For further information on the SBP Framework and to view the full set of documentation see  
[www.sustainablebiomasspartnership.org](http://www.sustainablebiomasspartnership.org)*

### *Document history*

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# 1 Overview

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Primary contact for SBP: Norman Boatwright, [nboatwright12@gmail.com](mailto:nboatwright12@gmail.com) , 843.229.1851

Report completion date: 14/Apr/2017

Report authors: Norman Boatwright – LA and Tina Sentner – GHG Auditor

Certificate Holder: Appling County Pellets, LLC 248 Sweetwater Drive, Baxley, GA 31513

Producer contact for SBP: Elizabeth van Tilborg, [vantilborg@framfuels.com](mailto:vantilborg@framfuels.com), 912-617-2031

Certified Supply Base: Select Counties in Alabama, Florida and Georgia

SBP Certificate Code: SBP-02-08

Date of certificate issue: 04/Oct/2016

Date of certificate expiry: 03/Oct/2021

Indicate where the current audit fits within the certification cycle				
Main (Initial) Audit	First Surveillance Audit	Second Surveillance Audit	Third Surveillance Audit	Fourth Surveillance Audit
<input type="checkbox"/>	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## 2 Scope of the evaluation and SBP certificate

The manufacture of wood pellets and subsequent management of pellet transport, storage and sales by Fram Renewable Fuels, L.L.C. including transport by truck and rail to the ports of Brunswick and Savannah, GA and the co-mingling of SBP-complaint biomass at the ports; including Standards 1, 2, 4 and 5 for the Baxley, GA facility. The SBP Standard certification number is SBP-02-08.

### 3 Specific objective

The specific objective of this evaluation was to confirm that Appling County Pellets, LLC's and Fram Renewable Fuels L.L.C. management system is capable of ensuring that all requirements of specified SBP Standards are implemented across the entire scope of certification.

Note: Appling County Pellets is wholly owned by Fram Renewable Fuels L.L.C. which also wholly owns Hazlehurst Wood Pellets, LLC and jointly owns Telfair Forest Products, LLC. Fram has developed the procedures, policies and supporting documents to administer the SBP program for all three (3) facilities. All input material is purchased and controlled by FRF. The pellet production process is controlled by the mills and all transport, storage and sales are handled by FRF. FRF handles all of the administration processes and certification requirements. The SBP audit covered both FRF and the mill processes. FRF maintains ownership from the point of production through being loaded on a ship.

## 4 SBP Standards utilised

### 4.1 SBP Standards utilised

- Standard 1: Feedstock Compliance Standard, Version 1.0, March 2015
- Standard 2: Verification of SBP-Compliant Feedstock, Version 1.0, March 2015
- Standard 4: Chain of Custody, Version 1.0, March 2015
- Standard 5: Collection and Documentation of Data. Version 1.0 March 2015

These documents can be reviewed at: <http://www.sustainablebiomasspartnership.org/documents/standards-documents/standards> .

### 4.2 SBP-endorsed Regional Risk Assessment

Not applicable.



## 5 Description of Biomass Producer, Supply Base and Forest Management

### 5.1 Description of Biomass Producer

The Company supplies wood fiber to pellet mill located in Baxley, Georgia. The Company sources primarily sawmill residuals and some pre-consumer material from the states of Alabama, Georgia, North and South Carolina and the northern portion of Florida. Pine and hardwood are utilized. The procurement organization consists of a single procurement manager.

#### Inputs:

Due to the fact that all input material is sawmill residual or pre-consumer tertiary residue, certified content is not tracked as very few of the supplying facilities are chain of custody certified.

Approximately 83% of the input material is hardwood with 88% from secondary mill residues and 12% from tertiary mill residues.

#### Outputs:

SBP Compliant Biomass.

### 5.2 Description of Biomass Producer's Supply Base

The Company's supply base has not changed since the 2016 certification audit. The Company purchases softwood and hardwood wood fiber from the states of Alabama, North Central Florida, Georgia, North Carolina, South Carolina and Tennessee. The facility sources from a largely rural area where forestry and agriculture (e.g. forests, crops and cattle) are prevalent and are the primary sources of income for workers and the local communities. The forests consist of various pine, hardwood and mixed hardwood/pine forests in the Upper East Gulf Coastal Plain, Interior Low Plateau, Cumberslands & Southern Ridge & Valley, Southern Blue Ridge, Piedmont, East Gulf Coastal Plain, South Atlantic Coastal Plain Regions, Mid-Atlantic Coastal Plain and Florida Peninsula regions. Forests are the predominant land use in this supply base. Pine forests comprise the largest forest type (47%) of the supply area's forest followed by Oak/Hickory (44%) and Oak/Pine (13%). About 75% of the supply area's forests are managed as natural forests (32,997,514 hectares) while the remaining 25% of the supply area's forests are artificially regenerated (11,025,819 hectares).

The Company purchases approximately 88% of its fiber from sawmills and 12% from sawmills and tertiary suppliers (pre-consumer).

As previously stated, pine forests dominate the majority of the forests within the supply area. Primary species for these pine forests include loblolly pine (*Pinus taeda*) and slash pine (*Pinus elliotii*). 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 facility is listed on the CITES 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.

The vast majority of forests in the Company’s supply area are managed according to state forestry best management practices (BMPs). While these BMPs are normally voluntary, all Company suppliers are contractually required to abide by them.

Sustainable forestry certification is present in the Company’s supply basin with approximately 7% of the forest ATFS certified, 9% SFI certified and 1% FSC certified.

The Supply Base Evaluation is available on the Company’s website:  
</skins/userfiles/files/Fram%20Renewable%20Fuels%20Supply-Base-Report%20for%20website2.pdf>

### 5.3 Detailed description of Supply Base

Total Supply Base area (ha):

- 9,359,136 ha Alabama
- 6,140,228 ha Florida
- 10,007,260 ha Georgia
- 7,613,942 ha North Carolina
- 5,250,458 ha South Carolina
- 5,652,310 ha Tennessee

Total ha in Supply Base: 44,023,334

b. Tenure by type (ha): 8,758,760 ha Private Land – Alabama

- 3,990,964 ha Private Land – Florida
- 8,930,272 ha Private Land – Georgia
- 6,337,872 ha Private Land – North Carolina
- 4,604,628 ha Private Land – South Carolina
- 4,713,110 ha Private Land – Tennessee

Total Private Lands (ha): 37,335,605

	600,376 ha Public Agencies - Alabama
	2,149,264 ha Public Agencies – Florida
	1,076,988 ha Public Agencies – Georgia
	1,276,070 ha Public Agencies – North Carolina
	645,830 ha Public Agencies – South Carolina
	939,200 ha Public Agencies – Tennessee
Total Public (ha):	6,687,729.

## 5.4 Chain of Custody system

The Company is FSC/PEFC Chain of Custody certified. The CoC certificate is a multi-site that covers 3 sites: Baxley, Hazlehurst and Lumber City, GA. The central office functions are managed by Fram Renewable Fuels in Hazlehurst.

The following outsourcers are covered under the Company's CoC certifications:

- Logistec USA, Inc. is a port facility located in Brunswick, GA that stores and loads pellets onto ocean going ships.
- Southeast Maritime Svcs., LLC dba Metro Ports is a port facility located in Savannah, GA that stores and loads pellets onto ocean going ships. The Company is no longer using this port.

The certification body certifying the Company to the FSC/PEFC chain of custody standards classified all outsourcers as low risk. For SBP, NSF classified all outsourcers as high risk to ensure that the chain of custody control and outsourcing procedures were being implemented properly. An on-site visit was conducted at the Brunswick port. The Savannah port is no longer being used.

At the port facility, employees were interviewed, the material receipt and placement processes were observed and material balance reports were reviewed. The Company also purchases pellets from other suppliers, has them delivered to the port facility and mixes them with the Company's pellets. The Company accepts only SBP-compliant pellets from its suppliers and has developed a procedure to mass balance the GHG data. The Company has begun making SBP claims.

## 6 Evaluation process

### 6.1 Timing of evaluation activities

Date	Location/Method	Activity	Participants
1/2/2017	Planning call	Confirm audit date and review logistics - 2 hours	Norman Boatwright, Elizabeth van Tilborg
2/21/2017	Phone	GHG Data Discussion - 2 hours	Tina Sentner
3/20/2017	Office	Work on GHG Report - 4 hours	Sentner
3/31/2017	Office	Work on GHG Report - 4 hours	Sentner
4/6/2017	Office	Work on GHG Report - 4 hours	Sentner
4/7/2017	Office	Work on GHG Report - 2 hours	Sentner
4/8/2017	Office	Review GHG data and finalize report - 2 hours	Boatwright

### 6.2 Description of evaluation activities

NSF initiated the SBP audit process with a planning call to confirm the scope of the audit, determine whether any changes had occurred in the Company’s policies and procedures and set the audit dates. NSF then prepared a detailed audit plan and conducted the SBP Surveillance Audit of conformance to the SBP Standards with focus on the SBE/SBR and chain of custody requirements. A report was prepared and final approval was done by an independent Certification Board Member assigned by NSF. Follow-up or Surveillance Audits are required by the SBP Standards. The next Surveillance Audit is scheduled for the week of February 12, 2018.

The audit was governed by a detailed audit plan designed to enable the audit team to efficiently determine conformance with the applicable SBP requirements. The plan provided for the assembly and review of audit evidence consisting of documents, interviews, and on-site inspections of ongoing or completed forest practices and management systems.

During the audit NSF reviewed a sample of the written documentation assembled to provide objective evidence of SBP Conformance. NSF selected residual suppliers to interview. NSF also selected and interviewed employees within the organization to confirm that the SBP Standard was understood and actively implemented.

### 6.3 Process for consultation with stakeholders

Stakeholders were not engaged as this is a surveillance audit, the supply basin boundaries did not change and the risk designation was not changed for any indicators.

## 7 Results

### 7.1 Main strengths and weaknesses

The Company is certified to the FSC/PEFC Chain of Custody Standards and to the FSC Controlled Wood and PEFC Controlled Sourcing Standards. Accordingly, it has developed and refined its procedures to enable it to track fiber from the district of origin and throughout the supply system and manufacturing process.

Strengths include the ability to track residual material back to the source mill. The Company's defined supply basin extends well beyond the normally accepted haul radii for its residual supplier mills to ensure the district of origin of the fiber is within the supply basin. The Company has exhibited a strong corporate commitment to source fiber sustainably.

The audit did not identify any weaknesses.

### 7.2 Rigour of Supply Base Evaluation

The Company has conducted a rigorous Supply Base Evaluation. Risk was designated low for all but one core indicator and mitigation measures are in place. The Company has been PEFC/FSC Chain of Custody certified since 2013 and has basically built mitigation measures into its procedures and fiber sourcing programs.

In addition, the Company has chosen to define the geographical scope of the SBE to extend well beyond the normally accepted haul radii for its residual supplier mills to ensure the district of origin of the fiber is within the supply basin

### 7.3 Compilation of data on Greenhouse Gas emissions

A rigorous GHG audit determined that the Company's GHG data is complete and accurate. The data provided by the Company was verified during the audit and is comparable to data obtained from similar sized operations.

### 7.4 Competency of involved personnel

The Company retained R.S. Berg & Associates, Inc. to prepare the SBP Program and Procedures, including conducting the Supply Base Evaluation & Risk Assessment. R.S. Berg & Associates, Inc. has provided consulting assistance to over two hundred and eighty (280) forestry organizations in North America and has conducted over forty (40) independent and internal audits to the FSC, SFI, PEFC and American Tree Farm System Standards. Resume, Client List and other information is available at the following website: <http://www.rsbergassoc.com/>

The Company's management and control systems for SBP are the same as those used to meet the FSC/PEFC Chain of Custody and FSC Controlled Wood requirements, which have been in place since 2013. Key personnel tasked with implementing the Company's management and control systems relating to SBP compliance are well trained and competent, with strengths in markets, silviculture, management, harvesting,

and conservation issues. Their knowledge of SBP requirements is strong. This is a new standard, so any relevant experience is limited to the pre-existing CoC and Controlled Wood standards.

## 7.5 Stakeholder feedback

Stakeholders were not engaged as this is a surveillance audit. The Company has not received any complaints relative to SBP.

## 7.6 Preconditions

No preconditions were identified.

## 8 Review of Biomass Producer’s Risk Assessments

The NSF Forestry Program Manager was the Lead Auditor for this certification audit. He is familiar with the Company’s forest certification programs as well as issues related to forestry, conservation and biodiversity in the south-eastern US. The Lead Auditor confirmed that the supply basin had not been changed since the certification audit and determined that the low risk designation for all indicators has not changed.

Table 1. Final risk ratings of Indicators as determined after the SVP and any mitigation measures.

Indicator	Risk rating (Low or Specified)	
	Producer	CB
1.1.1	Low	Low
1.1.2	Low	Low
1.1.3	Low	Low
1.2.1	Low	Low
1.3.1	Low	Low
1.4.1	Low	Low
1.5.1	Low	Low
1.6.1	Low	Low
2.1.1	Low	Low
2.1.2	Low	Low
2.1.3	Low	Low
2.2.1	Low	Low
2.2.2	Low	Low
2.2.3	Low	Low
2.2.4	Low	Low
2.2.5	Low	Low
2.2.6	Low	Low
2.2.7	Low	Low
2.2.8	Low	Low
2.2.9	Low	Low
2.3.1	Low	Low
2.3.2	Low	Low

Indicator	Risk rating (Low or Specified)	
	Producer	CB
2.3.3	Low	Low
2.4.1	Low	Low
2.4.2	Low	Low
2.4.3	Low	Low
2.5.1	Low	Low
2.5.2	Low	Low
2.6.1	Low	Low
2.7.1	Low	Low
2.7.2	Low	Low
2.7.3	Low	Low
2.7.4	Low	Low
2.7.5	Low	Low
2.8.1	Low	Low
2.9.1	Low	Low
2.9.2	Low	Low
2.10.1	Low	Low

## 9 Review of Biomass Producer's mitigation measures

Additional Mitigation Measures are not necessary because the risk rating is low for all indicators. Due to the Company's certification to the above referenced Standards, the Company has built mitigation measures into its procedures and fiber sourcing programs.



## 10 Non-conformities and observations

No non-conformities or observations were issued during the surveillance audit. The Company has used its existing procedures and management systems to implement SBE in a very effective manner.

The following non-conformity was identified during the certification audit:

### **CAR # J0941730-1**

**Requirement:** SBP Framework Standard 2: Verification of SBP-compliant Feedstock, Section 13 – Indicator 13.4: *Relevant stakeholders shall be informed of the SBE at least one month prior to the end of the evaluation. Stakeholders shall be provided with adequate information as a basis for informed comment, but may not be provided with sensitive or commercially confidential information and Instruction Note 2B: Interested stakeholders shall be notified at least one month in advance of the end of the SBE, and shall be provided with opportunities for engagement in management planning and monitoring processes likely to impact on their interests.*

**Grading:** Minor non-conformance. The Company sent stakeholders correspondence requesting comments on SBP and biomass production over 2 months ahead of the completion of the SBE. During the audit, it was determined that indigenous peoples were not included on the stakeholder list. Notification was immediately sent to 3 tribes and no response has been received.

**Timeframe:** The Company immediately sent notification to the three (3) indigenous tribes located in the supply basin. This non-conformance is closed.

**Statement:** The Company's prompt response to the corrective action request has allowed for the NC to be closed.

**Status:** Closed.

## 11 Certification decision

Based on the approval of the SBP surveillance audit report by NSF CB Reviewer Anne Marie Kittredge, Appling County Pellets/Fram Renewable Fuels, LLC has been approved for continuing certification by NSF as meeting the requirements of Sustainable Biomass Partnership (SBP) Standards 1, 2, 4 and 5.

Original certification granted 4/Oct/2016

The expiration date of the certificate is 3/Oct/2021.

## 12 Surveillance updates

The second annual surveillance audit is scheduled for the week of February 12, 2018.

### 12.1 Evaluation details

The 2017 Surveillance audit occurred February 14-15, 2017. Interviews and document review occurred at the Hazlehurst, GA corporate office and site visits/interviews included the ACP mill in Baxley, GA and the port facility in Brunswick, GA.

NSF initiated the SBP audit process with a planning call to confirm the scope of the audit, determine whether any changes had occurred in the Company's policies and procedures and set the audit dates. NSF then prepared a detailed audit plan and conducted the SBP Surveillance Audit of conformance to the SBP Standards with focus on the SBE/SBR and chain of custody requirements. A report was prepared and final approval was done by an independent Certification Board Member assigned by NSF. Follow-up or Surveillance Audits are required by the SBP Standards. The next Surveillance Audit is scheduled for the week of February 12, 2018.

The audit was governed by a detailed audit plan designed to enable the audit team to efficiently determine conformance with the applicable SBP requirements. The plan provided for the assembly and review of audit evidence consisting of documents, interviews, and on-site inspections of ongoing or completed forest practices and management systems.

During the audit NSF reviewed a sample of the written documentation assembled to provide objective evidence of SBP Conformance. NSF selected residual suppliers to interview. NSF also selected and interviewed employees within the organization to confirm that the SBP Standard was understood and actively implemented.

### 12.2 Significant changes

No significant changes in the Supply Base or Risk Ratings were identified.

### 12.3 Follow-up on outstanding non-conformities

#### **CAR # J0941730-1**

**Requirement:** SBP Framework Standard 2: Verification of SBP-compliant Feedstock, Section 13 – Indicator 13.4: *Relevant stakeholders shall be informed of the SBE at least one month prior to the end of the evaluation. Stakeholders shall be provided with adequate information as a basis for informed comment, but may not be provided with sensitive or commercially confidential information and Instruction Note 2B: Interested stakeholders shall be notified at least one month in advance of the end of the SBE, and shall be provided with opportunities for engagement in management planning and monitoring processes likely to impact on their interests.*

**Grading:** Minor non-conformance. The Company sent stakeholders correspondence requesting comments on SBP and biomass production over 2 months ahead of the completion of the SBE. During the audit, it was

determined that indigenous peoples were not included on the stakeholder list. Notification was immediately sent to 3 tribes and no response has been received.

**Timeframe:** The Company immediately sent notification to the three (3) indigenous tribes located in the supply basin. This non-conformance is closed.

**Statement:** The Company's prompt response to the corrective action request has allowed for the NC to be closed.

**Status:** Closed. The actions described above have brought the BP SBP related processes and procedures into full conformity with the standard requirements.

## 12.4 New non-conformities

Non-conformities or observations were not identified during the surveillance audit.

## 12.5 Stakeholder feedback

Interviews indicate there has been no additional stakeholder feedback. A stakeholder consultation was not conducted.

## 12.6 Conditions for continuing certification

As indicated in Section 11, NSF recommends continued certification as no issues were identified.

## 12.7 Certification recommendation

Based on the approval of the SBP surveillance audit report by NSF CB Reviewer Anne Marie Kittredge, Appling County Pellets/Fram Renewable Fuels, LLC has been approved for continuing certification by NSF as meeting the requirements of Sustainable Biomass Partnership (SBP) Standards 1, 2, 4 and 5.

Original certification granted 4/Oct/2016

The expiration date of the certificate is 3/Oct/2021.