

Certification Evaluation Report

Roundtable on Sustainable Biomaterials

Manildra Group of Companies, Shoalhaven Starches Pty Ltd

SCS Certificate Code – SCS-RSB/PC-0022

160 Bolong Road, Bomaderry NSW 2540

Wes Davis

www.Manildra.com.au

CERTIFIED	EXPIRATION
February 29, 2016	February 28, 2018

DATE OF FIELD AUDIT
October 23, 2015
DATE OF LAST UPDATE
February 29, 2016

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FOREWORD

SCS Global Services(SCS) is a certification body accredited by the Roundtable on Sustainable Biomaterials (RSB) to conduct evaluations of biofuel operators (RSB Registration No. 592). 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.

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	Manildra Group of Companies, Shoalhaven Starches Pty Ltd		
Operator Number	RSB 00001		
Contact person	Wes Davis		
Address	16 Bolong Road Bomaderry NSW 2540	Telephone	(02) 44238200
		Fax	(02) 44217760
		e-mail	Wes.davis@manildra.com.au
		Website	www.manildra.com.au

1.2 Scope of Certificate

Please choose one:	<input type="checkbox"/> RSB EU RED	<input checked="" 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
Scope of Certification	Biofuel (ethanol) production from waste starch originating from wheat processing. Under the RSB Certification System, the Participating Operator is defines as a Biofuel Producer	
If no, please explain:		

INDUSTRIAL FACILITIES		
Name Same as above		
Type	<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:	
Location/City	Bomaderry, NSW	
Geographic location (<i>Latitude & Longitude</i>)	Lat: -34.857150 Long: 150.612519	
Number of processing steps	1	
Description of Production/Processing Activities:		
Fermentation of starchy wastewater to produce ethanol		

1.3 Standards Used

1.3.1 Applicable RSB-Accredited Standards

Title	Version	Date of Finalization
RSB-STD-01-001 – RSB Principles & Criteria for Sustainable Biofuel Production	V 2.1	March 2011
RSB-STD-030-001 – RSB Standard for Operators Taking Part in RSB Certification Systems (Participating Operators)	V 3.0	11 June 2014
RSB-STD-01-010 – RSB Standard for certification of biofuels based on end of life products, by products and residues	V 1.6	22 Nov 2013
RSB-STD-60-001 – RSB Risk Management	V 3.0	28 May 2014
RSB-PRO-50-001 – Procedure on Communication and Claims	V 3.0	11 June 2014
RSB-STD-01-003-01 – RSB GHG Calculation Methodology	V 2.1	12 July 2012
All standards employed are available on the websites of the Roundtable on Sustainable Biomaterials (http://rsb.org/sustainability/rsb-sustainability-standards/). Standards are also available, upon request, from SCS Global Services (http://www.scsglobalservices.com/).		

2.0 EVALUATION PLANNING & PROCESS

2.1 Documentation Submitted by Operator

Shoalhaven Starches Roundtable on Sustainable Biomaterials (RSB) Environmental and Social Management Plan	RSB – SYS -016 1.0 –ESMP
ISO14001:2004 and ISO9001:2008 Management System Documentation	Other documents and records submitted at the time of the audit are referenced throughout
Development Consent 06_0228 Ethanol Upgrade Project	

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	2 years	2 years (pending successful surveillance audit)	1 year

Main audit	Every 2 years	Every 2 years	Every year
Surveillance audit	-	Every year	-

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

Auditor Name:	Mick Berry	Auditor role:	Lead Auditor
Qualifications: Bachelor Economics/Science (Forestry)			
Auditor Name:	Jingting Zhou	Auditor role:	Auditor
Qualifications: Bachelor of Economics, Master of International Affairs. RSB auditor.			

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
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Participating Operator Risk Class	Low
Disputes or prior Non-compliances	4
Changes in scope since last evaluation	No
Total number of compliance claims	Nil

2.4.2 Evaluation Itinerary and Activities

Date: 21-23 October 2015	
Operation(s)/ sites visited	Activities/ notes
Shoalhaven Starches Pty Ltd Bomaderry, NSW	Site audit

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.

General Description of Management System(s):	A Roundtable of Sustainable Biomaterials management system has been developed to ensure compliance to the requirements of the standard. The company maintains certification to ISO14001:2004 and ISO9001:2008 which supports the RSB system as well as documentation and planning required by regulatory authorities in relation to SS operations.
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Implementation:	The assessment determined that the documented RSB system has been effectively implemented.
Financial and Technical Resources:	Financial and technical resources are available to ensure input into management plans and the RSB management system
Human Resources Available:	There are adequate human resources available to implement the management system.
Qualifications:	The personnel with responsibility to implement the requirements of the RSB Standard have suitable qualifications and competency.

(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
Not applicable. The company does not make any claims as they do not have certification to the RSB Chain of Custody 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
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Economic Concerns	
No economic concerns received	N/A
Social Concerns	
No social concerns received during the audit.	<p>SS outsourced the construction work of the pellet plant to a third party company which was later found contravening sections of the FW Act and the Building Award by making unauthorized deductions to the foreign workers' wage, failing to pay overtime work and giving payslip to the workers within one working day of paying to the workers.</p> <p>During the audit on-site, SS's contract with the third party company showed that SS paid the wage, visa fees, air-tickets to the third party company. However, SS does not have a mechanism in place to ensure that third party contracted workers have the equal labor rights.</p>
Environmental Concerns	
No environmental concerns received	N/A

3.0 RISK ASSESSMENT RESULTS

SCS Risk Assessment Results	Deviations from Operator Risk Assessment Results	Risk Factor Difference
Result of assessment is Low Risk. Score is 7. Participating Operator updated Risk Assessment to include Bomaderry Creek which is classified as a regional conservation area.	No Deviation	0

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

4.0 RESULTS OF THE EVALUATION

4.1 Process of Determining Compliance

4.1.1 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.

4.1.2 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.

4.1.3 Major Non-compliances

<input type="checkbox"/>	No major NCs were issued to the Operator during the evaluation. Any minor CARs from previous audits have been reviewed and closed prior to the issuance of a certificate.
<input type="checkbox"/>	No major NCs were issued to the Operator during the evaluation. Any minor CARs from previous audits have been reviewed for the effectiveness of actions taken. A review of the corrective action plan to address these has been reviewed prior to issuance of a certificate.
<input checked="" 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

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)
2014-01	Minor	1.a	Planning approvals for the location of stockpiles of aggregate/soil and coal/woodchip were not available.	Open
2014-02	Minor	1.a	The location of brick aggregate and other material to reshape agricultural land in breach of EPA POEO (Waste) Regulation 2005 ‘Recovered Aggregate Exemption’	Open

2014-03	Minor	10.a	No dust suppression equipment was in place for coal and woodchip stockpiles at the Factory site	Closed
2014-04	Minor	10.b	Stockpiles of woody material have been located at area 54 in preparation for burning. No phase-out plan for burning within 3 years after certification exists.	Closed
2014-05	Minor	11.d	Storage of DDG syrup in IBC containers outside bunged area and adjacent to creek.	Closed
2015-01	Minor NC	2.b.i.9; 9.b	The Environment and Social Management Plan and Water Savings Action Plans are not publicly available.	Open
2015-02	Observation	4.b.	Interview with the HR Manager confirmed that any apprenticeship offered to employees of SS under a mutual agreement and workplace laws may provide constraints that are of a contractual nature which mandate continued service by the apprentice with SS. This may impact on the labor rights of the individual. Further evidence using actual examples will be considered further at the next assessment.	Open
2015-03	Observation	4.d	SS has an Equal Employment Opportunity policy in place, however there are no programs which actively promote the employment or promotion of female employees in some roles.	Open
2015-04	Major NC	4.g.	There is currently no mechanisms to ensure that contracted workers are afforded the same labor and rights as employees and in accordance with labor laws.	Closed

5.0 CERTIFICATION DECISION

Certification Recommendation		
Operator to be awarded RSB certification subject to the minor non-compliances stated in Section 4.2.5.		
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"/> N/A <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:	A full review of the financial position of the company was not evaluated. Consideration of currently approved capital expenditure projects has provided an indicator of the financial viability of the company and the business planning which supports company operations.	
To be completed by Certification Decision-Making Entity	Certification decision by:	Neil Mendenhall
	Date of decision: For initial or continued certification	02/29/16
	Surveillance schedule:	Next audit
	Notes:	