

SBP

Sustainable Biomass Partnership

SCS Global Services Evaluation of Altus Renewables Limited Compliance with the SBP Framework: Public Summary Report

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

Document history

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1 Overview

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Report completion date: 05/Sep/2017

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Certified Supply Base: coastal region of southeast Queensland, Australia

SBP Certificate Code: SBP-04-08

Date of certificate issue: 11/Oct/2017

Date of certificate expiry: 10/Oct/2022

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
X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2 Scope of the evaluation and SBP certificate

Scope of the evaluation: The evaluation included on-site visits and walkthroughs of the Tuan pellet mill in and the port of Bundaberg. It included a review of the BP's management system as it pertains to fulfil the SBP requirements via interview with appropriate staff, record and database review and visual observations on-site.

Certification scope: This certificate covers the production and distribution of wood pellets, for use in energy production, at Altus Renewables Limited, Tuan mill and transportation to and temporary storage and sea-faring vessel loadout at the Port of Bundaberg. The scope of the certificate does not include Supply Base Evaluation.

3 Specific objective

The specific objective of this evaluation was to confirm that the Biomass Producer's management system is capable of ensuring that all requirements of specified SBP Standards Standard, 2: Verification of SBP-compliant Feedstock, 4: Chain of Custody, and 5: Collection and Communication of Data (including Instruction Documents 5A: Collection and Communication of Data, 5B: Energy of GHG Data, 5C: Static Biomass Profiling Data) are implemented across the entire scope of certification. This was achieved by reviewing the BP's management system, collecting assessment information, on-site visits to pellet mill and port and interviews with staff involved in the management of the SBP and COC system, review of records and databases and verification of energy and GHG data collection through empirical data.

4 SBP Standards utilised

4.1 SBP Standards utilised

The following SBP Standards were utilized:

SBP ST 2: Verification of SBP-compliant Feedstock V1.0 March 2015

SBP ST 4: Chain of Custody V1.0 March 2015

SBP ST 5: Collection and Communication of Data V1.0 March 2015

Including, ID 5A Collection and Communication of Data V1.1 October 2016, ID 5B Energy and GHG Data V1.1 October 2016, & ID 5C Static Biomass Profiling Data V1.1 October 2016.

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

Altus Renewables Limited (Altus) owns and operates one plant in Queensland, Australia. Altus produces some 45,000 metric tons of pellets per year at the moment, with the possibility to increase production to 120,000 tons. They employ around 15 persons. The BP uses sawdust and shavings in their production process. Part of these inputs are used to power the dryer.

5.2 Description of Biomass Producer's Supply Base

Altus Renewables Limited operates a single wood pellet production facility located in the Tuan Plantation Forest resource approximately 15 km southeast of the town of Maryborough, Queensland. The Tuan plant was built adjacent to one of Australia's largest softwood sawmills owned by Hyne and Son Pty Ltd. Over 95% of Altus' fibre (100% PEFC Certified) is procured directly from the sawmill in the form of sawdust and wood shavings using a series of conveyors and storage silos. Smaller volumes of sawdust and wood shavings are delivered by truck to the Altus plant from the Hyne sawmill and selected external suppliers supporting chain of custody certification (CHH Woodproducts - Gympie). The Tuan plant does not have the capability to receive round wood or wood chip.

Due to the Tuan plants raw material utilisation profile, Altus' fibre procurement catchment indirectly includes the coastal region of southeast Queensland, Australia stretching from the town of Bundaberg in the north to the city of Brisbane in the south. This region supports a large area of intensively managed softwood plantations which are owned and managed by Hancock Queensland Plantations Pty Ltd (HQPlantations). This region is unique in that there is only one significant owner of plantation forests in the region. All supplies are received with a PEFC certified claim.

5.3 Detailed description of Supply Base

HQPlantations holds a 99-year Plantation Licence to manage, harvest and re-grow plantation timber on Government-owned lands in Queensland. HQPlantations manages 339,436 hectares of land of which 209,358 ha is utilised (or planned) for softwood and hardwood plantation production. Each year some 2.5 million tonnes of wood is available for harvesting for sawn timber, plywood, reconstituted panels and woodchip products for domestic and international markets.

HQPlantations meets environmental, social and economic criteria and requirements for wood production as specified in the following standards:

- Australian Forestry Standard for Sustainable Forest Management (AFS) AS 4708 - 2013; and
- Forest Stewardship Council (FSC) Principles and Criteria for Forest Stewardship (FSC International Standard FSC-STD-01-001).

The scope of this certification is sustainable forest management operations associated with plantation and custodial lands managed by HQPlantations. This includes the major plantation assets under Plantation Licence as well as HQPlantations' freehold properties, joint ventures and land rentals.

HQPlantations defined forest area comprises:

- 209,358 ha (62%) of plantation production land, including land to be planted; and
- 130,078 ha (38%) of custodial lands (comprising buffer areas of mainly native forest) and infrastructure such as roads and forest offices (Figure 2). Include a link to the Supply Base Evaluation on the Biomass Producer's own website
- Altus' Feedstock is sourced from mainly *Pinus* species such as *Pinus elliottii* var. *elliottii* (PEE, slash pine) or *Pinus caribaea* var. *hondurensis* (PCH, Honduran Caribbean pine), but also includes hardwoods such as Spotted gum (*Corymbia citriodora* sub. spp. *variegata*), Western white gum (*Eucalyptus argophloia*) and Gympie messmate (*E. cloeziana*).

Please refer to Altus' Supply Base Report for a more detailed description of the supply base and forest management.

5.4 Chain of Custody system

Altus has an adequate management system and documented procedures to determine feedstock compliance to SBP requirements. The organization uses its PEFC Chain of Custody certificate as a base for its SBP certificate. All secondary feedstock, is tracked from the place of harvesting, through the pellet mill, and to the port. Feedstock is brought in via conveyor belts linked to Hyne Sawmill. After pelletizing the material is loaded onto a truck to the Port of Bundaberg to be loaded onto a ship. Altus owns their own storage facilities at the port.

The legal point of sale is at the loading of the ship, GHG information is gathered until that point.

Altus uses detailed Excel sheets to gather and control information related to feedstock, such as supplier name, scale tickets, input type (sawdust / shavings), certification. They introduced lab facilities where among others moisture content is weighted per shift. Weight scales are available at different stages in the process, among others the conveyor belts linked to the sawmill. Truck tickets available for all truck loads transported to Bundaberg Port, based on weigh bridge information. The combination of methods employed by the company allow tracking and tracing of input and output volumes.

The organization does not intend to use SBP Trademarks, but might do so in future.

6 Evaluation process

6.1 Timing of evaluation activities

Evaluation Activity	Date	Persons Involved	Approx. Duration
Scoping of audit		<u>SCS</u>	
SCS Stakeholder Consultation		<u>SCS</u> Julian Eldridge (SCS Operations Manager)	
Pellet Mill Audit in Tuan, Queensland and Port Facility Audit in Bundaberg	April 11 – 12, 2017	<u>Altus Renewables</u> David Valentine, COO Jenny Miller, Compliance Manager David Knight, Plant Manager Brett Stevens, Supervisor Storage Facilities Port of Bundaberg <u>SCS</u> Miranda van Zomeren (SCS Representative Benelux & SBP Lead Auditor)	16 hours

6.2 Description of evaluation activities

The onsite Evaluation audit was conducted over the course of 2 days and included an audit of supply base documentation, Documented Management System, collection and communication of greenhouse gas data, site tour and storage and port facilities.

Audit methods consisted of review of documentation, studies, assessments, surveys, websites and staff interviews. The site tour and visits were evaluated by review of documentation, monitoring results, observations, and interviews. Most time was spent on the evaluation of greenhouse gas data and tour of the facilities.

6.3 Process for consultation with stakeholders

No stakeholder consultation performed. For SCS' stakeholder consultation see section 7.5.

7 Results

7.1 Main strengths and weaknesses

Altus is a relatively new, small company. They have experience in working with CoC certification systems. PEFC certification used as a basis for their SBP certification. In 2016, their procedures were already verified by SGS for energy consumption and traceability of their resources. 95% of the feedstock comes from adjacent Hyne Sawmill, connected by 2 conveyor belts. Supply chain is simple, with one main supplier and one smaller one and one transport road to the Port of Bundaberg where pellets are stored in the Altus-owned shed until ready for shipment. See NC section for weaknesses.

7.2 Rigour of Supply Base Evaluation

No SBE needed, all feedstock supplied with a SBP recognized certificate.

7.3 Compilation of data on Greenhouse Gas emissions

Altus has an efficient Excel database where they register all information related to inputs, production and outputs. Compilation is done by Jenny Miller, Compliance Manager, who has access to all information. Tuan Pellet Mill only uses electricity for biomass production which is invoiced per month and requires no adjustment to match the reporting period. Energy usage, including diesel and electricity, during storage, handling and trans-shipment is reported in the SAR.

7.4 Competency of involved personnel

Altus' management control systems for SBP are the same as those to meet the AVS / PEFC Chain of Custody Requirements, which have been in place since 2015. No CARs were issued during their last external audit for these standards, as seen when the audit report by the CB was reviewed. Company is small, employing some 15 persons. Short communication lines, simple CoC. All staff trained to SBP procedures prior to the audit. It could be seen during the audit that all staff could well explain, how to handle the SBP requirements, based on the detailed and accurate registrations that are kept on input volumes and volumes produced and the records on the origin of the feedstock. Procedures for managing the SBP requirements well in place, as could be seen when the SBP manual was discussed, as well as by reviewing the SBR and SAR documents that were prepared prior to the audit. Procedures for internal audits and staff training in place.

7.5 Stakeholder feedback

SCS conducted the SH consultation. One remark was received of a potential supplier who mentioned that the company might source feedstock from them as well. No other comments. No own SH consultation, since all feedstock received as PEFC certified.

7.6 Preconditions

None

8 Review of Biomass Producer's Risk Assessments

Not applicable.

9 Review of Biomass Producer's mitigation measures

Not applicable.

10 Non-conformities and observations

#	Requirement	Type & Grade of Finding	Deadline	Description	Status
1	ST 2 V1.0 19.2	Minor	Closed	The copy of the SBR with the signature of the managing director Ian Sandeman was not available during the audit.	A new version that include the approval of Ian Sandeman was sent to the auditor directly after the audit. CAR is closed.
2	ST 4 V1.0 5.2.2	Minor	12 months	One shipment (161 MT) of secondary feedstock was received through Carter Holt Harvey Pinepanels. Though the invoice (PPGY0018, 20 February 2017) mentions that the company operates under AS 4707:2014, including certificate number and expiry date, the material itself (Wades Shreaded Logends) is not identified as PEFC-certified on the invoice or other supply documents.	Open
3	ID 5B V1.1 6.2	Minor	closed	Diesel and electricity used at the Altus storage location at the Port of Bundaberg were not included in the SAR at the time of the audit.	After the audit, information on the electricity and diesel used for storage and vessel loading facilities are added, based on experience of 4 former shipments that were loaded. CAR is closed.
4	ID 5B V1.1 5.1.3	Minor	closed	Diesel used by Hyne Sawmill for grinding solid wood waste from the production process to sawdust and shavings was not reported in the SAR. Since this is a stand-alone process, for which Hyne hires a grinder, this must be reported. The SBR has not been signed off by senior management.	After the audit, information on the energy used by the grinder was added to the SAR, based on the total volume that was grinded and supplied to Altus. The energy consumption has been reported, however not under SAR section "Other fossil fuels" in PART 2. This should be reported in the specific section, but as it is reported in the SAR the CAR is closed.
5	ID 5B V1.1, 4.1.3	Minor	closed	Feedstock is diverted from the pellet production process and	SAR has been updated and a feedstock category included

				used as fuel in the dryer. This usage has been reported in the SAR in PART 2, section “Biofuel primary energy”. However this has not been identified as separate feedstock input group in Section A of the SAR.	which specifies feedstock used as fuel which is diverted. Reviewed SAR, CAR is closed
6	SAR, section C	Observation	-	The organization has not inserted the signature of a company representative in the respective field in the SAR yet.	Organization has inserted the signature of a company representative and properly addressed this observation.

11 Certification decision

11.1 Certification recommendation

Altus Renewables conforms to SBP STD 2 V1.0, SBP STD 4 V1.0, and SBP STD 5 V1.0 (including SBP ID 5A, 5B, & 5C V1.1) with 4 Minor CARs (3 closed before finalization of the report) issued. This auditor recommends initial certification.

11.2 Certification decision

Altus Renewables Limited conforms to SBP ST 2 V1.0, SBP ST 4 V1.0, and SBP ST 5 V1.0 (including Instruction Documents 5A, 5B, & 5C V1.1) with the exception of five minor nonconformities of which four were closed before report review finalization. One observation was issued. Initial certification is approved.

12 Surveillance updates

N/A, initial audit.

12.1 Evaluation details

N/A, initial audit..

12.2 Significant changes

N/A, initial audit.

12.3 Follow-up on outstanding non-conformities

N/A, initial audit.

12.4 New non-conformities

N/A, initial audit.

12.5 Stakeholder feedback

N/A, initial audit.

12.6 Conditions for continuing certification

NA, initial audit.

12.7 Certification recommendation

NA, initial audit.