

Supply Base Report: Westervelt Pellets I, LLC

Fourth Surveillance Audit

www.sbp-cert.org



Completed in accordance with the Supply Base Report Template Version 1.3

For further information on the SBP Framework and to view the full set of documentation see www.sbp-cert.org

Document history

Version 1.0: published 26 March 2015

Version 1.1 published 22 February 2016

Version 1.2 published 23 June 2016

Version 1.3 published 14 January 2019

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1 Overview

Producer name: Westervelt Pellets I, LLC
Producer location: 6777 Highway 17 South, Aliceville, AL 35442 (production)
Geographic position: Latitude: 33° 4'24.28" N, Longitude: 88° 14'30.37" W
Primary contact: Joseph Aquino
 8545 Willow Cale Road, Prince George, BC V2N 6Z9
 (P) 250-562-5562
 (F) 250-562-5584
 joseph.aquino@pinnaclepellet.com
Company website: <http://www.westerveltenergy.com>
Date report finalised: 08/March/2019
Close of last CB audit: Scope Expansion Audit: 22/June/2018 Report Date
Name of CB: SCS Global Services
Translations from English: N/A
SBP Standard(s) used: Standard #1 Version 1.0 March 2015
 Standard #2 Version 1.0 March 2015
 Standard #4 Version 1.0 March 2015
 Standard #5 Version 1.0 March 2015
Weblink to Standard(s) used: <http://www.sbp-cert.org.org/documents>
SBP Endorsed Regional Risk Assessment: Not applicable
Weblink to SBE on Company website: <http://www.westerveltenergy.com/sustainability>

Indicate how the current evaluation fits within the cycle of Supply Base Evaluations				
Main (Initial) Evaluation	First Surveillance	Second Surveillance	Third Surveillance	Fourth Surveillance
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X

2 Description of the Supply Base

2.1 General description

Location

The wood pellet production facility (BP) is located in the Southeast U.S. in Pickens County near Aliceville, Alabama. The facility is approximately ten miles from the Mississippi state line and is adjacent to the Tennessee-Tombigbee Waterway in an economically depressed rural area where forestry and agriculture (e.g. crops, cattle) are prevalent and are the primary sources of income. Much of the forest land in this area is privately owned. Known as the Black Belt Prairie Region, the area is characterized by weathered rolling plains containing various hardwood and mixed hardwood/pine forests.

Supply Base

The supply base area for secondary feedstock includes Alabama, Mississippi, Georgia, South Carolina, North Carolina, Tennessee, Arkansas, and Louisiana in addition to certain counties in Florida, Texas, and Missouri. The origin of primary softwood feedstock is limited to Alabama and Mississippi mainly due to haul distance constraints. A supply base map is attached as Exhibit "A" and a listing of individual states, counties/parishes is available upon request. The majority of feedstock is generated within approximately 150 miles of the plant; however, the supply base area includes the supply basins for sub-suppliers.

BP² purchases secondary residuals from Westervelt's sawmill and from third-party generators of residual materials. Primary feedstock is sourced directly from Westervelt owned or managed lands, private (family & institutional) landowners, and a de minimis amount from state lands. A gradual increase in the availability of residual material is underway throughout the region and coincides with increased housing starts.

Westervelt's raw material sourcing activity for pellet production is similar to other industries in the region, although on a smaller scale. The most notable changes include new and/or expanded capacity sawmills in the Southeast U.S. and the expansion of existing wood processing facilities, all of which result in increased secondary residual supply. The BP provides an outlet for feed stocks that would otherwise be difficult to utilize in the supply base area.

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¹ Westervelt Pellets I, LLC, a joint venture between The Westervelt Company and Pinnacle Renewable Energy, LLC, is the SBP certificate holder (Biomass Producer) and the production location is Aliceville, Alabama. Westervelt Lumber is a saw mill located in Moundville, Alabama which is wholly owned by The Westervelt Company and generates secondary residues which can be used as feedstock by the BP. Westervelt Forest Resources is wholly owned by The Westervelt Company and owns/controls forest lands in Mississippi, Alabama, Georgia, South Carolina, and Virginia. Thinnings from company forests can be used as feedstock at the BP facility.

BP utilizes secondary residues from softwood and hardwood species in addition to round wood softwood. Secondary residues include sawmill shavings, sawdust, and chips while round wood includes tops, limbs, non-merchantable wood from final harvest tracts, and forest thinnings. Although the primary input is secondary residues, the plant has the ability to utilize round wood. The facility does not utilize saw logs nor does it use any construction, demolition, treated, or post-consumer derived feedstock. When round wood is

sourced, residue bark generated on-site is utilized as furnace fuel for the dryer and is supplemented by external bark purchases as needed. External bark is sourced from sawmills and chip mills from hardwood and softwood species.

Protected Species

BP does not utilize feedstock from any Convention on International Trade in Endangered Species of Wild Flora and Fauna (“CITES”) listed species. The International Union for Conservation of Nature™ (“IUCN”) identifies Longleaf Pine (*Pinus palustris*) as endangered and BP notes the presence of this species in the supply area. BP is not opposed to the use of Longleaf pine provided the land from which the fiber originates is ultimately returned to Longleaf or the species which was present prior to the planting of Longleaf, and supports the mission of the Longleaf Alliance in encouraging markets for the sustainable consumption of this species in order to perpetuate its existence. For further information, refer to Westervelt Pellets I, LLC Statement on Longleaf Pine dated February 1, 2019.

Harvest & Delivery

For primary wood BP utilizes contract logging crews, many of which work primarily for the company. These crews are responsible for harvesting and transportation of raw material to the facility, all of which is delivered by truck. Secondary residuals are delivered by truck by the suppliers of those materials.

Sustainability

The Westervelt Company, a BP joint venture partner, is a large landowner in the region; however, only a portion of company wood is utilized at the facility and the remainder is purchased from third parties. Company owned wood originates from forests certified to SFI and/or FSC while only a portion of third party forests carry some type of forest level certification.

At the BP facility, approximately 20%-39% of feed stock inputs are from Certified Forests recognized by SBP as compliant feed stock; 0%-19% of sawdust was from a certified forest; 0%-39% of sawmill residues (excluding sawdust) were from a certified forest; 100% of all feed stock inputs meet requirements for controlled wood; 100% of all round wood sourced meets SFI Fiber Sourcing requirements; 0% of inputs were from non-compliant feed stock; 0% of inputs were primary feed stock from a primary forest; 0% of inputs were from post-consumer tertiary wood; 0-19% of inputs were from pre-consumer tertiary residue wood.²

Existing BP and Westervelt certifications applicable to the areas within the scope of the Supply Base Evaluation and Risk Assessment include: PEFC ST 2002:2013 Chain of Custody Forest Based Products; FSC Mixed and FSC Controlled Wood Chain of Custody and Fiber Sourcing (SFI 2015-2019); SFI Chain of Custody Standard and Controlled Wood. FSC-US Forest Management Standard (v1.0) and Sustainable Forest Initiative Forest Management apply to certain Westervelt owned lands in the supply base.³

² The figures in this paragraph were current as of the last audit and have not been updated for the April 2019 surveillance audit.

³ Applies to certain Westervelt owned lands in the region and not to third party-owned lands.

2.2 Actions taken to promote certification amongst feedstock supplier

All Westervelt forest management holdings within Alabama are dual FSC and SFI Certified by an independent and accredited Certification Body. The SFI Fiber Sourcing Standard requires Westervelt to promote forest management certification across its wood and fiber supply base. Formal correspondence is sent to direct purchased stumpage landowners urging them to pursue forest certification on their lands. Additional correspondence is sent to indirect and secondary fiber producers urging them to promote forest management certification with landowners from whom they source.

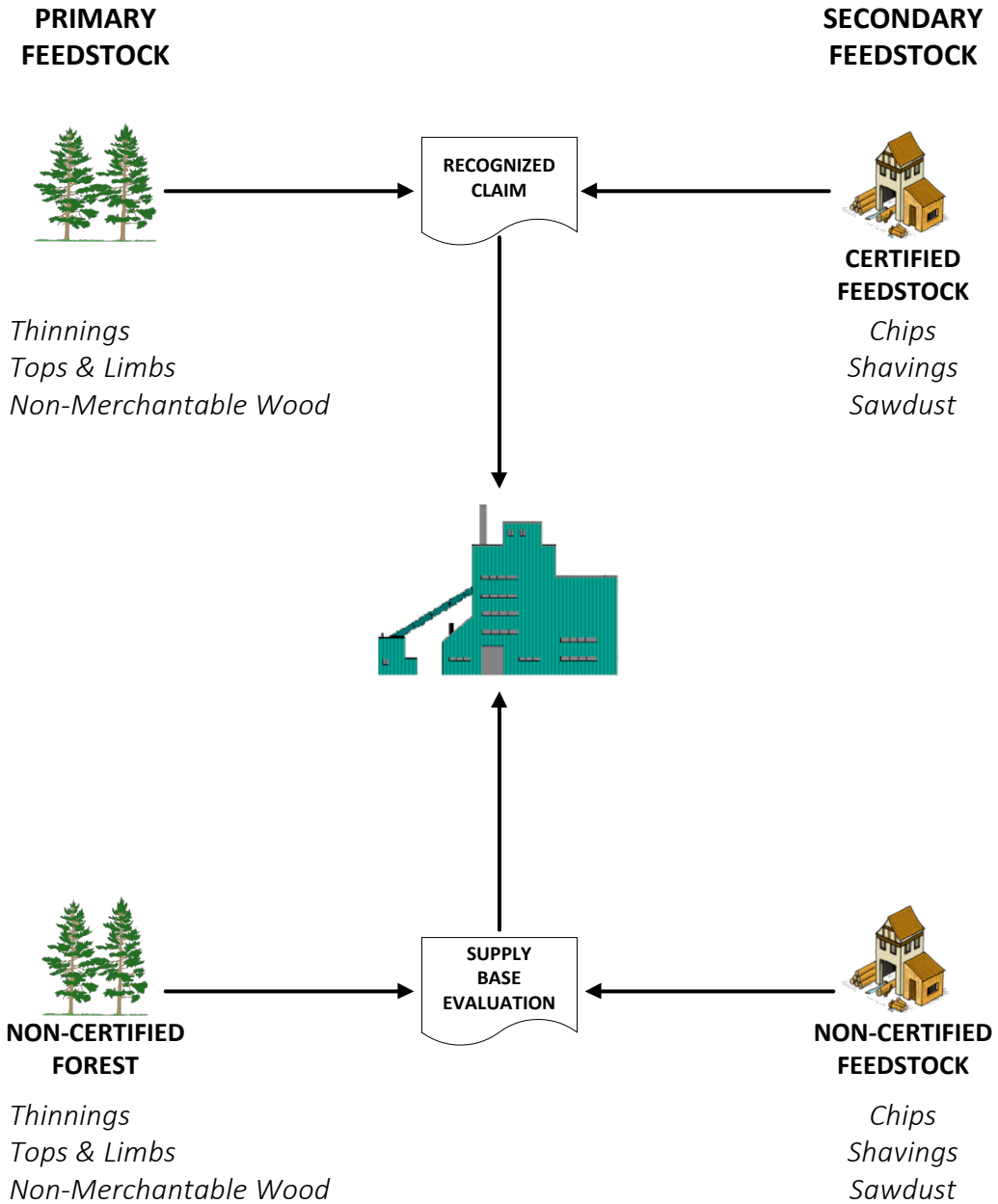
Westervelt is an active member of SFI Implementation Committees which promote forest certification and provide technical information to landowners addressing water quality BMPs, reforestation, visual quality protection, efficient utilization, protection of wildlife and biodiversity, control of invasive species and the identification and protection of forests of exceptional conservation value.

2.3 Final harvest sampling programme

The expected rotation length for round wood softwood in BP's catchment is <40 years which is below the threshold required by the Standard for a final harvest sampling program.

2.4 Flow diagram of feedstock inputs showing feedstock type [optional]

BP utilizes softwood round wood and softwood and hardwood secondary residuals. Round wood originates from thinnings, forest residuals (low grade, storm salvage, tops and branches), and final harvest tracts. Secondary residuals in the form of chips, shavings, and sawdust originate from sawmills and other forest products manufacturers. BP does not utilize any saw logs or construction, demolition or post-consumer derived feedstock.



2.5 Quantification of the Supply Base

Supply Base⁴

a. Supply Base Area:

183,951,715	(ac)
-------------	------

74,442,684	(ha)
------------	------

 (total including all forest types)

b. Tenure by type:

- Private	<table border="1"><tr><td>151,235,223</td><td>(ac)</td></tr></table>	151,235,223	(ac)	<table border="1"><tr><td>61,202,777</td><td>(ha)</td></tr></table>	61,202,777	(ha)	<table border="1"><tr><td>85.0</td><td>(%)</td></tr></table>	85.0	(%)	<i>estimated</i>
151,235,223	(ac)									
61,202,777	(ha)									
85.0	(%)									
- Public	<table border="1"><tr><td>26,716,492</td><td>(ac)</td></tr></table>	26,716,492	(ac)	<table border="1"><tr><td>10,811,790</td><td>(ha)</td></tr></table>	10,811,790	(ha)	<table border="1"><tr><td>15.0</td><td>(%)</td></tr></table>	15.0	(%)	<i>estimated</i>
26,716,492	(ac)									
10,811,790	(ha)									
15.0	(%)									
- Community Concession	<table border="1"><tr><td>-</td><td>(ac)</td></tr></table>	-	(ac)	<table border="1"><tr><td>-</td><td>(ha)</td></tr></table>	-	(ha)	<table border="1"><tr><td></td><td>(%)</td></tr></table>		(%)	<i>de minimis</i>
-	(ac)									
-	(ha)									
	(%)									

c. Forest by Type:

183,951,715	(ac)
-------------	------

74,442,684	(ha)
------------	------

 Temperate

d. Forest Management by Type:

- Plantation	<table border="1"><tr><td>44,471,887</td><td>(ac)</td></tr></table>	44,471,887	(ac)	<table border="1"><tr><td>17,997,150</td><td>(ha)</td></tr></table>	17,997,150	(ha)	
44,471,887	(ac)						
17,997,150	(ha)						
- Managed Natural	<table border="1"><tr><td>125,531,845</td><td>(ac)</td></tr></table>	125,531,845	(ac)	<table border="1"><tr><td>50,800,980</td><td>(ha)</td></tr></table>	50,800,980	(ha)	<i>estimated</i>
125,531,845	(ac)						
50,800,980	(ha)						
- Natural	<table border="1"><tr><td>13,947,983</td><td>(ac)</td></tr></table>	13,947,983	(ac)	<table border="1"><tr><td>5,644,553</td><td>(ha)</td></tr></table>	5,644,553	(ha)	<i>estimated at 10% of Managed Natural</i>
13,947,983	(ac)						
5,644,553	(ha)						

e. Certified Forest by Scheme:

	ATFS (ac)	ATFS (ha)	SFI (ac)	SFI (ha)	FSC (ac)	FSC (ha)
- Alabama	2,762,304	1,117,866	2,944,878	1,191,751	670,919	271,512
- Mississippi	1,320,647	534,447	2,104,972	851,853	250,868	101,523
- Louisiana	1,052,129	425,782	2,962,742	1,198,980	619,974	250,895
- Arkansas	559,518	226,429	3,199,995	1,294,993	1,356,171	548,823
- Tennessee	340,879	137,949	475,216	192,313	100,436	40,645
- North Carolina	406,418	164,472	1,097,424	444,112	190,974	77,285
- South Carolina	1,112,169	450,079	1,126,774	455,990	327,299	132,453
- Georgia	1,924,197	778,696	2,419,141	978,992	81,601	33,023
- Florida	1,082,355	438,014	1,879,588	760,643	126,404	51,154
- Texas	788,625	319,145	2,391,417	967,773	163,479	66,158
- Missouri	127,563	51,623	-	-	238	96
	11,476,804	4,644,502	20,602,147	8,337,400	3,888,363	1,573,566

⁴ This information represents the expanded supply base. Certified Forest by Scheme: ATFS and SFI acres from SFI and are current as of January 2016; FSC FM acres from FSC and are current as of 2017. BP's supply base includes a limited number of counties in Florida, Texas, and Missouri; however, county level certification data is not available thus reported figures reflect all certified acres for these states. Data for a., b., c., and d. from FIA.

Feedstock⁵

- f. Total volume of feedstock: 200,000-400,000 green metric tons
- g. Volume of primary feedstock: 0-200,000 green metric tons
- h. List percentage of primary feedstock (g), by the following categories.

Subdivide by SBP-approved Forest Management Schemes.
 - Large forest holdings certified to an SBP-approved Forest Management Schemes: 80%-100%
 - Large forest holdings not certified to an SBP-approved Forest Management Schemes: 0%-19%
 - Small forest holdings certified to an SBP-approved Forest Management Schemes: 0%-19%
 - Small forest holdings not certified to an SBP-approved Forest Management Schemes: 0%-19%
- i. List all species in primary feedstock, including scientific name:
 - Loblolly Pine (*Pinus taeda*)
 - Shortleaf Pine (*Pinus echinata*)
 - Slash Pine (*Pinus elliotti*)
 - Virginia Pine (*Pinus Virginiana*)
 - Longleaf Pine (*Pinus palustris*)
- j. Volume of primary feedstock from primary forest: None
- k. List percentage of primary feedstock from primary forest (i), by the following categories.

Subdivide by SBP-approved Forest Management Schemes.
 - *Primary feedstock* from primary forest certified to an SBP-approved Forest Management Schemes: 0%
 - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Schemes: 0%
- l. Volume of secondary feedstock: 80%-100% residues
- m. Volume of tertiary feedstock: 0%-19%

⁵ Banding, where used, is used in place of specific volumes due to commercial sensitivity as historical, current, or forecasted volumes could be used by third parties to gain competitive advantage.

3 Requirement for a Supply Base Evaluation

SBE completed	SBE not completed
X	<input type="checkbox"/>

Less than 100% of feedstock inputs are traceable back to a Certified Forest thus all feedstock inputs have been subjected to a Supply Base Evaluation.

4 Supply Base Evaluation

4.1 Scope

The actual catchment area is significantly smaller than the boundaries of the supply base and extends approximately 150 highway miles from the site. There are a limited number of facilities in the area which utilize the same materials as BP.

4.2 Justification

The Supply Base Evaluation & Risk Assessment addresses each of the SBP Indicators as defined in Standard #1. Westervelt did not modify or adapt the Indicators. Many of the Indicators are similar to the requirements contained in the SFI, FSC, and PEFC Standards. The evidence of conformance to the Indicators in Standard #1 was drawn from existing Indicators and Evidence Manuals and Procedures to demonstrate conformance to the other certification standards, which SBP relies upon and does not attempt to duplicate.

Additional objective evidence of conformance was drawn from State BMP monitoring, forest inventory & analysis statistics, state-wide resource assessments, wildlife action plans and other publicly available sources of information. The existing Documents and Procedures provide the bulk of the evidence contained in the Supply Base Evaluation and Risk Assessment.

4.3 Results of Risk Assessment

The conclusion of Low Risk for all indicators in prior assessments was based on legacy BP processes designed to ensure a Low Risk outcome. SBP acknowledged and accepted this approach at a readiness review, initial certification audit, and three subsequent surveillance audits. However, based on a recent interpretation by SBP it is now a requirement that the supply base be evaluated independent of legacy BP processes. This results in a reclassification of five indicators from Low Risk to Specified Risk. The measures previously implemented by the BP to achieve a Low Risk designation for these five indicators are still practiced by the BP but have been separately identified within this report. The BP's processes did not change as a result of this SBP interpretation change. Detailed information for each indicator is available in Annex I.

4.4 Results of Supplier Verification Programme

As indicated in Section 8, a SVP is only required when the findings are inconclusive and the risk is unspecified. Because all findings are either Low Risk or Specified Risk a SVP is not required.

4.5 Conclusion⁶

The initial Supply Base Evaluation & Risk Assessment concluded Low Risk for all indicators based upon legacy Westervelt procedures. The current assessment is based on an interpretation change by SBP which

requires that the supply area be evaluated as if the BP were not present. Any actions taken by the BP, even if part of the BP's legacy processes, are to be considered mitigation measures and identified as such in Section 9. The following comments are therefore based on the supply base prior to the implementation of BP measures. However, implementation of BP actions leads to a low risk conclusion for all indicators.

The Supply Base Evaluation reflects a multi-year history and record of BP conformance to Forest Management, Chain of Custody, and Controlled Wood certifications from FSC, SFI, and PEFC. The BP's FSC FM Risk Assessment consistently resulted in a designation of Low Risk for all indicators and will be updated as appropriate when the FSC US CWNRA is finalized. The BP's processes are compliant with FSC –STD-40-005 V3-1 Requirements for Sourcing FSC Controlled Wood. Feedback from the Stakeholder Consultation process for the supply base expansion was positive for the sourcing area and did not result in any contradictory findings.

During CY 2018 between 80%-100% of BP's feed stocks were from secondary sources and between 0%-19% of feed stocks were from primary sources. BP did not utilize any (0%) primary feed stocks from primary forests and a de minimis (0.4%) amount of tertiary feed stocks. Between 80%-100% of primary feed stocks were from forest holdings certified to SBP-approved Forest Management Schemes and 0%-19% were from forest holdings not certified to SBP-approved Forest Management Schemes. Between 20%-39% of feed stocks from all sources were from forest holdings certified to SBP-approved Forest Management Schemes and between 60%-79% were from forest holdings not certified to SBP-approved Forest Management Schemes. All inputs originating within the supply base are considered SBP-compliant feed stocks.

All fiber inputs are purchased under contracts which require the use of trained loggers, compliance with laws and regulations, awareness of High Conservation Value (HCV) sourcing and risk, and compliance with Best Management Practices (BMPs). BMPs are methods or practices used during forestry management to achieve goals related to water quality, silviculture, wildlife and biodiversity, aesthetics, and/or recreation.⁷ They are important tools in minimizing sourcing risk when harvesting wood and are especially important in or near HCV areas. BMPs are often associated only with water quality, but their impact is far greater. Monitoring and protection of HCVs relies heavily on effective BMP implementation. BMP implementation studies conducted in the Southeast U.S. indicate that the mean implementation rate is 92% which is above the mean national implementation rate of 91%.⁸

For additional information regarding Wood Purchase Agreements please refer to Exhibit D Wood Purchase Agreement Overview. For detailed information related to Best Management Practices please refer to Exhibit C Supplemental Information Best Management Practices. For detailed information including specific sites, areas, species, and protection measures please refer to Exhibit B Supplemental Information High Conservation Value and Sourcing Risk. An overview of Westervelt mitigation measures is described in Annex I Exhibit E Risk Mitigation.

⁶ Banding is used in place of specific volumes due to commercial sensitivity as historical, current, or forecasted volumes could be used by third parties to gain competitive advantage.

⁷ Excerpt from FORESTRY Best Management Practices, Peter Smallidge and Gary Goff, Spring 2008, Cornell University College of Agriculture and Life Sciences

⁸ Cristan, R.; Aust, W.M.; Bolding, M.C.; Barrett, S.M.; Munsell, J.F. (2016). *Status of state forestry best management practices for the southeastern United States*. Asheville, NC: U.S. Department of Agriculture Forest Service, Southern Research Station.

5 Supply Base Evaluation Process

R.S. Berg & Associates, Inc. was retained to prepare the SBP Program and Procedures, including conducting the Supply Base Evaluation & Risk Assessment for the company's initial certification assessment in 2015. They were also retained to review and revise documentation in 2017 for the company's supply base scope expansion. R.S. Berg & Associates, Inc. has consulted with 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. A resume, client list and other information is available at the following website: <http://www.rsbergassoc.com>

Michael Ferrucci is an associate at R.S. Berg & Associates and is the president of Interforest LLC Consulting. He holds a B.S. degree in Forest Management from the University of Maine and a Master of Arts in Forest Management and Silviculture degree from the Yale School of Forestry and Environmental Studies. Ferrucci was the Forestry Program Manager for NSF for 11 years, is a member of the Forest Practices Advisory Board of the State of Connecticut, past Chairman and Executive Committee member of the Connecticut Tree Farm Committee, and a frequent speaker on logging and water quality in wetlands. He also lectures on Private Sector Forestry, Leadership and Forest Resources Management at the Yale School of Forestry and Environmental Studies.

Joe Aquino is Head of Sustainability for Pinnacle Renewable Energy, a BP joint venture partner. He holds diplomas in Forest Technology from Selkirk College and a BSc. Degree in Forest Ecology and Management from the University of Northern British Columbia (UNBC). He is a Registered Professional Forester in the province of British Columbia and has 12 years of experience in a variety of roles including Consulting Technician, Planning Forester, Procurement Superintendent, and most recently as the Head of Sustainability. Joe is also an MBA Candidate from UNBC and is set to graduate in April 2019. He sits on the Stakeholder Advisory Committee for SBP and has been leading SBP certification for Pinnacle Renewable Energy since 2016.

Drew Summers is Superintendent of Fiber and Logistics for the Aliceville facility. He graduated from Mississippi State University with a BS in Forestry and has over 10 years of fiber procurement experience. He most recently served in a fiber procurement role for Westrock.

Clint Woods is Timber Procurement Manager for The Westervelt Company and formerly Chain of Custody and Controlled Wood Coordinator for The Westervelt Company. He has a BS in Forest Management from Mississippi State University, is a Registered Forester, Professional Logging Manager, and is experienced in developing FSC Chain of Custody and Controlled Wood Procedures. He has over 16 years of procurement experience in the BP's supply base area.

Mike Williams is Project Director at The Westervelt Company. He has a BS from Morehead State University, completed the Advanced Management Program at Duke University, holds a Certificate of Process Mastery, and is a certified Six Sigma Black Belt. He has over 30 years of forest products industry experience with expertise in sustainability and certification, project development, strategy & planning, process management, and supply chain logistics. He is a current member of the SBP Standards Committee and a past member of the SBP Stakeholder Consultation Committee.

Jonathan Lowery is Forest Sustainability & Policy Manager for the Forest Resources Division of the Westervelt Company and has over 16 years of experience in forest inventory and scheduling. He has a BS in Forestry from Mississippi State and is a Registered Professional Forester. He is responsible for the company's certifications in SFI, FSC, PEFC forest management standards.

6 Stakeholder Consultation

Westervelt conducted a stakeholder consultation for a period of thirty (30) days beginning October 18, 2017 and ending November 17, 2017 in conjunction with a supply base scope change. A list of relevant stakeholders was developed based upon several criteria including: the geographic scope of the Supply Base, stakeholders from past FSC/PEFC/SFI audits and consultations, relevant federal and state natural resource agencies, private conservation organizations, indigenous peoples, academia, advocacy organizations, professional organizations, as listed below. The list of potential stakeholders was reviewed with the CB prior to the consultation. A notice to all interested parties was also posted on Westervelt’s website during the entire consultation period.

Requests for comment were issued to 126 potential stakeholders and of this amount, 9 were returned as undeliverable, with a delivery success rate of approximately 93% (117 potential stakeholders). The distribution of requests by potential stakeholder group is as follows.

Natural Resource Agencies	50	39.7%
Nongovernmental Organizations	22	17.5%
Academia/Research/Advocacy	19	15.1%
Professional Organizations	16	12.7%
Industry	6	4.8%
Consultancies	5	4.0%
Indigenous Peoples	4	3.2%
Certification Standards	4	3.2%
<i>Total Solicited Requests</i>	126	100.0%

In conjunction with the supply base scope change, the CB also conducted a stakeholder consultation which did not result in any negative feedback.

6.1 Response to stakeholder comments

Tim L. Gothard, Alabama Wildlife Federation Executive Director

Requested general information regarding SBP, and specific information on the Standard’s focus on High Conservation Value areas, land conversion, expansion of the pellet industry in the US Southeast, and fiber consumption.

Response:

Provided a 4.5-page document consisting of 20 Frequently Asked Questions which addressed Mr. Gothard’s request. A copy of the document is available upon request.

No other feedback was received.

7 Overview of Initial Assessment of Risk

Based on a recent interpretation by SBP, BP's assessment of risk against the requirements in Standard #1 results in a finding of Specified Risk for five indicators. Measures within BP's legacy processes as identified in Section 9.1 mitigate these to Low Risk status.

Table 1. Overview of results from the risk assessment of all Indicators (prior to SVP/mitigation measures)

Indicator	Initial Risk Rating		
	Specified	Low	Unspecified
1.1.1		X	
1.1.2		X	
1.1.3		X	
1.2.1		X	
1.3.1		X	
1.4.1		X	
1.5.1		X	
1.6.1		X	
2.1.1		X	
2.1.2	X		
2.1.3	X		
2.2.1	X	X	
2.2.2		X	
2.2.3	X		
2.2.4	X		
2.2.5		X	
2.2.6		X	
2.2.7		X	
2.2.8		X	
2.2.9		X	

Indicator	Initial Risk Rating		
	Specified	Low	Unspecified
2.3.1		X	
2.3.2		X	
2.3.3		X	
2.4.1	X		
2.4.2		X	
2.4.3		X	
2.5.1		X	
2.5.2		X	
2.6.1		X	
2.7.1		X	
2.7.2		X	
2.7.3		X	
2.7.4		X	
2.7.5		X	
2.8.1		X	
2.9.1		X	
2.9.2		X	
2.10.1		X	

Table 2. Overview of results from the risk assessment of all Indicators (after SVP/mitigation measures)

Indicator	Initial Risk Rating		
	Specified	Low	Unspecified
1.1.1		X	
1.1.2		X	
1.1.3		X	
1.2.1		X	
1.3.1		X	
1.4.1		X	
1.5.1		X	
1.6.1		X	
2.1.1		X	
2.1.2		X	
2.1.3		X	
2.2.1		X	
2.2.2		X	
2.2.3		X	
2.2.4		X	
2.2.5		X	
2.2.6		X	
2.2.7		X	
2.2.8		X	
2.2.9		X	

Indicator	Initial Risk Rating		
	Specified	Low	Unspecified
2.3.1		X	
2.3.2		X	
2.3.3		X	
2.4.1		X	
2.4.2		X	
2.4.3		X	
2.5.1		X	
2.5.2		X	
2.6.1		X	
2.7.1		X	
2.7.2		X	
2.7.3		X	
2.7.4		X	
2.7.5		X	
2.8.1		X	
2.9.1		X	
2.9.2		X	
2.10.1		X	

8 Supplier Verification Programme

8.1 Description of the Supplier Verification Programme

BP's Risk Assessment did not result in findings of inconclusive (Unspecified Risk) for any indicator. Because all findings were Low Risk or Specified Risk a SVP is not applicable.

8.2 Site visits

Not applicable

8.3 Conclusions from the Supplier Verification Programme

Not applicable

9 Mitigation Measures

9.1 Mitigation measures

The measures and monitoring responses below represent actions taken by the BP or on behalf of the BP by BP-affiliate (Westervelt) and represent a general summary of responses which are more fully detailed in Annex I.

Indicator 2.1.2

The Biomass Producer has implemented appropriate control systems and procedures to identify and address potential threats to forests and other areas with high conservation values from forest management activities.

Risk Designation: "Specified Risk"

In the absence of measures implemented by the BP, this indicator is considered Specified Risk based on FSC (FSC US Controlled Wood National Risk Assessment V1-0 D3-0) risk designations within the supply area. Specifically, high conservation values are threatened by management activities (Category 3) in some areas, and wood from forests is being converted to plantations or non-forest use in some areas (Category 4).

Mitigation Measures:

We utilize legally binding contracts to identify expectations and requirements. Contracts provide for logger education, logger certification where appropriate, adherence to BMP requirements, and awareness of high conservation value and risk areas. We provide HCV training packets to primary and secondary suppliers, which combined with the state BMP's provide a thorough overview of HCV areas in the supply base. We identify the supply chain, determine the risk profile within the supply base, review supplier records, conduct announced and unannounced audits, review third party assessments, and conduct site audits where appropriate. For primary sources, appropriate measures are implemented at the forest unit and for secondary sources they are implemented at the saw mill. Furthermore, we have a functional Environmental Management System, Environmental Policy, Fiber Supply Policy, and conduct internal and third party audits to ensure compliance. In addition, we employ registered foresters, forest rangers, certified wildlife biologists, and forest biometricians in support of our processes. We also sponsor public research and promote sustainable management of forest through participation in SFI State Implementation Committees.

Monitoring:

- Annual supplier questionnaires to primary and secondary suppliers, which details the counties where wood is sourced from.
- Conduct annual sawmill audits of a sample of secondary suppliers to confirm that information provided in the questionnaire is accurate and verifiable.
- Conduct BMP audits on a sample of primary and secondary feedstock suppliers to ensure BMP compliance.
- Require signed contracts with suppliers ensuring HCV's are appropriately managed.
- Conduct field inspections on a sample of primary feedstock tracts to monitor HCV and other land values.
- Map all known HCV sites and ensures all procured feedstock areas do not overlap with HCV areas.

The monitoring efforts provide assurance that feedstock suppliers adhere to the requirements of the standard and demonstrate the BP's commitment to ensuring compliance.

Conclusion:

Based on the mitigation measures described herein (including the contents of Annex I – Exhibit E Risk Mitigation, this indicator can be considered “Low Risk”.

Indicator 2.1.3

The Biomass Producer has implemented appropriate control systems and procedures for verifying that feedstock is not sourced from forests converted to production plantation forest or non-forest lands after January 2008.

Risk Designation: “Specified Risk”

In the absence of measures implemented by the BP, this indicator is considered Specified Risk based on FSC (FSC US Controlled Wood National Risk Assessment V1-0 D3-0) risk designations within the supply area. Specifically, wood from forests is being converted to plantations or non-forest use in some areas (Category 4).

Mitigation Measures:

We do not source from forests converted to production plantation forest or non-forest lands after January 2008, nor do we allow our suppliers to source from these areas under the terms of legally binding contracts. Our FSC and PEFC Chain of Custody Procedures (WF-DP-01) identify the process by which conversion of forests to non-forest land uses can be documented and avoided. We, along with our suppliers, are legally obligated to adhere to all state and federal environmental protection programs which can apply when conversion occurs. We utilize a number of resources such as Global Forest Watch, National Land Cover Dataset, etc. to check for conversion.

Monitoring:

- Annual supplier questionnaires to primary and secondary suppliers, which details the counties where wood is sourced from.
- Conduct annual sawmill audits of a sample of secondary suppliers to confirm that information provided in the questionnaire is accurate and verifiable.
- Conduct BMP audits on a sample of primary and secondary feedstock suppliers to ensure BMP compliance.
- Require signed contracts with suppliers ensuring land conversion is not done.
- Conduct field inspections on a sample of primary feedstock tracts to monitor silviculture practices
- Map all known HCV sites and ensures all procured feedstock areas do not overlap with HCV areas.

The monitoring efforts provide assurance that feedstock suppliers adhere to the requirements of the standard and demonstrate the BP's commitment to ensuring compliance.

Conclusion:

Based on the mitigation measures described herein (including the contents of Annex I – Exhibit E Risk Mitigation, this indicator can be considered “Low Risk”.

Indicator 2.2.1

The Biomass Producer has implemented appropriate control systems and procedures to verify that feedstock is sourced from forests where there is appropriate assessment of impacts, and planning, implementation and monitoring to minimise them.

Risk Designation: "Specified Risk"

This indicator was listed as low risk in the FSC controlled wood risk assessment (FSC US Controlled Wood National Risk Assessment V1-0 D3-0). It was identified during last surveillance audit there was insufficient publicly available evidence to consider this indicator low risk, particularly in relation to secondary feedstock. As a result, the BP has included additional control measures to ensure the risk designation can be considered low risk after the implementation of mitigation measures.

Mitigation Measures:

We utilize legally binding contracts to identify expectations and requirements. Contracts provide for logger education, logger certification where appropriate, adherence to BMP requirements, and awareness of high conservation value and risk areas. We identify the supply chain, determine the risk profile within the supply base, review supplier records, conduct announced and unannounced audits, review third party assessments, and conduct site audits where appropriate. For primary sources, appropriate measures are implemented at the forest unit and for secondary sources they are implemented at the saw mill. Furthermore, we have a functional Environmental Management System, Environmental Policy, Fiber Supply Policy, and conduct internal and third party audits to ensure compliance. In addition, we employ registered foresters, forest rangers, certified wildlife biologists, and forest biometricians in support of our processes. We also sponsor public research and promote sustainable management of forest through participation in SFI State Implementation Committees.

Monitoring:

- Annual supplier questionnaires to primary and secondary suppliers, which details the counties where wood is sourced from.
- Conduct annual sawmill audits of a sample of secondary suppliers to confirm that information provided in the questionnaire is accurate and verifiable.
- Conduct BMP audits on a sample of primary and secondary feedstock suppliers to ensure BMP compliance.
- Require signed contracts with suppliers ensuring HCV's are appropriately managed.
- Conduct field inspections on a sample of primary feedstock tracts to monitor HCV and other land values.
- Map all known HCV sites and ensures all procured feedstock areas do not overlap with HCV areas.

The monitoring efforts provide assurance that feedstock suppliers adhere to the requirements of the standard and demonstrate the BP's commitment to ensuring compliance.

Conclusion:

Based on the mitigation measures described herein (including the contents of Annex I – Exhibit E Risk Mitigation, this indicator can be considered "Low Risk".

Indicator 2.2.3

The Biomass Producer has implemented appropriate control systems and procedures to ensure that key ecosystems and habitats are conserved or set aside in their natural state (CPET S8b).

Risk Designation: "Specified Risk"

In the absence of measures implemented by the BP, this indicator is considered Specified Risk based on FSC (FSC US Controlled Wood National Risk Assessment V1-0 D3-0) risk designations within the supply area. Specifically, high conservation values are threatened by management activities (Category 3) in some areas, and wood from forests is being converted to plantations or non-forest use in some areas (Category 4).

Mitigation Measures:

We utilize legally binding contracts to identify expectations and requirements. Contracts provide for logger education, logger certification where appropriate, adherence to BMP requirements, and awareness of high conservation value and risk areas. We identify the supply chain, determine the risk profile within the supply base, review supplier records, conduct announced and unannounced audits, review third party assessments, and conduct site audits where appropriate. For primary sources, appropriate measures are implemented at the forest unit and for secondary sources they are implemented at the saw mill. Furthermore, we have a functional Environmental Management System, Environmental Policy, Fiber Supply Policy, and conduct internal and third party audits to ensure compliance. In addition, we employ registered foresters, forest rangers, certified wildlife biologists, and forest biometricians in support of our processes. We also sponsor public research and promote sustainable management of forest through participation in SFI State Implementation Committees.

Monitoring:

- Annual supplier questionnaires to primary and secondary suppliers, which details the counties where wood is sourced from.
- Conduct annual sawmill audits of a sample of secondary suppliers to confirm that information provided in the questionnaire is accurate and verifiable.
- Conduct BMP audits on a sample of primary and secondary feedstock suppliers to ensure BMP compliance.
- Require signed contracts with suppliers ensuring HCV's are appropriately managed.
- Conduct field inspections on a sample of primary feedstock tracts to monitor HCV and other land values.
- Map all known HCV sites and ensures all procured feedstock areas do not overlap with HCV areas.

The monitoring efforts provide assurance that feedstock suppliers adhere to the requirements of the standard and demonstrate the BP's commitment to ensuring compliance.

Conclusion:

Based on the mitigation measures described herein (including the contents of Annex I – Exhibit E Risk Mitigation, this indicator can be considered “Low Risk”.

Indicator 2.2.4

The Biomass Producer has implemented appropriate control systems and procedures to ensure that biodiversity is protected (CPET S5b)

Risk Designation: “Specified Risk”

In the absence of measures implemented by the BP, this indicator is considered Specified Risk based on FSC (FSC US Controlled Wood National Risk Assessment V1-0 D3-0) risk designations within the supply area. Specifically, high conservation values are threatened by management activities (Category 3) in some areas, and wood from forests is being converted to plantations or non-forest use in some areas (Category 4).

Mitigation Measures:

We utilize legally binding contracts to identify expectations and requirements. Contracts provide for logger education, logger certification where appropriate, adherence to BMP requirements, and awareness of high conservation value and risk areas. We identify the supply chain, determine the risk profile within the supply base, review supplier records, conduct announced and unannounced audits, review third party assessments, and conduct site audits where appropriate. For primary sources, appropriate measures are implemented at the forest unit and for secondary sources they are implemented at the saw mill. Furthermore, we have a functional Environmental Management System, Environmental Policy, Fiber Supply Policy, and conduct internal and third party audits to ensure compliance. In addition, we employ registered foresters, forest rangers, certified wildlife biologists, and forest biometricians in support of our processes. We also sponsor public research and promote sustainable management of forest through participation in SFI State Implementation Committees.

Monitoring:

- Annual supplier questionnaires to primary and secondary suppliers, which details the counties where wood is sourced from.
- Conduct annual sawmill audits of a sample of secondary suppliers to confirm that information provided in the questionnaire is accurate and verifiable.
- Conduct BMP audits on a sample of primary and secondary feedstock suppliers to ensure BMP compliance.
- Require signed contracts with suppliers ensuring HCV's are appropriately managed.
- Conduct field inspections on a sample of primary feedstock tracts to monitor HCV and other land values.
- Map all known HCV sites and ensures all procured feedstock areas do not overlap with HCV areas.

The monitoring efforts provide assurance that feedstock suppliers adhere to the requirements of the standard and demonstrate the BP's commitment to ensuring compliance.

Conclusion:

Based on the mitigation measures described herein (including the contents of Annex I – Exhibit E Risk Mitigation, the risk associated with [TBD] can be considered “Low Risk”.

Indicator 2.4.1

The Biomass Producer has implemented appropriate control systems and procedures for verifying that the health, vitality and other services provided by forest ecosystems are maintained or improved (CPET S7a).

Risk Designation: “Specified Risk”

In the absence of measures implemented by the BP, this indicator is considered Specified Risk based on FSC (FSC US Controlled Wood National Risk Assessment V1-0 D3-0) risk designations within the supply area. Specifically, high conservation values are threatened by management activities (Category 3) in some areas, and wood from forests is being converted to plantations or non-forest use in some areas (Category 4).

Mitigation Measures:

We utilize legally binding contracts to identify expectations and requirements. Contracts provide for logger education, logger certification where appropriate, adherence to BMP requirements, and awareness of high conservation value and risk areas. We identify the supply chain, determine the risk profile within the supply base, review supplier records, conduct announced and unannounced audits, review third party assessments, and conduct site audits where appropriate. For primary sources, appropriate measures are implemented at

the forest unit and for secondary sources they are implemented at the saw mill. Furthermore, we have a functional Environmental Management System, Environmental Policy, Fiber Supply Policy, and conduct internal and third party audits to ensure compliance. In addition, we employ registered foresters, forest rangers, certified wildlife biologists, and forest biometricians in support of our processes. We also sponsor public research and promote sustainable management of forest through participation in SFI State Implementation Committees.

Monitoring:

- Annual supplier questionnaires to primary and secondary suppliers, which details the counties where wood is sourced from.
- Conduct annual sawmill audits of a sample of secondary suppliers to confirm that information provided in the questionnaire is accurate and verifiable.
- Conduct BMP audits on a sample of primary and secondary feedstock suppliers to ensure BMP compliance.
- Require signed contracts with suppliers ensuring HCV's are appropriately managed.
- Conduct field inspections on a sample of primary feedstock tracts to monitor HCV and other land values.
- Map all known HCV sites and ensures all procured feedstock areas do not overlap with HCV areas.

The monitoring efforts provide assurance that feedstock suppliers adhere to the requirements of the standard and demonstrate the BP's commitment to ensuring compliance.

Conclusion:

Based on the mitigation measures described herein (including the contents of Annex I – Exhibit E Risk Mitigation, this indicator can be considered “Low R

9.2 Monitoring and outcomes

BP implements a comprehensive sampling and monitoring program to ensure compliance for all biomass feed stocks.

Primary Sources

A contract is executed for each tract of land from which biomass originates. Westervelt ensures that purchased biomass meets all requirements and documents the location of the tract prior to contract finalization and commencement of harvesting activity. The Section, Township, Range, Tract Name, and Contract Number are recorded for each source location. Delivery driver and tract identification cards issued by Westervelt must be scanned upon arrival at BP's scale house for each load of material received. The facility does not accept random deliveries of biomass from unknown sources or locations.

Westervelt's wood procurement staff audits 100% of purchases from company owned lands and a minimum of 10% of the tracts from non-company owned sources. Compliance verification measures include completion of a questionnaire for each tract, a review of BMPs, confirmation that conversion to non-forest uses does not occur, verification of the use of certified/trained loggers, etc. For non-company owned lands that have a BMP audit performed, a letter is sent to each supplier after harvesting is complete to identify potential Corrective Actions and/or to reinforce the use of good practices. For company-owned lands compliance information is reported internally and is formally reported in Forest Resources Environmental Management System committee meetings.

Secondary Sources

Secondary residues in the form of shavings, sawdust, and chips are purchased from several external sources as well as from BP's affiliate-owned sawmill. All secondary biomass is controlled and includes both certified and non-certified sources.

BP's procurement staff visits each supplying mill a minimum of once every 12 months (on a rolling basis) to inspect records, observe material receipt and storage practices, and to audit contract compliance.

A contract is required with each non-affiliate owned supplier of secondary shavings, sawdust, and chips and identifies allowable wood species, addresses legality, civil rights, high conservation value areas, conversion to non-forest use, the non-use of genetically modified trees, etc. Furthermore, the supplier is responsible for documenting the county of origin for all biomass and other relevant information that must be made available to BP and the CB upon request. BP's procurement staff evaluates each biomass supplier prior to entering into a contract, and audits secondary suppliers initially and at least once each five years. Driver and contract identification cards issued by BP must be scanned upon at delivery for each load of material received. BP does not accept random deliveries of biomass from unknown sources or locations.

10 Detailed Findings for Indicators

Detailed findings for each Indicator are given in Annex 1.

11 Review of Report

11.1 Peer review

A Readiness Review for the initial certification audit was conducted with the accredited Certification Body (NSF) and witnessed by a SBP representative. Over 45 letters were sent to potential stakeholders. The accredited Certification Body assigned two auditors to conduct an independent audit of the SBP Program. The Certification Body also conducted an independent consultation with potential stakeholders. Additionally, the Certification Body's assessment is subject to independent third-party review. Independent auditors conduct annual surveillance audits of the Westervelt SFI, PEFC, and FSC certification programs. SBP has convened a Technical Review Panel to review the audit findings.

Westervelt believes sufficient independent review of its Program and Procedures was undertaken and additional Peer Review is neither warranted nor required.

11.2 Public or additional reviews

The basis for this report is the recent change in supply area scope which was reviewed and edited by Michael Ferrucci, Principal at Interforest LLC whose credentials are described in Section 5, page ten. In addition to potential stakeholders contacted directly by Westervelt and the CB as part of the Stakeholder Consultation process, notification to all interested parties was posted on Westervelt's website at the beginning of the consultation.

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	/s/ Joe Aquino	Head of Sustainability	3/8/2019
	Name	Title	Date
The undersigned persons confirm that I/we are members of the organisation’s senior management and do hereby affirm that the contents of this evaluation report were duly acknowledged by senior management as being accurate prior to approval and finalisation of the report.			
Report approved by:	/s/ Vaughan Bassett	Senior Vice President of Sale and Logistics	3/8/2019
	Name	Title	Date
Report approved by:	/s/ Drew Summers	Logistics & Procurement	3/8/2019
	Name	Title	Date
Report approved by:	/s/ Clint Woods	Timber Procurement Manager	3/8/2019
		Title	Date
Report approved by:	/s/ Mike Williams	Project Director	3/8/2019
	Name	Title	Date

13 Updates

13.1 Significant changes in the Supply Base

BP continues to source secondary residual biomass from within the supply base area as shown in Exhibit 'A' Supply Base Area Map. Because of haul distance constraints, BP does not plan to utilize any softwood round wood originating outside of Alabama or Mississippi nor does it plan to utilize hardwood round wood originating from any location.

The supply base area accounts for supply basins of suppliers and sub-suppliers and reflects a growing supply of secondary biomass fiber which cannot otherwise not be utilized. Significant saw mill expansion continues to generate additional secondary residues in a region where there is already an excess supply of this material, and in some instances lack of outlets result in the need for sawmills to temporarily curtail production.

13.2 Effectiveness of previous mitigation measures

All previously identified measures remain effective based on internal and external reviews.

13.3 New risk ratings and mitigation measures

Refer to Section 9 for indicators 2.1.2, 2.1.3, 2.2.3, 2.2.4, and 2.4.1 recently reclassified from Low Risk to Specified Risk. Description of mitigation measures is indicated in Section 9 and Appendix I – Exhibit E Risk Mitigation.

13.4 Actual figures for feedstock over the previous 12 months

Feedstock⁹

- f. Total volume of feedstock: 200,000-400,000 green metric tons
- g. Volume of primary feedstock: 0,-200,000 green metric tons
- h. List percentage of primary feedstock (g), by the following categories.
Subdivide by SBP-approved Forest Management Schemes.
 - Large forest holdings certified to an SBP-approved Forest Management Schemes: 80%-100%
 - Large forest holdings not certified to an SBP-approved Forest Management Schemes: 0%-19%
 - Small forest holdings certified to an SBP-approved Forest Management Schemes: 0%-19%
 - Small forest holdings not certified to an SBP-approved Forest Management Schemes: 0%-19%
- i. List all species in primary feedstock, including scientific name:
 - Loblolly Pine (Pinus taeda)
 - Shortleaf Pine (Pinus echinata)
 - Slash Pine (Pinus elliotti)
 - Virginia Pine (Pinus Virginiana)
 - Longleaf Pine (Pinus palustris)
- j. Volume of primary feedstock from primary forest: None
- k. List percentage of primary feedstock from primary forest (i), by the following categories.
Subdivide by SBP-approved Forest Management Schemes.
 - Primary feedstock from primary forest certified to an SBP-approved Forest Management Schemes: 0%
 - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Schemes: 0%
- l. Volume of secondary feedstock: 80%-100% residues
- m. Volume of tertiary feedstock: 0%-19%

⁹ Banding, where used, is used in place of specific volumes due to commercial sensitivity as historical, current, or forecasted volumes could be used by third parties to gain competitive advantage.

13.5 Projected figures for feedstock over the next 12 months

Feedstock¹⁰

- f. Total volume of feedstock: 200,000-400,000 green metric tons
- g. Volume of primary feedstock: 0-200,000 green metric tons
- h. List percentage of primary feedstock (g), by the following categories.
Subdivide by SBP-approved Forest Management Schemes.
 - Large forest holdings certified to an SBP-approved Forest Management Schemes: 80%-100%
 - Large forest holdings not certified to an SBP-approved Forest Management Schemes: 0%-19%
 - Small forest holdings certified to an SBP-approved Forest Management Schemes: 0%-19%
 - Small forest holdings not certified to an SBP-approved Forest Management Schemes: 0%-19%
- i. List all species in primary feedstock, including scientific name:

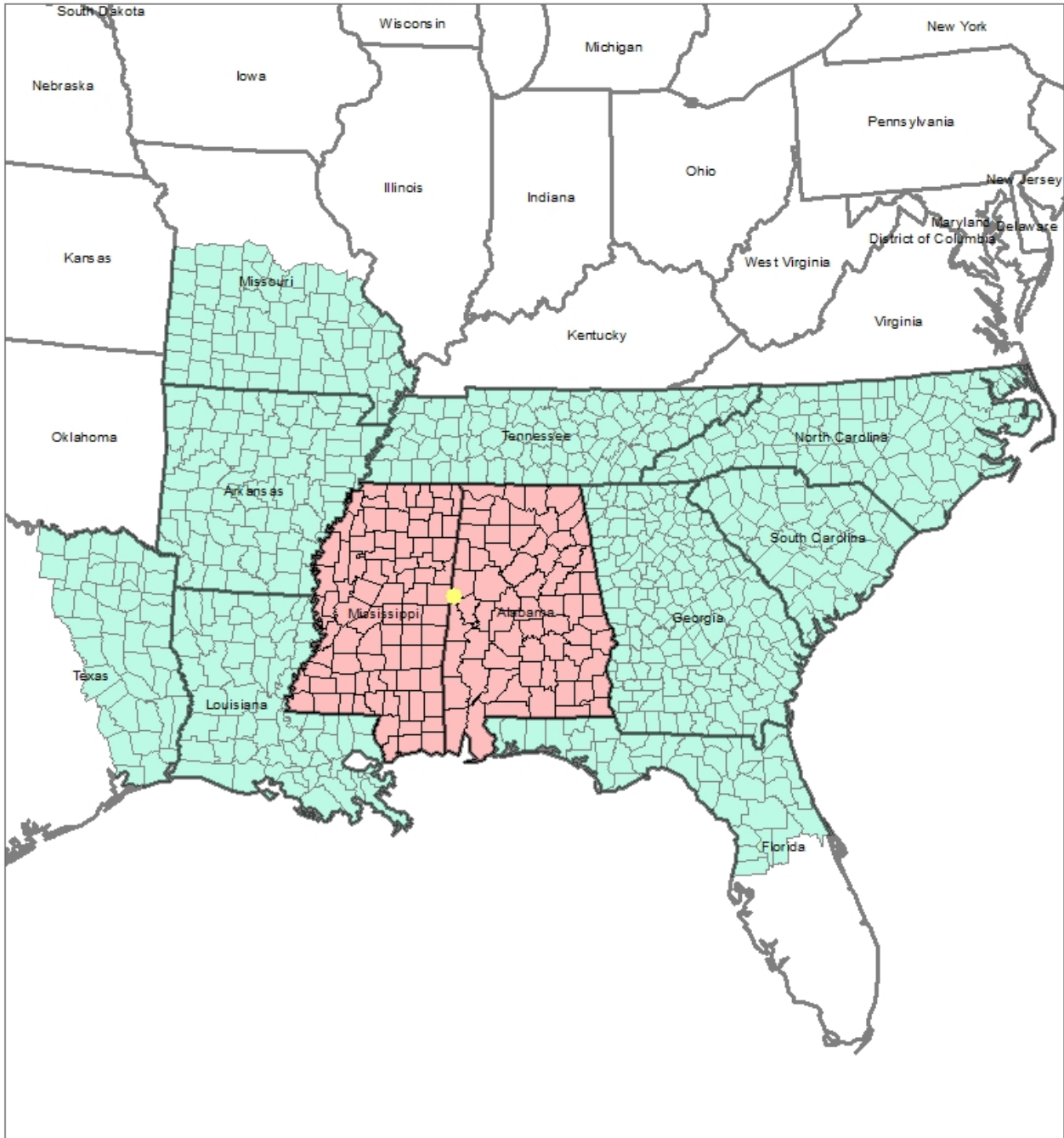
Southern Yellow Pine is the predominant species which includes Loblolly Pine (*Pinus taeda*), Shortleaf Pine (*Pinus echinata*), Slash Pine (*Pinus elliotti*), Virginia Pine (*Pinus Virginiana*), and de minimis volumes of Longleaf Pine (*Pinus palustris*¹¹. Traces of mixed southern hardwoods including various varieties of oak, hickory, ash, maple, and others may appear if in-woods chipping is utilized¹².
- j. Volume of primary feedstock from primary forest: 0.0 metric tonnes
- k. List percentage of primary feedstock from primary forest (i), by the following categories.
Subdivide by SBP-approved Forest Management Schemes.
 - Primary feedstock from primary forest certified to an SBP-approved Forest Management Schemes:
0.0%
 - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Schemes:
0.0%
- l. Volume of secondary feedstock: 80%-100% residues
- m. Volume of tertiary feedstock: 0%-19%

¹⁰ Banding, where used, is in place of specific volumes due to commercial sensitivity as historical, current, or forecasted volumes could be used by third parties to gain competitive advantage. These volumes are estimated and subject to change depending on material availability and capacity utilization of the production facility.

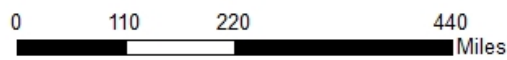
¹¹ See Section 2.1, Protected Species, page three, for discussion on CITES and/or IUCN species.

¹² A full list of hardwood species is available upon request.

Exhibit A Supply Base Area Map



- Primary Sourcing Area
- Sub-Supplier Sourcing Area



1 in = 158 miles



August 31, 2017

Annex 1: Detailed Findings for Supply Base Evaluation Indicators

	Indicator
1.1.1	The Biomass Producer’s Supply Base is defined and mapped.
Finding	<p>BP sources primary soft wood round wood from within the states of Alabama and Mississippi. BP does not source any round wood from other states nor does it source primary hard wood from any state. BP also sources soft wood and hard wood residual wood from Alabama and Mississippi where the source of the wood may originate from nine additional states which are depicted in Exhibit A Supply Base Area Map.</p> <p>The majority of wood fiber sourced by the BP originates from the conifer forests or hardwood forests of the States of Alabama and Mississippi. Suppliers of residuals may source from these states as well as from states listed in the description of the supply areas. Electronic and hardcopy maps of the Wood Procurement Areas are maintained.</p> <p>For primary sources each tract and ownership of origin of wood material is recorded on electronic maps and/or in tract files. For primary sources the BP maintains the legal description including the Section, Township and Range of harvested tracts.</p> <p>For secondary wood the BP verifies the counties from which suppliers source wood to ensure it is within the supply base.</p> <p>The Supply Base is defined as part of demonstrating conformance to the following Sustainability Standards:</p> <ul style="list-style-type: none"> SFI Fiber Sourcing SFI Chain of Custody PEFC Chain of Custody and Due Diligence System FSC Chain of Custody FSC Controlled Wood
Means of Verification	Contracts, maps, electronic receipt records, severance tax payment records. Site visits to select tracts. Visits to all active secondary supplier sites.
Evidence Reviewed	Supply Base map.
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	N/A

	Indicator
1.1.2	Feedstock can be traced back to the defined Supply Base.
Finding	<p>For primary sources purchased by the BP: The BP maintains formal contracts and records of payments and receipts. Wood receipts originate from loggers, dealers and other landowners. Title to the wood is exchanged as it crosses the scale at the pellet mill. These documents and records provide objective evidence for all suppliers.</p> <p>PEFC, SFI and FSC Chain of Custody and FSC Controlled Wood requirements address the need to define the “Districts of Origin” and to conduct periodic monitoring of the supply base.</p> <p>Refer to FSC/PEFC/SFI Controlled Wood/Due Diligence System Risk Assessment for the identification of supply base (WRE-COC-DP-03).</p> <p>The BP requires suppliers to identify wood inputs and their specific location using a formal SFI Declaration (ZZ-2014SFIMemo-Declaration).</p> <p>For secondary sources purchased by the BP: The Procurement Staff works closely with suppliers of residuals to document the county of origin of all residue wood. Legally binding Wood Purchase Agreements require suppliers to support the collection of information to implement control measures if needed. The Procurement Staff periodically reviews information from suppliers of by-products to verify:</p> <ul style="list-style-type: none"> a) The species used are consistent with the BP’s Risk Assessment. b) The type and quality of material are commercially available from the declared supply area. c) The description of the supplier’s procurement territory is logical and economically feasible. d) Purchase records validate the counties where the wood originated. <p>For additional information regarding Wood Purchase Agreements please refer to Exhibit D Wood Purchase Agreement Overview.</p>
Means of Verification	Electronic receipt records, severance tax payment records. Verification that feed stocks received are consistent with the Supply Base.
Evidence Reviewed	Chain of Custody procedures, wood receipt records/scale tickets, payment records, severance tax payment records.
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	N/A

	Indicator
1.1.3	The feedstock input profile is described and categorised by the mix of inputs.
Finding	<p>For primary sources purchased by the BP: Feedstock types are identified, categorized, and recorded electronically upon receipt. The mix of feedstock inputs are described as "Categories of Origin" in the Chain of Custody Procedures (WF-DP-01). Material categories are also identified for purposes of Chain of Custody tracking in the Product Group Lists (WRE-SBP-DP-06). Species of trees that are sourced are documented in the Controlled Wood/Due Diligence System Risk Assessment (WF-DP-03). Implementation of the Controlled Wood Standard (WF-DP-02) is documented.</p> <p>The majority of round wood inputs are from early thinnings (12-15 years) of soft wood planted forests. These age classes are underutilized and the Westervelt pellet mill is one of the only sources of demand for this resource. The remaining round wood inputs are tops, limbs, and other non-merchantable material. We do not utilize round wood hard wood, round wood from old growth forests, wood originating from areas undergoing conversion, and we do not use merchantable saw timber.</p> <p>For secondary sources purchased by the BP: Feedstock types are identified, categorized, and recorded electronically upon receipt. The mix of feedstock inputs are described as "Categories of Origin" in the Chain of Custody Procedures (WF-DP-01). Material categories are also identified for purposes of Chain of Custody tracking in the Product Group Lists (WRE-SBP-DP-06). Species of trees that are sourced are documented in the Controlled Wood/Due Diligence System Risk Assessment (WF-DP-03).</p> <p>Secondary sources are in the form of shavings, sawdust, and chips which are byproducts of primary processing.</p> <p>For additional information regarding Wood Purchase Agreements please refer to Exhibit D Wood Purchase Agreement Overview.</p>
Means of Verification	Electronic receipt records; severance tax payment records. WF-DP-01 Chain of Custody Procedures WF-DP-02 Controlled Wood Procedure WF-DP-03 Controlled Wood/Due Diligence System Risk Assessment WRE-SBP-DP-06 Product Group List
Evidence Reviewed	Contracts, wood receipt records, payment records, severance tax payment records, policy & procedures. WF-DP-01 Chain of Custody Procedures WF-DP-02 Controlled Wood Procedure WF-DP-03 Controlled Wood/Due Diligence System Risk Assessment WRE-SBP-DP-06 Product Group List
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	N/A

	Indicator
1.2.1	The Biomass Producer has implemented appropriate control systems and procedures to ensure that legality of ownership and land use can be demonstrated for the Supply Base.
Finding	<p>For primary sources purchased by the BP: The BP requires contracts, wood receipts and other documentation verifying legal ownership of wood.</p> <p>The BP requires suppliers to identify wood inputs and their specific location using a formal SFI Declaration (ZZ-2014SFI Memo-Declaration).</p> <p>For all sources purchased by the BP: The BP has an FSC/PEFC/SFI Controlled Wood/Due Diligence System risk assessment for all of its procurement areas/Districts of Origin (WF-DP-03).</p> <p>SFI Fiber Sourcing Standard, Performance Measure 4.1 requires Program Participants to comply with applicable laws and regulations and take steps to avoid illegal logging. Indicator 4.1.4 requires an assessment of the risk of sourcing material from illegal logging and Indicator 4.1.5 requires a program to address any significant risks identified under 4.1.4.</p> <p>The World Bank awarded the U.S. a Global Governance Index rating that exceeds 90% for Regulatory Quality. See the Global Governance Index for the United States: (http://info.worldbank.org/governance/wgi/sc_chart.asp)</p> <p>The <i>Assessment of Lawful Harvesting & Sustainability of US Hardwood Exports</i> (further described in Exhibit C Supplemental Information Best Management Practices) stated the following:</p> <p>“We come to the conclusion that wood procured in the study area can be considered Low Risk to threat to legality. This conclusion is based on the determination that there is no reported systematic illegal logging, as we interpret the term, reported in the study area and regulatory processes in the study area have been found to be highly effective.”</p> <p>We also monitor the Illegal Logging Portal to assess the likelihood of illegal logging activity in our supply areas.</p> <p>For additional information regarding Wood Purchase Agreements please refer to Exhibit D Wood Purchase Agreement Overview.</p>
Means of Verification	Contracts, ownership records for company-owned lands. ZZ-2014SFI Memo-Declaration of Inputs & Location WF-DP-03 Controlled Wood/Due Diligence System Risk Assessment
Evidence Reviewed	Contracts, declaration forms, Chain of Custody audit results. ZZ-2014SFI Memo-Declaration of Inputs & Location WF-DP-03 Controlled Wood/Due Diligence System Risk Assessment
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	N/A

	Indicator
1.3.1	<p>The BP has implemented appropriate control systems and procedures to ensure that feedstock is legally harvested and supplied and is in compliance with EUTR legality requirements.</p>
Finding	<p>The BP conducted a comprehensive risk assessment for its wood supply areas and has concluded Low Risk for “Illegally Harvested Wood.”</p> <p>Copies of the FSC/PEFC/SFI Controlled Wood Procedures (WF-DP-02) and Risk Assessment (WF-DP-03) are available for review. A Public Summary of the Risk Assessment has been made available to FSC and its Global Risk Registry (WF-DP-03).</p> <p>Additional findings of the Controlled Wood Risk Assessment include:</p> <ol style="list-style-type: none"> 1. Law enforcement in the Districts of Origin is active and aggressive. 2. There is evidence within the district that demonstrates the legality of harvests and wood purchases that includes robust and effective systems for granting licenses and harvest permits. 3. There is little or no evidence or reporting of illegal harvesting in the district of origin. 4. There is a low perception of corruption related to the granting or issuing of harvesting permits and other areas of law enforcement related to harvesting and wood trade. <p>The most common U.S. Federal Laws and Regulations are monitored on the following websites:</p> <p>U.S. Fish & Wildlife Service - http://www.fws.gov/ U.S. F&WS Endangered Species – http://endangered.fws.gov/ National Wetlands Inventory Center – http://wetlands.fws.gov/ U.S. Environmental Protection Agency – http://www.epa.gov/ U.S. Environmental Protection Agency Region 4 - https://www.epa.gov/aboutepa/about-epa-region-4-southeast U.S. EPA/Wetlands – http://www.epa.gov/OWOW/wetlands/ U.S Army Corps of Engineers – http://www.usace.army.mil/ Federal Register – http://www.access.gpo.gov/nara/cfr/cfr-table-search.html U.S.D.A. Forest Service - http://www.fs.fed.us/ U.S.D.A. Forest Service – Southern Research Station - http://www.srs.fs.usda.gov/index.htm</p> <p>All states have extensive laws and regulations to ensure compliance, protect water quality provide natural areas for the protection of native biodiversity. For detailed information including specific sites, areas, species, and protection measures related to High Conservation Value in the supply area please refer to Exhibit B Supplemental Information High Conservation Value and Sourcing Risk.</p> <p>We monitor the following resources for water quality requirements:</p> <p>Alabama: http://www.adem.state.al.us/programs/water/forestry.cnt Mississippi: https://www.mfc.ms.gov/water-quality-forestry-best-management-practices Missouri: https://mdc.mo.gov/sites/default/files/downloads/mdc_mo_watershed.pdf Arkansas: http://www.aad.arkansas.gov/best-management-practices-water-quality Texas: http://texasforests-service.tamu.edu/WaterResourcesandBMPs/ Louisiana: www.ldaf.state.la.us/forestry/management/best-management-practices-and-statistics Tennessee: https://www.tn.gov/agriculture/forests/protection/water-quality.html North Carolina: http://www.ncforests-service.gov/water_quality/fpg_bmp_differences.htm South Carolina: https://www.state.sc.us/forest/fmgt.htm</p>

	<p>Georgia: http://www.gfc.state.ga.us/forest-management/water-quality/ Florida: https://www.freshfromflorida.com/Divisions-Offices/Florida-Forest-Service/For-Landowners/Management-Planning/How-to-Manage/Water-Quality-Management</p> <p>We also utilize the following resources to verify legality of sourcing, including: Illegal Logging and Global Wood Markets, Seneca Creek Assoc. & WRI A Nationwide Survey of Timber Trespass Legislation, Hicks, Timothy, Master of Forestry Thesis March 2005 PSU School of Forest Resources Illegal Logging Portal The Royal Institute of International Affairs: www.illegal-logging.org World Bank: See www.worldbank.org/wbi/governance/data for good governance data compiled by the World Bank Environmental Investigation Agency: www.eia-international.org Global Witness: www.globalwitness.org UK Government's Department for International Development (DFID) EU FLEGT process: http://www.euflegt.efi.int/home Transparency international index: www.transparency.org Corruption perceptions: WWF www.panda.org ELDIS: www.eldis.org CITES: www.cites.org</p> <p>For additional information regarding Wood Purchase Agreements please refer to Exhibit D Wood Purchase Agreement Overview.</p>
Means of Verification	<p>Verification that stated species are available in the sourcing area, search for state level records indicating non-compliance, state laws, company policy, risk assessments. WF-DP-01 Chain of Custody Procedures WF-DP-02 Controlled Wood Procedure WF-DP-03 Controlled Wood/Due Diligence System Risk Assessment Exhibit B Supplemental Information High Conservation Value and Sourcing Risk</p>
Evidence Reviewed	<p>Contracts, declaration forms, Chain of Custody procedures, state records, and BMP audit results. WF-DP-01 Chain of Custody Procedures WF-DP-02 Controlled Wood Procedure WF-DP-03 Controlled Wood/Due Diligence System Risk Assessment Exhibit B Supplemental Information High Conservation Value and Sourcing Risk</p>
Risk Rating	<p><input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA</p>
Comment or Mitigation Measure	N/A

	Indicator
1.4.1	The Biomass Producer has implemented appropriate control systems and procedures to verify that payments for harvest rights and timber, including duties, relevant royalties and taxes related to timber harvesting, are complete and up to date.
Finding	<p>For primary sources purchased by the BP: Wood receipts and payment records demonstrate payment of fees and taxes. These documents are confidential and proprietary, but are available to the CB upon request. Each wood consuming facility is required to collect severance tax for each delivery. These severance taxes are accounted for by county and are submitted to the state collection agency quarterly.</p>

	<p>The BP initiates a Wood Order that is tract-specific which addresses payment of taxes and royalties.</p> <p>For all sources purchased by the BP: The BP requires a formal Annual Wood Purchase Agreement with all suppliers containing all legal and contractual requirements. Suppliers sign a contract stating that all taxes have been paid for the fiber.</p> <p>For additional information regarding Wood Purchase Agreements please refer to Exhibit D Wood Purchase Agreement Overview.</p>
Means of Verification	Severance tax payment records and contracts.
Evidence Reviewed	Contract, severance tax payment records.
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	N/A

	Indicator
1.5.1	The Biomass Producer has implemented appropriate control systems and procedures to verify that feedstock is supplied in compliance with the requirements of CITES.
Finding	<p>For detailed information including specific sites, areas, species, and protection measures related to High Conservation Value in the supply area please refer to Exhibit B Supplemental Information High Conservation Value and Sourcing Risk.</p> <p>The BP conducted FSC/PEFC/SFI Controlled Wood /Due Diligence System Risk Assessments addressing the requirements of CITES (WF-DP-03). The species of trees that are common to the supply base are included in the Species List (WRE-SBP-DOC-01). No wood originates from outside the states listed in the supply area. No CITES Listed Tree Species are found within the wood and fiber procurement areas/Districts of Origin. See the CITES website: http://www.unep-wcmc.org/cites-listed-trees_501.html Amendment to the Convention on Trade in Endangered Species of Wild Fauna and Flora (Art.XI) (Bonn, Germany 23 June 1979). Longleaf pine appears in the IUCN Redlist and is addressed by Westervelt Pellets I, LLC Statement on Longleaf Pine dated February 1, 2019.</p> <p>For additional information regarding Wood Purchase Agreements please refer to Exhibit D Wood Purchase Agreement Overview.</p>
Means of Verification	<p>Field inspection, receipt records. Demonstration of relevant knowledge by wood buyers, procurement managers, foresters, suppliers, and loggers to ensure awareness, understanding, and application of requirements.</p> <p>WRE-SBP-DOC-01 Species List WF-DP-03 Controlled Wood/Due Diligence System Risk Assessment Exhibit B Supplemental Information High Conservation Value and Sourcing Risk</p>
Evidence Reviewed	<p>Policies & procedures, BMP audit results, scale tickets to check species.</p> <p>WRE-SBP-DOC-01 Species List WF-DP-03 Controlled Wood/Due Diligence System Risk Assessment</p>

	Exhibit B Supplemental Information High Conservation Value and Sourcing Risk
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	N/A

	Indicator
1.6.1	The Biomass Producer has implemented appropriate control systems and procedures to ensure that feedstock is not sourced from areas where there are violations of traditional or civil rights.
Finding	<p>For detailed information including specific sites, areas, species, and protection measures related to High Conservation Value in the supply area please refer to Exhibit B Supplemental Information High Conservation Value and Sourcing Risk.</p> <p>The BP adopted a formal policy addressing traditional and civil rights (Z1-2014 Westervelt Fiber Supply Policy).</p> <p>The BP conducted an FSC/PEFC/SFI Controlled Wood/Due Diligence System Risk Assessment addressing the violation of traditional and civil rights issues (WF-DP-03). The findings from the Risk Assessment include:</p> <p style="padding-left: 40px;">“Based upon the risk assessment and evaluation of available information, there is a “low risk” that any wood that is sourced into Westervelt’s facility is in violation of traditional, civil and indigenous peoples' rights.”</p> <p>We also utilize the following sites to supplement other evidence:</p> <ul style="list-style-type: none"> American Indian Religious Freedom Act of 1978 (amended 1994) Indian Child Welfare Act of 1978 Indian Citizenship Act of 1924 Indian Self-Determination and Education Assistance Act of 1975 Native American Languages Act of 1990 Tribal Law and Order Act of 2010 ILO Convention 169 www.un.org/esa/africa/UNNews_Africa/timber.htm www.globalwitness.org www.naturalresources.org/minerals/CD/docs/other/N0262179.pdf www.usaid.gov/hum_response/oti/pubs/vol1synth.pdf <p>For additional information regarding Wood Purchase Agreements please refer to Exhibit D Wood Purchase Agreement Overview.</p>
Means of Verification	<p>Written procedures, Lack of third-party complaints. Demonstration of relevant knowledge by wood buyers, procurement managers, foresters, suppliers, and loggers to ensure awareness, understanding, and application of requirements.</p> <p>Z1-2014 Westervelt Fiber Supply Policy</p> <p>WF-DP-03 Controlled Wood/Due Diligence System Risk Assessment</p>

Evidence Reviewed	Contracts, audit results, federal and state laws. Z1-2014 Westervelt Fiber Supply Policy WF-DP-03 Controlled Wood/Due Diligence System Risk Assessment Exhibit B Supplemental Information High Conservation Value and Sourcing Risk
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	N/A

	Indicator
2.1.1	The Biomass Producer has implemented appropriate control systems and procedures for verifying that forests and other areas with high conservation values are identified and mapped.
Finding	<p>For detailed information including specific sites, areas, species, and protection measures related to High Conservation Value in the supply area please refer to Exhibit B Supplemental Information High Conservation Value and Sourcing Risk.</p> <p>For primary sources purchased by the BP: All protected areas are mapped and downloaded from the national GAP database, which contains state and federally protected parks, reserves, refuges, wilderness areas among other designations. These protected areas are also referenced by the IUCN* classification. Each tract from which wood is sourced is entered in the system and checked for relationships with protected areas.</p> <p>Certification to the SFI Fiber Sourcing Standard demonstrates conformance to five related requirements:</p> <p>Performance Measure 1.1: Promote the conservation of biological diversity through procurement programs. Indicator 1.1.1: Promote biological diversity using appropriate State Wildlife Action Plans, State Forest Action Plans, conducting landscape assessments, etc. Indicator 1.1.2: Program to address Forests with Exceptional Conservation Value in harvests of purchased stumpage. Performance Measure 4.1: Comply with applicable forestry and related environmental laws and regulations. Performance Measure 5.1: Provide support for forestry research. Performance Measure 5.3: Broaden the awareness of climate change impacts on forests, wildlife and biological diversity. Performance Measure 7.2: Support and promote mechanisms for public outreach, education and involvement in sustainable forest management.</p> <p>* Please refer to Westervelt Pellets I, LLC Statement on Longleaf Pine dated February 1, 2019 which is available upon request.</p> <p>The BP audits a minimum of 10% of its contract wood to verify the effectiveness of BMP implementation, and the findings of the audits are reviewed with suppliers and internally during the annual management review. These steps help to ensure there is low risk of sourcing fiber that may negatively affect the high conservation value of any rivers and streams where the BP sources fiber.</p> <p>For all sources purchased by The BP:</p>

	<p>High Conservation Value Forests are addressed in the FSC/PEFC/SFI Controlled Wood/Due Diligence System Risk Assessment (WF-COC-DP-03).</p> <p>The BP concluded in its FSC/PEFC/SFI Controlled Wood/Due Diligence System Risk Assessment that:</p> <p style="padding-left: 40px;">“Based upon the evaluation of the District of Origin that are within the wood and fiber supply area of the manufacturing facilities, Westervelt Pellets I, LLC has concluded that there is “low risk” that forest management activities associated with supplying wood and fiber to its facility threatens eco-regionally significant high Environmental and cultural values.”</p> <p>The BP uses control measures when sourcing fiber for its facilities that protect the high conservation value of the Southeastern Conifer and Broadleaf Forests and the rare, threatened, and endangered (RTE) species that may dwell in them. Questionnaires are sent out to wood suppliers for every tract harvested that inquire about the species of pine harvested and the method of harvesting. Training packets are issued to train suppliers on High Conservation Value Forests. The training packet describes the different high conservation value areas in the BP’s supply base and the RTE species that may dwell in the area. The packet also describes ways that the BP expects BMP’s to be implemented so as not to harm these ecosystems or the RTE species that may live in them. A decision tree is used in conjunction with the Questionnaire for procurement of fiber coming from a potential High Conservation Forests. A BMP implementation auditing program is used to ensure the protection of the Longleaf Pine Forest and the RTE species that may live in them. By taking these steps when sourcing fiber from a potential HCV area there is a low risk of harming the ecosystem and the rare, threatened, or endangered species that may use them.</p> <p>For detailed information related to Best Management Practices implementation in the supply area please refer to Exhibit C Supplemental Information Best Management Practices. For additional information regarding Wood Purchase Agreements please refer to Exhibit D Wood Purchase Agreement Overview.</p> <p>We also utilize the following sites to supplement other evidence:</p> <p>http://www.fws.maps.arcgis.com http://www.hcvnetwork.org/ http://www.worldwildlife.org/science/ecoregions.cfm https://www.biodiv.org/world/parties.asp https://www.biodiv.org/reports/list.aspx?type=for http://www.globalforestregistry.org/map</p>
<p>Means of Verification</p>	<p>GIS maps, veracity of third party GIS reference data, review of company logger questionnaires and training materials. WF-DP-03 Controlled Wood/Due Diligence System Risk Assessment Exhibit B Supplemental Information High Conservation Value and Sourcing Risk</p>
<p>Evidence Reviewed</p>	<p>FSC Controlled Wood National Risk Assessment for the US (US NRA draft); National Gap Analysis Protected Areas Data Portal. WF-DP-03 Controlled Wood/Due Diligence System Risk Assessment Exhibit B Supplemental Information High Conservation Value and Sourcing Risk</p>
<p>Risk Rating</p>	<p><input type="checkbox"/> Low Risk <input checked="" type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA</p>

	Indicator
2.1.2	<p>The Biomass Producer has implemented appropriate control systems and procedures to identify and address potential threats to forests and other areas with high conservation values from forest management activities.</p>
Finding	<p>High Conservation Value areas are present in the supply base and are appropriately identified. For detailed information including specific sites, areas, species, and protection measures please refer to Exhibit B Supplemental Information High Conservation Value and Sourcing Risk.</p> <p>For all sources purchased by the BP:</p> <p>The SFI Fiber Sourcing Standard requires procurement organizations to address the conservation of biodiversity (SFI 1.1.1) and a Program to protect Forests with Exceptional Conservation Value on purchased stumpage (SFI 1.1.2). These Programs are contained in the BP’s Sustainable Forestry Management System.</p> <p>The BP’s FSC/SFI/PEFC Chain of Custody Program contains a Controlled Wood Procedure (WF-DP-02) and Supplier Correspondence Procedure (WF-DP-05) addressing conservation of High Conservation Value Forests which includes key ecosystems and habitats. Our Controlled Wood Risk Assessment describes the results of reviews to ensure biodiversity protections for such sites (refer to Section 3. Wood harvested from forests in which high conservation values are threatened by management activities”).</p> <p>The US Protected Area Database contains information about protected lands: (http://protectedlands.net/padus/). This “GAP” database is used in the procurement process to map and check the location of each tract supplying round wood to the facility to verify that it is not protected. Correct tract location is verified for the tracts sampled in the Due Diligence System. For secondary wood we check the database against county of origin data from our mill suppliers.</p> <p>Key ecosystems and habitats can be impacted by forestry practices. To offset this, we operate in areas where there are strong, modern forestry practices which includes investment in logger training, outreach by government and industry to promote and support sustainable forestry practices including the protection of sensitive, high-risk, and special sites, and the widespread and effective adoption of forestry Best Management Practices (BMPs). For detailed information related to Best Management Practices implementation in the supply area please refer to Exhibit C Supplemental Information Best Management Practices.</p> <p>We, along with our suppliers, are legally obligated to adhere to all state and federal Endangered Species protection programs. Furthermore, this is a contract requirement with our primary and secondary suppliers. For additional information regarding Wood Purchase Agreements please refer to Exhibit D Wood Purchase Agreement Overview. Monitoring of supplier compliance with contract requirements is done through supplier audits conducted at the sawmill level for secondary feedstock and the tract level for primary feedstock.</p> <p>A partial list of regulatory examples includes: Clean Water Act (section 404 for wetland protection) requires permit for permanent fill placed into wetlands, Standards Grants</p>

	<p>Program, Forest Resource Development Program (FRDP), Landowner Incentive Program (LIP), North American Wetland Conservation Act Grants (NAWCA), Conservation Reserve Program (CRP), Environmental Quality Incentives Program (EQIP), Healthy Forest Reserve, Wetlands Reserve Program (WRP), Wildlife Habitat Incentives Program (WHIP), Army Compatible Use Buffer Program (ACUB), USFWS Safe Harbor program, Convention on Nature Protection.</p> <p>In the absence of the BP's practices this indicator is classified as Specified Risk; however, BP practices mitigate this to Low Risk. An overview of the BP's mitigation measures is described in Annex I Exhibit E Risk Mitigation.</p>
Means of Verification	<p>Maps, field inspection results, risk assessment reports. WF-DP-03 Controlled Wood/Due Diligence System Risk Assessment Exhibit B Supplemental Information High Conservation Value and Sourcing Risk</p>
Evidence Reviewed	<p>Field inspection results, third party environmental audit results, internal BMP inspections results, maps containing HCV overlays, information packets provided to loggers when operating near HCV areas. WF-DP-03 Controlled Wood/Due Diligence System Risk Assessment Exhibit B Supplemental Information High Conservation Value and Sourcing Risk</p>
Risk Rating	<p><input type="checkbox"/> Low Risk <input checked="" type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA</p>
Comment or Mitigation Measure	<p>Please refer to Exhibit E Risk Mitigation for measures/action, verification methods and implementation location of risk mitigation activities.</p>

	Indicator
2.1.3	<p>The Biomass Producer has implemented appropriate control systems and procedures for verifying that feedstock is not sourced from forests converted to production plantation forest or non-forest lands after January 2008.</p>
Finding	<p>We do not source from forests converted to production plantation forest or non-forest lands after January 2008, nor do we allow our suppliers to source from these areas.</p> <p>For all sources purchased by the BP:</p> <p>The BP uses the definition of "plantations" as contained in the FSC U.S. Forest Management Standard for purposes of its FSC and other certification programs. Plantation Principle # 10 is not applicable to the BP. Our policy is to not accept primary or secondary wood from intensively managed plantations involving exotic species, clones and heavy use of forest chemicals.</p> <p>We do not accept wood from tracts undergoing planned conversion to other land uses (Z1-2014 Westervelt Fiber Supply Policy) and we do not accept fiber in areas of active or pending conversion. For information regarding Wood Purchase Agreements please refer to Exhibit D Wood Purchase Agreement Overview.</p> <p>The BP's FSC and PEFC Chain of Custody Procedures (WF-DP-01) identify the process by which conversion of forests to non-forest land uses can be documented and avoided.</p>

	<p>No forested tracts have knowingly been converted and we routinely utilize the following resources to check for conversion:</p> <p>http://www.srs.fs.usda.gov/futures/summaryreport Global Forest Watch http://www.globalforestwatch.org/map National Land Cover Dataset, evergreen FAO's Definitions Related to Planted Forests</p> <p>Westervelt utilizes the following state-wide Forest Resource Assessments:</p> <p>Alabama: www.forestry.alabama.gov/AlabamaForestActionPlan.aspx?bv=2&s=3 Mississippi: https://www.mfc.ms.gov/forest-action-plan Missouri: https://stateforesters.org/state/missouri Arkansas: https://stateforesters.org/forest-action-plans/arkansas Texas: https://stateforesters.org/texas-forest-action-plan-2015 Louisiana: https://stateforesters.org/forest-action-plans/louisiana Tennessee: https://www.tn.gov/agriculture/forests/protection/ag-forests-action-plan.html North Carolina: https://stateforesters.org/state/north-carolina South Carolina: https://stateforesters.org/forest-action-plans/south-carolina Georgia: www.gfc.state.ga.us/about-us/strategic-plan/ForestActionPlanBrochure.pdf Florida: https://stateforesters.org/forest-action-plans/florida</p> <p>We, along with our suppliers, are legally obligated to adhere to all state and federal environmental protection programs which can apply when conversion occurs. Furthermore, this is a contract requirement with our primary and secondary suppliers. Monitoring of supplier compliance with contract requirements is done through supplier audits conducted at the sawmill level for secondary feedstock and the tract level for primary feedstock. For additional information regarding Wood Purchase Agreements please refer to Exhibit D Wood Purchase Agreement Overview.</p> <p>A partial list of regulatory examples includes: Clean Water Act (section 404 for wetland protection) requires permit for permanent fill placed into wetlands, Standards Grants Program, Forest Resource Development Program (FRDP), Landowner Incentive Program (LIP), North American Wetland Conservation Act Grants (NAWCA), Conservation Reserve Program (CRP), Environmental Quality Incentives Program (EQIP), Healthy Forest Reserve, Wetlands Reserve Program (WRP), Wildlife Habitat Incentives Program (WHIP), Army Compatible Use Buffer Program (ACUB), USFWS Safe Harbor program, Convention on Nature Protection.</p> <p>In the absence of the BP's practices this indicator is classified as Specified Risk; however, the BP's practices mitigate this to Low Risk. An overview of The BP's mitigation measures is described in Annex I Exhibit E Risk Mitigation.</p>
Means of Verification	Landowner/logger questionnaires, site visits to previously harvested tracts. Z1-2014 Westervelt Fiber Supply Policy WF-DP-01 Chain of Custody Procedures WF-DP-02 Controlled Wood Procedure Global Forest Watch http://www.globalforestwatch.org/map
Evidence Reviewed	Supplier audits. Z1-2014 Westervelt Fiber Supply Policy WF-DP-01 Chain of Custody Procedures WF-DP-02 Controlled Wood Procedure Global Forest Watch http://www.globalforestwatch.org/map
Risk Rating	<input type="checkbox"/> Low Risk <input checked="" type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA

Comment or Mitigation Measure	Please refer to Exhibit E Risk Mitigation for measures/action, verification methods and implementation location of risk mitigation activities.
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Indicator	
2.2.1	<p>The Biomass Producer has implemented appropriate control systems and procedures to verify that feedstock is sourced from forests where there is appropriate assessment of impacts, and planning, implementation and monitoring to minimise them.</p>
Finding	<p>For detailed information including specific sites, areas, species, and protection measures related to High Conservation Value in the supply area please refer to Exhibit B Supplemental Information High Conservation Value and Sourcing Risk.</p> <p>For primary sources purchased by the BP: The SFI Fiber Sourcing Standard certification provides evidence of logger training, use and promotion of forestry “Best Management Practices” and monitoring of the use of these procurement practices.</p> <p>For detailed information related to Best Management Practices implementation in the supply area please refer to Exhibit C Supplemental Information Best Management Practices.</p> <p>SFI Indicator 2.1.4 requires Program Participants to define their fiber sourcing policies in writing and make them available to wood producers.</p> <p>SFI Performance Measure 2.2 requires that the BP annually conduct and use BMP monitoring information to maintain high rates of conformance to best management practices and to identify areas for improved performance.</p> <p>SFI Indicator 7.1.5 requires Program Participants to encourage forest landowners to participate in forest management certification programs.</p> <p>For all sources purchased by the BP: Each State Forestry Agency/Commission conducts periodic BMP implementation monitoring.</p> <p>For detailed information related to Best Management Practices implementation in the supply area please refer to Exhibit C Supplemental Information Best Management Practices.</p> <p>High levels of logger training and BMP compliance provide sufficient objective evidence of Low Risk. The FSC/PEFC/SFI Controlled Wood Procedures requires periodic monitoring (WF-DP-02).</p> <p>The BP’s supply area was devised in part to encompass regions with consistently-strong, modern forestry practices. These include the large and successful investment by industry in logger training, outreach by government and industry foresters to promote and support sustainable forestry practices including the protection of sensitive, high-risk, and special sites, and the widespread and effective adoption of forestry Best Management Practices (BMPs). The BP chooses to conduct business with companies that can demonstrate compliance with BMP implementation and other forestry practices that are consistent with a low risk rating. Monitoring of supplier compliance is done through supplier audits conducted at the sawmill level for secondary feedstock and the tract level for primary feedstock.</p>

	For additional information regarding Wood Purchase Agreements please refer to Exhibit D Wood Purchase Agreement Overview.
Means of Verification	Contracts, best management practices, harvest site audits, state BMP audit results. WF-DP-02 Controlled Wood Procedure Exhibit B Supplemental Information High Conservation Value and Sourcing Risk Exhibit C Supplemental Information Best Management Practices
Evidence Reviewed	Contracts, field inspection results, third party environmental audit results, BMP inspections results, maps containing HCV overlays, information packets provided to loggers when operating near HCV areas. Exhibit B Supplemental Information High Conservation Value and Sourcing Risk Exhibit C Supplemental Information Best Management Practices
Risk Rating	<input type="checkbox"/> Low Risk <input checked="" type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	Please refer to Exhibit E Risk Mitigation for measures/action, verification methods and implementation location of risk mitigation activities.

	Indicator
2.2.2	The Biomass Producer has implemented appropriate control systems and procedures for verifying that feedstock is sourced from forests where management maintains or improves soil quality (CPET S5b).
Finding	<p>For detailed information including specific sites, areas, species, and protection measures related to High Conservation Value in the supply area please refer to Exhibit B Supplemental Information High Conservation Value and Sourcing Risk.</p> <p>For all sources purchased by the BP: See requirement 2.2.1 above.</p> <p>SFI Performance Measure 2.1 requires Program Participants to clearly define and implement policies to ensure that fiber sourcing activities do not compromise adherence to the principles of sustainable forestry.</p> <p>Virtually all wood in the supply area is harvested by trained loggers; the BP requires the use of trained loggers in contracts and other agreements.</p> <p>For additional information regarding Wood Purchase Agreements please refer to Exhibit D Wood Purchase Agreement Overview. Indicator 2.1.2 requires written agreements for the purchase of raw material which includes provisions requiring use of BMPs. Compliance with BMPs is required in contracts with loggers and suppliers.</p> <p>Best Management Practices required by SFI address the protection of soils from erosion, compaction and disturbance. For detailed information related to Best Management Practices implementation in the supply area please refer to Exhibit C Supplemental Information Best Management Practices.</p> <p>For detailed information related to Best Management Practices implementation in the supply area please refer to Exhibit C Supplemental Information Best Management Practices.</p>

	<p>We also utilize the following resources to check compliance:</p> <p>http://www.stateforesters.org/news-events/blog/southern-group-state-foresters-releases-2012-implementation-forestry-best http://www.ncasi.org/publications/detail.aspx?id=3204</p> <p>The BP's supply area was devised in part to encompass regions with consistently-strong, modern forestry practices. These include the large and successful investment by industry in logger training, outreach by government and industry foresters to promote and support sustainable forestry practices including the protection of sensitive, high-risk, and special sites, and the widespread and effective adoption of forestry Best Management Practices (BMPs). The BP chooses to conduct business with companies that can demonstrate compliance with BMP implementation and other forestry practices that are consistent with a low risk rating. Monitoring of supplier compliance is done through supplier audits conducted at the sawmill level for secondary feedstock and the tract level for primary feedstock.</p> <p>For additional information regarding Wood Purchase Agreements please refer to Exhibit D Wood Purchase Agreement Overview.</p>
Means of Verification	State BMP results, supply agreements, company monitoring records. Exhibit B Supplemental Information High Conservation Value and Sourcing Risk Exhibit C Supplemental Information Best Management Practices
Evidence Reviewed	Contracts, internal policies & procedures, field audits. Exhibit B Supplemental Information High Conservation Value and Sourcing Risk Exhibit C Supplemental Information Best Management Practices
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	N/A

	Indicator
2.2.3	The Biomass Producer has implemented appropriate control systems and procedures to ensure that key ecosystems and habitats are conserved or set aside in their natural state (CPET S8b).
Finding	<p>Key ecosystems and habitats are present in the supply base and are appropriately identified. For detailed information including specific sites, areas, species, and protection measures please refer to Exhibit B Supplemental Information High Conservation Value and Sourcing Risk.</p> <p>For all sources purchased by the BP:</p> <p>The SFI Fiber Sourcing Standard requires procurement organizations to address the conservation of biodiversity (SFI 1.1.1) and a Program to protect Forests with Exceptional Conservation Value on purchased stumpage (SFI 1.1.2). These Programs are contained in the BP's Sustainable Forestry Management System.</p> <p>The BP's FSC/SFI/PEFC Chain of Custody Program contains a Controlled Wood Procedure (WF-DP-02) and Supplier Correspondence Procedure (WF-DP-05) addressing conservation of High Conservation Value Forests which includes key ecosystems and</p>

	<p>habitats. Our Controlled Wood Risk Assessment describes the results of reviews to ensure biodiversity protections for such sites (refer to Section 3. Wood harvested from forests in which high conservation values are threatened by management activities”).</p> <p>The US Protected Area Database contains information about protected lands: (http://protectedlands.net/padus/). This “GAP” database is used in the procurement process to map and check the location of each tract supplying round wood to the facility to verify that it is not protected. Correct tract location is verified for the tracts sampled in the Due Diligence System. For secondary wood we check the database against county of origin data from our suppliers.</p> <p>We, along with our suppliers, are legally obligated to adhere to all state and federal Endangered Species protection programs. Furthermore, this is a contract requirement with our primary and secondary suppliers. Monitoring of supplier compliance is done through supplier audits conducted at the sawmill level for secondary feedstock and the tract level for primary feedstock. For additional information regarding Wood Purchase Agreements please refer to Exhibit D Wood Purchase Agreement Overview.</p> <p>A partial list of regulatory examples includes: Clean Water Act (section 404 for wetland protection) requires permit for permanent fill placed into wetlands, Standards Grants Program, Forest Resource Development Program (FRDP), Landowner Incentive Program (LIP), North American Wetland Conservation Act Grants (NAWCA), Conservation Reserve Program (CRP), Environmental Quality Incentives Program (EQIP), Healthy Forest Reserve, Wetlands Reserve Program (WRP), Wildlife Habitat Incentives Program (WHIP), Army Compatible Use Buffer Program (ACUB), USFWS Safe Harbor program, Convention on Nature Protection.</p> <p>Key ecosystems and habitats can be impacted by forestry practices. To offset this, we operate in areas where there are strong, modern forestry practices which includes investment in logger training, outreach by government and industry to promote and support sustainable forestry practices including the protection of sensitive, high-risk, and special sites, and the widespread and effective adoption of forestry Best Management Practices (BMPs). For detailed information related to Best Management Practices implementation in the supply area please refer to Exhibit C Supplemental Information Best Management Practices.</p> <p>In the absence of the BP’s practices this indicator is classified as Specified Risk; however, the BP’s practices mitigate this to Low Risk. An overview of the BP’s mitigation measures is described in Annex I Exhibit E Risk Mitigation.</p>
Means of Verification	Maps, company procedures. Exhibit B Supplemental Information High Conservation Value and Sourcing Risk Exhibit C Supplemental Information Best Management Practices
Evidence Reviewed	State BMP results, BMP audit results, contracts, internal policies & procedures. Exhibit B Supplemental Information High Conservation Value and Sourcing Risk Exhibit C Supplemental Information Best Management Practices
Risk Rating	<input type="checkbox"/> Low Risk <input checked="" type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	Please refer to Exhibit E Risk Mitigation for measures/action, verification methods and implementation location of risk mitigation activities.

	Indicator
2.2.4	The Biomass Producer has implemented appropriate control systems and procedures to ensure that biodiversity is protected (CPET S5b).
Finding	<p>Key ecosystems and habitats are present in the supply base and are appropriately identified. For detailed information including specific sites, areas, species, and protection measures please refer to Exhibit B Supplemental Information High Conservation Value and Sourcing Risk.</p> <p>For all sources purchased by the BP:</p> <p>The SFI Fiber Sourcing Standard requires procurement organizations to address the conservation of biodiversity (SFI 1.1.1) and a Program to protect Forests with Exceptional Conservation Value on purchased stumpage (SFI 1.1.2). These Programs are contained in the BP’s Sustainable Forestry Management System.</p> <p>The BP’s FSC/SFI/PEFC Chain of Custody Program contains a Controlled Wood Procedure (WF-DP-02) and Supplier Correspondence Procedure (WF-DP-05) addressing conservation of High Conservation Value Forests which includes key ecosystems and habitats. Our Controlled Wood Risk Assessment describes the results of reviews to ensure biodiversity protections for such sites (refer to Section 3. Wood harvested from forests in which high conservation values are threatened by management activities”).</p> <p>The BP cooperates in implementing the State Wildlife Action Plans focusing on wildlife species and habitats that have declined and rely on concerted effort by Federal and State agencies, conservation organizations, and the private sector.</p> <p>Alabama: www.forestry.alabama.gov/AlabamaForestActionPlan.aspx?bv=2&s=3 Mississippi: https://www.mfc.ms.gov/forest-action-plan Missouri: https://stateforesters.org/state/missouri Arkansas: https://stateforesters.org/forest-action-plans/arkansas Texas: https://stateforesters.org/texas-forest-action-plan-2015 Louisiana: https://stateforesters.org/forest-action-plans/louisiana Tennessee: https://www.tn.gov/agriculture/forests/protection/ag-forests-action-plan.html North Carolina: https://stateforesters.org/state/north-carolina South Carolina: https://stateforesters.org/forest-action-plans/south-carolina Georgia: www.gfc.state.ga.us/about-us/strategic-plan/ForestActionPlanBrochure.pdf Florida: https://stateforesters.org/forest-action-plans/florida</p> <p>The following are additional third-party resources (governmental and non-governmental) which offer controls, programs, and oversight to ensure the protection of biodiversity:</p> <p>Forest Resource Development Program (FRDP), Landowner Incentive Program (LIP), North American Wetland Conservation Act Grants (NAWCA), Conservation Reserve Program (CRP), Environmental Quality Incentives Program (EQIP), , Healthy Forest Reserve, Wetlands Reserve Program (WRP), Wildlife Habitat Incentives Program (WHIP), Army Compatible Use Buffer Program (ACUB), USFWS Safe Harbor program, Convention on Nature Protection and Resource Conservation & Recovery Act (RCRA) (1976, 1984), Comprehensive Environmental Response, Compensation and Liability Act (CERCLA, commonly known as "Superfund") (1980, 1986) and Migratory Bird Treaty Act (1918, 2006), Convention on Nature Protection and Wild Life Preservation in the Western Hemisphere (Washington, DC, 1940), Convention on Wetlands of International Importance Especially as Waterfowl Habitat (Ramsar, Iran, 2 Feb 1971), Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) (Washington DC, 1973), International</p>

	<p>Plant Protection Convention (IPPC) (1979 Revised Text) (Rome, Italy, 1979), Convention on the Conservation of Migratory Species of Wild Animals (Bonn, Germany, 23 Jun 1979)</p> <p>Biodiversity can be impacted by forestry practices. To offset this, we operate in areas where there are strong, modern forestry practices which includes investment in logger training, outreach by government and industry to promote and support sustainable forestry practices including the protection of sensitive, high-risk, and special sites, and the widespread and effective adoption of forestry Best Management Practices (BMPs). For detailed information related to Best Management Practices implementation in the supply area please refer to Exhibit C Supplemental Information Best Management Practices. For additional information regarding Wood Purchase Agreements which require BMP monitoring please refer to Exhibit D Wood Purchase Agreement Overview.</p> <p>The BP provides HCV training packets to all suppliers detailing the areas where there are biodiversity hotspots. Monitoring of supplier compliance of state BMP's and information in the HCV training packet is done through supplier audits conducted at the sawmill level for secondary feedstock and the tract level for primary feedstock.</p> <p>In the absence of the BP's practices this indicator is classified as Specified Risk; however, the BP's practices mitigate this to Low Risk. An overview of the BP's mitigation measures is described in Annex I Exhibit E Risk Mitigation.</p>
Means of Verification	<p>State BMP results, supply agreements, BMP inspection results. Exhibit B Supplemental Information High Conservation Value and Sourcing Risk Exhibit C Supplemental Information Best Management Practices</p>
Evidence Reviewed	<p>State BMP results, internal BMP audit results, SFI Fiber Sourcing, contracts, third party environmental audits. Exhibit B Supplemental Information High Conservation Value and Sourcing Risk Exhibit C Supplemental Information Best Management Practices</p>
Risk Rating	<p><input type="checkbox"/> Low Risk <input checked="" type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA</p>
Comment or Mitigation Measure	<p>Please refer to Exhibit E Risk Mitigation for measures/action, verification methods and implementation location of risk mitigation activities.</p>

	Indicator
2.2.5	<p>The Biomass Producer has implemented appropriate control systems and procedures for verifying that the process of residue removal minimises harm to ecosystems.</p>
Finding	<p>For detailed information including specific sites, areas, species, and protection measures related to High Conservation Value in the supply area please refer to Exhibit B Supplemental Information High Conservation Value and Sourcing Risk.</p> <p>For primary sources purchased by the BP: The SFI Fiber Sourcing Standard addresses minimizing impacts to ecosystems. Performance Measure 2.1 requires Program Participants to clearly define and implement policies to ensure that facility inventories and fiber sourcing activities do not compromise adherence to the principles of sustainable forestry.</p> <p>SFI Indicator 2.1.2 requires written agreements for the purchase of raw material sourced directly from the forest including provisions requiring the use of best management practices.</p>

	<p>Biomass Harvesting BMP’s for the SE US (developed by the Forest Guild) are used by the BP’s harvesting operations. Branches and foliage are normally left or redistributed across the tract.</p> <p>SFI Performance Measure 2.2 requires BMP Monitoring across the wood and fiber supply area.</p> <p>For detailed information related to Best Management Practices implementation in the supply area please refer to Exhibit C Supplemental Information Best Management Practices.</p> <p>For additional information regarding Wood Purchase Agreements please refer to Exhibit D Wood Purchase Agreement Overview.</p> <p>We also refer to the following resources for supplemental information:</p> <p>Institute compendium of biomass harvesting research Soil and Water Resources Conservation Act (RCA) Clean Water Act Web Soil Survey USDA National Report on Sustainable Forests—2010 Page II-121</p> <p>For all sources purchased by the BP: The BP’s supply area was devised in part to encompass regions with consistently-strong, modern forestry practices. These include the large and successful investment by industry in logger training, outreach by government and industry foresters to promote and support sustainable forestry practices including the protection of sensitive, high-risk, and special sites, and the widespread and effective adoption of forestry Best Management Practices (BMPs). The BP chooses to conduct business with companies that can demonstrate compliance with BMP implementation and other forestry practices that are consistent with a low risk rating. Monitoring of supplier compliance is done through supplier audits conducted at the sawmill level for secondary feedstock and the tract level for primary feedstock.</p>
Means of Verification	State BMP results, supply agreements, BMP inspection results. Exhibit B Supplemental Information High Conservation Value and Sourcing Risk Exhibit C Supplemental Information Best Management Practices
Evidence Reviewed	State BMP results, internal BMP audit results, SFI Fiber Sourcing, contracts, third party environmental audits. Exhibit B Supplemental Information High Conservation Value and Sourcing Risk Exhibit C Supplemental Information Best Management Practices
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	N/A

	Indicator
2.2.6	The Biomass Producer has implemented appropriate control systems and procedures to verify that negative impacts on ground water, surface water and water downstream from forest management are minimised (CPET S5b).

<p>Finding</p>	<p>For detailed information including specific sites, areas, species, and protection measures related to High Conservation Value in the supply area please refer to Exhibit B Supplemental Information High Conservation Value and Sourcing Risk.</p> <p>For all sources purchased by the BP: State BMP programs described under requirement 2.2.1 adequately address the protection of water quality.</p> <p>All of the states included in the BP Supply Base have active and aggressive programs for the protection of water quality.</p> <p>For detailed information related to Best Management Practices implementation in the supply area please refer to Exhibit C Supplemental Information Best Management Practices.</p> <p>The SFI Standard certification includes a review of “available regulatory action information” (SFI Performance Measure 4.1).</p> <p>The BP’s supply area was devised in part to encompass regions with consistently-strong, modern forestry practices. These include the large and successful investment by industry in logger training, outreach by government and industry foresters to promote and support sustainable forestry practices including the protection of sensitive, high-risk, and special sites, and the widespread and effective adoption of forestry Best Management Practices (BMPs). The BP chooses to conduct business with companies that can demonstrate compliance with BMP implementation and other forestry practices that are consistent with a low risk rating. Monitoring of supplier compliance is done through supplier audits conducted at the sawmill level for secondary feedstock and the tract level for primary feedstock.</p> <p>For detailed information related to Best Management Practices implementation in the supply area please refer to Exhibit C Supplemental Information Best Management Practices.</p> <p>For additional information regarding Wood Purchase Agreements please refer to Exhibit D Wood Purchase Agreement Overview.</p>
<p>Means of Verification</p>	<p>State BMP results, supply agreements, BMP inspection results. Exhibit B Supplemental Information High Conservation Value and Sourcing Risk Exhibit C Supplemental Information Best Management Practices</p>
<p>Evidence Reviewed</p>	<p>Contract, internal BMP audits, third party environmental audits, internal policies & procedures. Exhibit B Supplemental Information High Conservation Value and Sourcing Risk Exhibit C Supplemental Information Best Management Practices</p>
<p>Risk Rating</p>	<p><input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA</p>
<p>Comment or Mitigation Measure</p>	<p>N/A</p>

	Indicator
2.2.7	The Biomass Producer has implemented appropriate control systems and procedures for verifying that air quality is not adversely affected by forest management activities.
Finding	<p>The only potential adverse impact to air quality would be from prescribed burning. Permits or authorization are required in Alabama and Mississippi, the states where most of the wood is sourced, and from many of the other states in the supply area.</p> <p>Prescribed burning is included in BMPs. For detailed information related to Best Management Practices implementation in the supply area please refer to Exhibit C Supplemental Information Best Management Practices.</p> <p>For additional information regarding Wood Purchase Agreements please refer to Exhibit D Wood Purchase Agreement Overview.</p> <p>Air quality and smoke management are reported to be factors in limiting the ability to apply prescribed fire. Prescribed fire is regulated by State Forestry Commissions and we refer to the following resources for current regulations:</p> <p>Alabama: http://www.forestry.state.al.us/BurnPermitLaw.aspx?bv=1&s=1 Mississippi: http://www.fwrc.msstate.edu/pubs/burning.pdf Georgia: http://www.gfc.state.ga.us/forest-management/prescribed-fire/ South Carolina: http://www.state.sc.us/forest/fire.htm Tennessee: https://www.tn.gov/agriculture/article/ag-forests-wildfire Florida: http://www.freshfromflorida.com/Divisions-Offices/Florida-Forest-Service/Wildfire/Prescribed-Fire Missouri: https://mdc.mo.gov/property/fire-management/prescribed-fire Arkansas: http://www.arkfireinfo.org/index.php?do:showPBurns Texas: https://tpwd.texas.gov/landwater/land/habitats/post_oak/habitat_management/fire/ North Carolina: http://ncforestservice.gov/burn_permits/burn_permits_main.htm Louisiana: www.ldaf.state.la.us/forestry/protection</p> <p>The U.S. EPA regulates air quality and requires permits for new manufacturing facilities and ongoing monitoring for existing production facilities.</p>
Means of Verification	BMP results, supply agreements, evidence of citations from state agencies. Exhibit C Supplemental Information Best Management Practices
Evidence Reviewed	Contracts, BMP audits, third party environmental audits, internal policies & procedures, state agency records, BMP results. Exhibit C Supplemental Information Best Management Practices
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	N/A

	Indicator
2.2.8	<p>The Biomass Producer has implemented appropriate control systems and procedures for verifying that there is controlled and appropriate use of chemicals, and that Integrated Pest Management (IPM) is implemented wherever possible in forest management activities (CPET S5c).</p>
Finding	<p>For all sources purchased by the BP: Chemicals applied commercially are strictly regulated, with trained, licensed applicators.</p> <p>We refer to the EPA website for regulation of forest chemicals under FIFRA.</p> <p>State BMP Manuals address the application of chemicals and prescribe best practices to avoid water quality impacts. Monitoring of supplier compliance is done through supplier audits conducted at the sawmill level for secondary feedstock and the tract level for primary feedstock. For detailed information related to Best Management Practices implementation in the supply area please refer to Exhibit C Supplemental Information Best Management Practices.</p> <p>For detailed information including specific sites, areas, species, and protection measures related to High Conservation Value in the supply area please refer to Exhibit B Supplemental Information High Conservation Value and Sourcing Risk.</p> <p>For primary sources purchased by the BP: The BP contributes to IPM through its utilization of low value and low quality softwood that would otherwise contribute to insect and disease problems.</p> <p>Pest management programs are administered by State Forestry Agencies/Commissions:</p> <p>Alabama: www.forestry.alabama.gov/ Mississippi: http://www.mfc.ms.gov/forest-health.php Missouri: https://mdc.mo.gov/trees-plants/forest-care Arkansas: www.aad.arkansas.gov/commercial-pest-control Texas: www.texasforestservation.tamu.edu/Insects/ Louisiana: www.ldaf.state.la.us/forestrypractices-and-sta Tennessee: https://www.tn.gov/agriculture/forests/ North Carolina: www.ncforestservation.gov/forest_health/forest_insects.htm South Carolina: https://www.state.sc.us/forest/id.htm Georgia: http://www.gfc.state.ga.us/forest-management/forest-health/ Florida: https://www.freshfromflorida.com/Divisions-Offices/Plant-Industry/Pests-Diseases</p> <p>We also utilize to the following resource:</p> <p>http://bugwood.org/pestcontrol/pfpm.html (The Bugwood Network)</p> <p>For additional information regarding Wood Purchase Agreements please refer to Exhibit D Wood Purchase Agreement Overview.</p>
Means of Verification	<p>Existing legislation, BMP results, supply contracts. Exhibit C Supplemental Information Best Management Practices</p>
Evidence Reviewed	<p>Contracts, internal policies & procedures, field audits, BMP results. Exhibit C Supplemental Information Best Management Practices</p>
Risk Rating	<p><input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA</p>

	Indicator
2.2.9	The Biomass Producer has implemented appropriate control systems and procedures for verifying that methods of waste disposal minimise negative impacts on forest ecosystems (CPET S5d).
Finding	<p>For primary sources purchased by the BP: The BP monitors removal of trash and other garbage through its BMP Monitoring Reports required by the SFI Standard, Performance Measure 2.2.</p> <p>For all sources purchased by the BP: State BMPs require the removal of garbage. Solid Waste Disposal Act Resource Conservation and Recovery Act of 1976 (RCRA) Departments of Environmental Quality by jurisdiction https://stateforesters.org/action-issues-and-policy/state-forestry-BMPs-map (all states)</p> <p>The BP requires supplier to follow BMPs. Monitoring of supplier compliance is done through supplier audits conducted at the sawmill level for secondary feedstock and the tract level for primary feedstock. For detailed information related to Best Management Practices implementation in the supply area please refer to Exhibit C Supplemental Information Best Management Practices. For additional information regarding Wood Purchase Agreements please refer to Exhibit D Wood Purchase Agreement Overview.</p>
Means of Verification	Supply agreements, BMPs, monitoring results. Exhibit C Supplemental Information Best Management Practices
Evidence Reviewed	Contracts, internal policies & procedures, internal BMP audits, third party environmental audits. Exhibit C Supplemental Information Best Management Practices
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	N/A

	Indicator
2.3.1	Analysis shows that feedstock harvesting does not exceed the long-term production capacity of the forest, avoids significant negative impacts on forest productivity and ensures long-term economic viability. Harvest levels are justified by inventory and growth data.
Finding	<p>For all sources purchased by the BP: The BP's procurement of wood material contributes to reducing environmental impacts and enhancing the productivity of forests. Markets for low valued wood products allow for more efficient site preparation and reforestation.</p> <p>Harvesting impacts are affected by BMP implementation and HCV awareness and related practices. Monitoring of supplier compliance is done through supplier audits conducted at the sawmill level for secondary feedstock and the tract level for primary feedstock. For detailed information related to Best Management Practices implementation in the supply area please refer to Exhibit C Supplemental Information Best Management Practices. For detailed</p>

information including specific sites, areas, species, and protection measures related to High Conservation Value in the supply area please refer to Exhibit B Supplemental Information High Conservation Value and Sourcing Risk.

Forest Inventory and Analysis (FIA) figures for the BP's timber supply areas as a whole indicate that the growth of the forests exceeds removals.

Growth-to-drain for select states within the supply base is show in the following table:

**USFS FIA Data
>= 5" DBH Live Trees on Forest Land**

State	Counties	Growth	Removals	Ratio
AL	All	2,032,471,887	1,271,811,772	1.60
MS	All	1,909,683,921	989,836,420	1.93
MO	All	355,718,558	177,436,208	2.00
AR	All	1,149,891,055	693,963,866	1.66
TX	East	614,416,741	571,933,909	1.07
LA	All	1,053,292,023	733,217,158	1.44
TN	All	701,261,293	408,679,751	1.72
NC	All	1,650,715,959	898,868,563	1.84
SC	All	1,306,833,899	868,192,671	1.51
GA	All	1,988,906,880	1,374,740,587	1.45
FL	All	962,501,033	532,990,909	1.81
Total		13,725,693,249	8,521,671,814	1.61

Fact Sheets for states in the supply area were also referenced:

- Forests of South Carolina, 2015 was published in 2016: <https://srs.fs.usda.gov/pubs/53251>
- The most recent report on FIA's North Carolina Forestry Inventory reports on trends from 2007 to 2013: https://www.srs.fs.usda.gov/pubs/rb/rb_srs205.pdf
- Forest Facts – Alabama Forestry Commission www.forestry.alabama.gov/forest_facts.aspx
- Mississippi State and Private Forestry Fact Sheet <https://stateforesters.org/mississippi-state-and-private-forestry-fact-sheet>
- The Forests of Georgia, 2015 was published in 2016: <https://srs.fs.usda.gov/pubs/53252>
- Forests of Tennessee, 2012 was published in 2014: <https://www.treesearch.fs.fed.us/pubs/47296>
- Forests of east Texas, 2015 was published in 2016: https://www.srs.fs.usda.gov/pubs/ru/ru_srs107.pdf
- Information on Louisiana's forests can be found at <https://srsfia2.fs.fed.us/states/louisiana.shtml>
- Information on Missouri's forests can be found at: https://www.fs.fed.us/nrs/pubs/ru/ru_fs76.pdf
- Forests of Florida, 2015 was published in 2016: [https://srsfia2.fs.fed.us/states/fl/RU-FS-137\(FL\).pdf](https://srsfia2.fs.fed.us/states/fl/RU-FS-137(FL).pdf)
- Forests of Arkansas, 2013 was published in 2014: <https://www.fs.usda.gov/treesearch/pubs/46071>

Means of Verification	Public data, harvesting and growth records. FIA data. Exhibit C Supplemental Information Best Management Practices
Evidence Reviewed	Company growth & harvest model, FIA growth-to-drain-data. Exhibit C Supplemental Information Best Management Practices
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	N/A

	Indicator
2.3.2	Adequate training is provided for all personnel, including employees and contractors (CPET S6d).
Finding	<p>For primary sources purchased by the BP: Westervelt conducts in-depth internal SFI training for all responsible staff.</p> <p>Westervelt requires logging contractors to be SFI trained to be eligible to work for the Company (Z1-2014 Westervelt Fiber Supply Policy). 100% of logging contractors are considered Qualified Logging Professionals.</p> <p>SFI Performance Measure 6.1 requires a written statement of commitment to the SFI Standard and written contracts for the use of qualified logging professionals which includes continuous education for all Professional Logging Managers (AL) and Master Loggers (MS).</p> <p>The BP encourages its indirect Wood Producers to encourage their contractors to attend SFI Training (Sustainable Forestry Management System).</p> <p>Training records for Forestry and Wood Procurement staff are maintained and are available upon request.</p> <p>Harvesting impacts are affected by BMP implementation and HCV awareness and related practices. For detailed information related to Best Management Practices implementation in the supply area please refer to Exhibit C Supplemental Information Best Management Practices. For detailed information including specific sites, areas, species, and protection measures related to High Conservation Value in the supply area please refer to Exhibit B Supplemental Information High Conservation Value and Sourcing Risk.</p> <p>For all sources purchased by the BP: The BP's supply area was devised in part to encompass regions with consistently-strong, modern forestry practices. These include the large and successful investment by industry in logger training, outreach by government and industry foresters to promote and support sustainable forestry practices including the protection of sensitive, high-risk, and special sites, and the widespread and effective adoption of forestry Best Management Practices (BMPs). The BP chooses to conduct business with companies that can demonstrate compliance with BMP implementation and other forestry practices that are consistent with a low risk rating. Monitoring of supplier compliance is done through supplier audits conducted at the sawmill level for secondary feedstock and the tract level for primary feedstock.</p>

	For additional information regarding Wood Purchase Agreements please refer to Exhibit D Wood Purchase Agreement Overview.
Means of Verification	Attendance records from EMS meeting, verification of company training events, verification of training provided to third parties. Z1-2014 Westervelt Fiber Supply Policy Exhibit B Supplemental Information High Conservation Value and Sourcing Risk Exhibit C Supplemental Information Best Management Practices
Evidence Reviewed	Online logger training database, company training records of internal and external personnel, contract, internal policies & procedures, field audits, BMP results. Z1-2014 Westervelt Fiber Supply Policy Exhibit B Supplemental Information High Conservation Value and Sourcing Risk Exhibit C Supplemental Information Best Management Practices
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	N/A

	Indicator
2.3.3	Analysis shows that feedstock harvesting and biomass production positively contribute to the local economy, including employment.
Finding	<p>For all sources purchased by the BP: Harvesting for low valued biomass fuel makes a significant contribution to employment by loggers, harvesters and processors and income to landowners. Local harvesting contractors are always used. Improved utilization results in other economic benefits to landowners in reducing site preparation costs and making reforestation more affordable.</p> <p>The economic contribution of forestry to Southeast U.S. economy is substantial:</p> <p>Alabama: www.aces.edu/pubs/docs/A/ANR-1456/ANR-1456.pdf Mississippi: http://msucares.com/forestry/economics/important.html Missouri: www.agriculture.mo.gov/economicimpact/ Arkansas: www.arkforests.org/?page=economicimpact Texas: www.tfsfrd.tamu.edu/economicimpacts/ Louisiana: https://digitalcommons.lsu.edu/cgi/viewcontent.cgi?article=1586&context=agexp Tennessee: http://web.utk.edu/~mtaylo29/pages/Economic%20Impact%20of%20Tennessee%20Imber%20Sales.htm North Carolina: https://forestry.ces.ncsu.edu/economic-impact-data/ South Carolina: www.forestryimpacts.net/reports/south-carolina Georgia: www.forestryimpacts.net/reports/georgia Florida: www.forestryimpacts.net/reports/florida</p> <p>The following table shows the economic impact of forestry-related businesses by state and region as published by Forest2Market in a report commissioned by NAFO in 2014.</p>

	Geographic Area	Timberland Acres	Total (DII) Employment	Total (DII) Payroll	Value of Timber Sales & Mfg. Shipments	Paper, Wood & Furniture Mfg. Contribution to GDP	Share of Mfg. GDP
	Alabama	22,810,247	97,652	\$3,512,515,063	\$14,412,766,963	\$4,090,000,000	12.0%
	Arkansas	18,441,183	62,830	\$2,421,920,237	\$8,843,333,644	\$2,665,000,000	16.2%
	Florida	15,356,654	93,934	\$3,413,198,484	\$8,970,879,959	\$2,792,000,000	7.0%
	Georgia	24,164,204	163,926	\$6,924,915,882	\$18,667,071,023	\$5,559,000,000	10.9%
	Louisiana	14,679,603	50,560	\$2,024,370,459	\$8,109,382,539	\$2,324,000,000	4.5%
	Mississippi	19,284,936	43,340	\$1,612,921,224	\$8,403,860,539	\$2,245,000,000	14.7%
	Missouri	14,909,631	80,363	\$2,456,156,861	\$7,127,124,635	\$1,848,000,000	5.3%
	North Carolina	17,887,864	158,876	\$6,137,983,821	\$18,655,032,606	\$4,950,000,000	5.3%
	Oklahoma	7,282,172	23,780	\$1,020,375,897	\$3,584,027,016	\$913,000,000	5.4%
	South Carolina	12,876,009	76,579	\$3,003,839,242	\$11,778,815,770	\$3,726,000,000	12.6%
	Tennessee	13,407,151	101,707	\$4,496,652,093	\$9,640,476,958	\$3,905,000,000	8.3%
	Texas	14,128,995	182,679	\$7,383,054,332	\$16,332,376,392	\$4,610,000,000	2.0%
	Virginia	15,308,778	85,705	\$3,330,444,530	\$8,920,413,822	\$2,751,000,000	6.6%
	South	210,537,427	1,221,931	\$47,738,348,126	\$143,445,561,867	\$42,378,000,000	6.0%
	Kentucky	12,260,840	63,284	\$2,500,202,504	\$8,144,565,993	\$1,901,000,000	5.4%
	Maryland	2,199,414	24,020	\$1,047,472,532	\$2,599,111,324	\$613,000,000	3.3%
	Ohio	7,813,832	128,314	\$5,442,112,950	\$12,339,339,839	\$3,268,000,000	3.4%
	Pennsylvania	16,410,736	162,154	\$7,227,886,638	\$19,703,922,837	\$5,813,000,000	7.5%
	West Virginia	11,820,188	19,234	\$736,640,071	\$1,427,754,405	\$475,000,000	6.5%
	Appalachia	50,505,010	397,006	\$16,954,314,696	\$44,214,694,398	\$12,070,000,000	5.2%
	Maine	17,027,849	31,878	\$1,177,793,840	\$5,442,806,614	\$1,171,000,000	22.9%
	New Hampshire	4,498,435	11,276	\$507,668,540	\$886,651,104	\$264,000,000	3.4%
	New York	15,778,522	92,514	\$4,240,469,304	\$10,359,334,388	\$3,095,000,000	4.5%
	Vermont	4,282,010	9,984	\$384,023,331	\$623,275,786	\$276,000,000	9.7%
	Northeast	41,586,816	145,652	\$6,309,955,016	\$17,312,067,891	\$4,806,000,000	5.7%
	California	16,616,065	185,600	\$8,318,324,984	\$21,019,874,229	\$6,262,000,000	2.6%
	Idaho	16,414,590	27,652	\$1,055,224,249	\$3,125,991,931	\$659,000,000	8.7%
	Montana	19,803,699	11,192	\$451,371,903	\$969,668,443	\$294,000,000	9.4%
	Oregon	23,672,384	95,405	\$3,811,341,419	\$12,125,266,925	\$3,045,000,000	5.8%
	Washington	17,824,653	89,867	\$4,253,640,350	\$10,452,218,713	\$3,035,000,000	5.4%
	Northwest	94,331,391	409,716	\$17,889,902,905	\$47,693,020,241	\$13,295,000,000	3.7%
	Illinois	4,587,823	118,551	\$5,523,426,145	\$10,813,252,584	\$3,472,000,000	3.6%
	Indiana	4,716,192	95,149	\$3,853,130,996	\$10,954,862,082	\$3,047,000,000	3.4%
	Michigan	19,356,131	95,522	\$3,841,114,608	\$14,906,175,801	\$4,667,000,000	5.4%
	Minnesota	15,650,872	77,225	\$3,315,498,845	\$9,291,835,823	\$2,969,000,000	7.0%
	Wisconsin	16,577,660	168,032	\$7,224,628,323	\$21,890,989,043	\$6,069,000,000	11.3%
	Midwest	60,888,678	554,479	\$23,757,798,918	\$67,857,115,333	\$20,224,000,000	5.5%
	National	457,849,322	2,728,784	\$112,650,319,660	\$320,522,459,731	\$92,773,000,000	5.3%
Means of Verification	State forestry economic impact data; third party study data, severance tax records.						
Evidence Reviewed	Severance tax payment records, employment data, state forestry economic impact data, third party study data, F2M Economic data.						
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA						
Comment or Mitigation Measure	N/A						

	Indicator
2.4.1	The Biomass Producer has implemented appropriate control systems and procedures for verifying that the health, vitality and other services provided by forest ecosystems are maintained or improved (CPET S7a).

Finding	<p>For all sources purchased by the BP:</p> <p>The BP's FSC/SFI/PEFC Chain of Custody Program contains a Controlled Wood Procedure (WF-DP-02) and Supplier Correspondence Procedure (WF-DP-05) addressing conservation of High Conservation Value Forests which includes key ecosystems and habitats. Our Controlled Wood Risk Assessment describes the results of reviews to ensure biodiversity protections for such sites (refer to Section 3. Wood harvested from forests in which high conservation values are threatened by management activities”).</p> <p>The SFI Fiber Sourcing Standard requires procurement organizations to address the conservation of biodiversity (SFI 1.1.1) and a Program to protect Forests with Exceptional Conservation Value on purchased stumpage (SFI 1.1.2). These Programs are contained in the BP's Sustainable Forestry Management System.</p> <p>The BP participates in the SFI Implementation Committees that contribute to the health and vitality of the forest resource as required by the SFI Fiber Sourcing Standard. The SICs produce information for distribution to forest landowners about sustainable forestry (Sustainable Forestry Management System).</p> <p>Biodiversity, a component of health and vitality, can be impacted by forestry practices. To offset this, we operate in areas where there are strong, modern forestry practices which includes investment in logger training, outreach by government and industry to promote and support sustainable forestry practices including the protection of sensitive, high-risk, and special sites, and the widespread and effective adoption of forestry Best Management Practices (BMPs). Monitoring of supplier compliance is done through supplier audits conducted at the sawmill level for secondary feedstock and the tract level for primary feedstock. For detailed information related to Best Management Practices implementation in the supply area please refer to Exhibit C Supplemental Information Best Management Practices. For additional information regarding Wood Purchase Agreements which require BMP monitoring please refer to Exhibit D Wood Purchase Agreement Overview.</p> <p>The following are additional third-party resources (governmental and non-governmental) which offer controls, programs, and oversight to ensure the protection of biodiversity:</p> <p>Forest Resource Development Program (FRDP), Landowner Incentive Program (LIP), North American Wetland Conservation Act Grants (NAWCA), Conservation Reserve Program (CRP), Environmental Quality Incentives Program (EQIP), , Healthy Forest Reserve, Wetlands Reserve Program (WRP), Wildlife Habitat Incentives Program (WHIP), Army Compatible Use Buffer Program (ACUB), USFWS Safe Harbor program, Convention on Nature Protection and Resource Conservation & Recovery Act (RCRA) (1976, 1984), Comprehensive Environmental Response, Compensation and Liability Act (CERCLA, commonly known as "Superfund") (1980, 1986) and Migratory Bird Treaty Act (1918, 2006), Convention on Nature Protection and Wild Life Preservation in the Western Hemisphere (Washington, DC, 1940), Convention on Wetlands of International Importance Especially as Waterfowl Habitat (Ramsar, Iran, 2 Feb 1971), Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) (Washington DC, 1973), International Plant Protection Convention (IPPC) (1979 Revised Text) (Rome, Italy, 1979), Convention on the Conservation of Migratory Species of Wild Animals (Bonn, Germany, 23 Jun 1979)</p> <p>The BP cooperates in implementing the State Wildlife Action Plans focusing on wildlife species and habitats that have declined and rely on concerted effort by Federal and State agencies, conservation organizations, and the private sector. These plans are another component of forest health and vitality.</p>
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	<p>Alabama: www.forestry.alabama.gov/AlabamaForestActionPlan.aspx?bv=2&s=3 Mississippi: https://www.mfc.ms.gov/forest-action-plan Missouri: https://stateforesters.org/state/missouri Arkansas: https://stateforesters.org/forest-action-plans/arkansas Texas: https://stateforesters.org/texas-forest-action-plan-2015 Louisiana: https://stateforesters.org/forest-action-plans/louisiana Tennessee: https://www.tn.gov/agriculture/forests/protection/ag-forests-action-plan.html North Carolina: https://stateforesters.org/state/north-carolina South Carolina: https://stateforesters.org/forest-action-plans/south-carolina Georgia: www.gfc.state.ga.us/about-us/strategic-plan/ForestActionPlanBrochure.pdf Florida: https://stateforesters.org/forest-action-plans/florida</p> <p>We also utilize the following resources as supplemental references: The Southern Forest Futures Project, USDA Longleaf Restoration Program sponsored by The Longleaf Alliance</p> <p>In the absence of the BP's practices this indicator is classified as Specified Risk; however, the BP practices mitigate this to Low Risk. An overview of the BP's mitigation measures is described in Annex I Exhibit E Risk Mitigation.</p>
Means of Verification	Supply contracts, regional BMP results, state forestry websites, USFS websites. Exhibit B Supplemental Information High Conservation Value and Sourcing Risk Exhibit C Supplemental Information Best Management Practices
Evidence Reviewed	Forestry Commission data, FIA data, BMP results. Exhibit B Supplemental Information High Conservation Value and Sourcing Risk Exhibit C Supplemental Information Best Management Practices
Risk Rating	<input type="checkbox"/> Low Risk <input checked="" type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	Please refer to Exhibit E Risk Mitigation for measures/action, verification methods and implementation location of risk mitigation activities.

	Indicator
2.4.2	The Biomass Producer has implemented appropriate control systems and procedures for verifying that natural processes, such as fires, pests and diseases are managed appropriately (CPET S7b).
Finding	<p>Increased wood utilization directly results in a reduction in fires, pests and diseases.</p> <p>For Primary sources purchased by the BP: The BP works with the Alabama and Mississippi Forestry Commissions to monitor and manage to prevent forest fires, pest and diseases.</p> <p>For all sources purchased by the BP: In all areas where it owns forest lands (Alabama, Mississippi, Georgia, and South Carolina), the BP works with Forestry Associations whose missions are to ensure the sustainable management of each state's forest resources.</p> <p>In all areas within the supply basin we encourage fire, disease, and pest management and rely heavily on state resources such as State Forest Action Plans:</p>

Alabama: www.forestry.alabama.gov/AlabamaForestActionPlan.aspx?bv=2&s=3
 Mississippi: <https://www.mfc.ms.gov/forest-action-plan>
 Missouri: <https://stateforesters.org/state/missouri>
 Arkansas: <https://stateforesters.org/forest-action-plans/arkansas>
 Texas: <https://stateforesters.org/texas-forest-action-plan-2015>
 Louisiana: <https://stateforesters.org/forest-action-plans/louisiana>
 Tennessee: <https://www.tn.gov/agriculture/forests/protection/ag-forests-action-plan.html>
 North Carolina: <https://stateforesters.org/state/north-carolina>
 South Carolina: <https://stateforesters.org/forest-action-plans/south-carolina>
 Georgia: www.gfc.state.ga.us/about-us/strategic-plan/ForestActionPlanBrochure.pdf
 Florida: <https://stateforesters.org/forest-action-plans/florida>

It is also important to note that forestry commissions in the U.S. South fly over timberlands during peak southern pine beetle season to look for infestation. Catch boxes are distributed in areas with high risk for pine beetle outbreak and are monitored for infestation. Forestry commissions are often able to provide burn services on a fee basis to forest owners and there are also a cost share management programs available to help offset related costs.

Prescribed fire is regulated by State Forestry Commissions and we refer to the following resources for current regulations:

Alabama: <http://www.forestry.state.al.us/BurnPermitLaw.aspx?bv=1&s=1> Mississippi: <http://www.fwrc.msstate.edu/pubs/burning.pdf> Georgia: <http://www.gfc.state.ga.us/forest-management/prescribed-fire/>
 South Carolina: <http://www.state.sc.us/forest/fire.htm>
 Tennessee: <https://www.tn.gov/agriculture/article/ag-forests-wildfire>
 Florida: <http://www.freshfromflorida.com/Divisions-Offices/Florida-Forest-Service/Wildfire/Prescribed-Fire>
 Missouri: <https://mdc.mo.gov/property/fire-management/prescribed-fire>
 Arkansas: <http://www.arkfireinfo.org/index.php?do:showPBurns>
 Texas: https://tpwd.texas.gov/landwater/land/habitats/post_oak/habitat_management/fire/
 North Carolina: http://ncforestservice.gov/burn_permits/burn_permits_main.htm
 Louisiana: www.ldaf.state.la.us/forestry/protection

Pest management programs are administered by State Forestry Agencies/Commissions:

Alabama: www.forestry.alabama.gov/
 Mississippi: <http://www.mfc.ms.gov/forest-health.php>
 Missouri: <https://mdc.mo.gov/trees-plants/forest-care>
 Arkansas: www.aad.arkansas.gov/commercial-pest-control
 Texas: www.texasforestservice.tamu.edu/Insects/
 Louisiana: www.ldaf.state.la.us/forestrypractices-and-sta
 Tennessee: <https://www.tn.gov/agriculture/forests/>
 North Carolina: www.ncforestservice.gov/forest_health/forest_insects.htm
 South Carolina: <https://www.state.sc.us/forest/id.htm>
 Georgia: <http://www.gfc.state.ga.us/forest-management/forest-health/>
 Florida: <https://www.freshfromflorida.com/Divisions-Offices/Plant-Industry/Pests-Diseases>

We also refer to the following supplemental resources:

Interagency Fire Prevention Strategy, 2000 Southern Wildfire Prevention Strategy State of America's Forest Report, SAF Southern Forest Futures Report, USDA NRCS Integrated Pest Management program <http://bugwood.org/pestcontrol/pfpm.html> (The Bugwood Network)

The BP's supply area was devised in part to encompass regions with consistently-strong,

	<p>modern forestry practices. These include the large and successful investment by industry in logger training, outreach by government and industry foresters to promote and support sustainable forestry practices including the protection of sensitive, high-risk, and special sites, and the widespread and effective adoption of forestry Best Management Practices (BMPs). The BP chooses to conduct business with companies that can demonstrate compliance with BMP implementation and other forestry practices that are consistent with a low risk rating. Monitoring of supplier compliance is done through supplier audits conducted at the sawmill level for secondary feedstock and the tract level for primary feedstock.</p> <p>For detailed information related to Best Management Practices implementation in the supply area please refer to Exhibit C Supplemental Information Best Management Practices.</p>
Means of Verification	<p>Monitoring results, regional data. Exhibit B Supplemental Information High Conservation Value and Sourcing Risk Exhibit C Supplemental Information Best Management Practices</p>
Evidence Reviewed	<p>Supply contracts, regional BMP results, state forestry websites, USFS websites, internal BMP audits, third party environmental audits. Exhibit B Supplemental Information High Conservation Value and Sourcing Risk Exhibit C Supplemental Information Best Management Practices</p>
Risk Rating	<p><input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA</p>
Comment or Mitigation Measure	N/A

	Indicator
2.4.3	<p>The Biomass Producer has implemented appropriate control systems and procedures for verifying that there is adequate protection of the forest from unauthorised activities, such as illegal logging, mining and encroachment (CPETS7c).</p>
Finding	<p>For primary sources purchased by the BP: The BP's SFI Fiber Supply Policy and Procedures address security, legality and vandalism (Z1-2014 Westervelt Fiber Supply Policy).</p> <p>For all sources purchased by the BP:</p> <p>State forestry commissions have law enforcement divisions that address illegal trespass, timber theft and forest arson.</p> <p>The BP conducted an FSC/PEFC/SFI Controlled Wood/Due Diligence System risk assessment for all of its procurement areas/Districts of Origin (WF-DP-03).</p> <p>SFI Fiber Sourcing Standard, Performance Measure 4.1 requires Program Participants to comply with applicable laws and regulations and take steps to avoid illegal logging. Indicator 4.1.4 requires an assessment of the risk of sourcing material from illegal logging and Indicator 4.1.5 requires a program to address any significant risks identified under 4.1.4.</p> <p>The Certification Body (CB) has independently reviewed the BP Risk Assessment finding that all sources of supply are "Low/Negligible Risk" for Legality and the other controversial/uncontrolled categories of the FSC and PEFC Standards.</p>

	<p>The World Bank has awarded the U.S. a Global Governance Index rating that exceeds 90% for Regulatory Quality. See the Global Governance Index for the United States: (http://info.worldbank.org/governance/wgi/sc_chart.asp)</p> <p>The “Assessment of Lawful Harvesting & Sustainability of US Hardwood Exports” (AHEC Legality Study at http://www.ahec-europe.org/ concluded the following:</p> <p>“We come to the conclusion that wood procured in the study area can be considered Low Risk to threat to legality. This conclusion is based on the determination that there is no reported systematic illegal logging, as we interpret the term, reported in the study area</p> <p>For detailed information including specific sites, areas, species, and protection measures related to High Conservation Value in the supply area please refer to Exhibit B Supplemental Information High Conservation Value and Sourcing Risk.</p> <p>We utilize the following resources to assist with ensuring compliance:</p> <p>Illegal Logging and Global Wood Markets, Seneca Creek Assoc. & WRI A Nationwide Survey of Timber Trespass Legislation, Hicks, Timothy, Master of Forestry Thesis March 2005 PSU School of Forest Resources Assessment of Lawful Harvesting & Sustainability of US Hardwood Exports, AHEC https://www.illegal-logging.info/regions/usa (Illegal Logging Portal) State Forestry Laws: <i>Defenders of Wildlife, October 2000</i> which provides a listing of all applicable State laws for forestry within each State.</p>
Means of Verification	Maps, BP records, state records. Exhibit B Supplemental Information High Conservation Value and Sourcing Risk Exhibit C Supplemental Information Best Management Practices WF-DP-03 Controlled Wood/Due Diligence System Risk Assessment Z1-2014 Westervelt Fiber Supply Policy
Evidence Reviewed	Internal audits, state Forestry Commission data. Exhibit B Supplemental Information High Conservation Value and Sourcing Risk Exhibit C Supplemental Information Best Management Practices WF-DP-03 Controlled Wood/Due Diligence System Risk Assessment Z1-2014 Westervelt Fiber Supply Policy
Risk Rating	X Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	N/A

	Indicator
2.5.1	The Biomass Producer has implemented appropriate control systems and procedures for verifying that legal, customary and traditional tenure and use rights of indigenous people and local communities related to the forest are identified, documented and respected (CPET S9).
Finding	For all sources purchased by the BP: SFI/FSC/PEFC Chain of Custody Certificates provide sufficient objective evidence of conformance to the Indicator. There are no identified indigenous peoples with legal use rights within the wood and fiber supply areas (WF-DP-02 & WP-DP-03).

	<p>The BP's Controlled Wood/Due Diligence System Risk Assessment concludes that:</p> <p>"There are recognized and equitable processes in place to resolve conflicts of substantial magnitude pertaining to traditional rights including use rights, cultural interests or traditional cultural identity in the district concerned."</p> <p>We also refer to the following resources:</p> <p>Major Uses of Land in the US Economic Research Service Forestry and African American Land Retention US Endowment for Forestry and Communities Announcement of U.S. Support for the United Nations Declaration on the Rights of Indigenous Peoples State of America's Forest, SAF National Historic Preservation Act of 1966 (today embodied in 16 U.S.C. 461 et seq.) National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.)</p> <p>The BP's FSC Risk Assessment addresses rights of tribal and indigenous peoples in the supply area and no known violations of ILO 169 were observed.</p> <p>For detailed information including specific sites, areas, species, and protection measures related to High Conservation Value in the supply area please refer to Exhibit B Supplemental Information High Conservation Value and Sourcing Risk.</p> <p>For additional information regarding Wood Purchase Agreements please refer to Exhibit D Wood Purchase Agreement Overview.</p>
Means of Verification	Company records. WF-DP-02 Controlled Wood Procedure WF-DP-03 Controlled Wood/Due Diligence System Risk Assessment Exhibit B Supplemental Information High Conservation Value and Sourcing Risk
Evidence Reviewed	Federal & state law, internal policies & procedures, field audits, stakeholder consultation, Westervelt's FSC Risk Assessment. WF-DP-02 Controlled Wood Procedure WF-DP-03 Controlled Wood/Due Diligence System Risk Assessment
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	N/A

	Indicator
2.5.2	The Biomass Producer has implemented appropriate control systems and procedures for verifying that production of feedstock does not endanger food, water supply or subsistence means of communities, where the use of this specific feedstock or water is essential for the fulfilment of basic needs.
Finding	<p>For all sources purchased by the BP: SFI/FSC/PEFC Certificates provide objective evidence of conformance to the Indicator. No subsistence level communities are present across the supply base where the use of the wood feedstock is essential to fulfil basic needs.</p>

	<p>State BMPs monitoring show very high levels compliance. For detailed information related to Best Management Practices implementation in the supply area please refer to Exhibit C Supplemental Information Best Management Practices.</p> <p>BMP's are required under the BP's Wood Purchase Agreements. Monitoring of supplier compliance is done through supplier audits conducted at the sawmill level for secondary feedstock and the tract level for primary feedstock. For additional information regarding Wood Purchase Agreements please refer to Exhibit D Wood Purchase Agreement Overview.</p>
Means of Verification	BMP records; Wood Purchase Agreements, BMP audits, third party audits. Exhibit B Supplemental Information High Conservation Value and Sourcing Risk Exhibit C Supplemental Information Best Management Practices
Evidence Reviewed	Federal & state law, field audits, stakeholder outreach, third party environmental audits, BMP audits. Exhibit B Supplemental Information High Conservation Value and Sourcing Risk Exhibit C Supplemental Information Best Management Practices
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	N/A

	Indicator
2.6.1	The Biomass Producer has implemented appropriate control systems and procedures for verifying that appropriate mechanisms are in place for resolving grievances and disputes, including those relating to tenure and use rights, to forest management practices and to work conditions.
Finding	<p>For all sources purchased by the BP: SFI/FSC/PEFC Chain of Custody and Controlled Wood Certificates provide objective evidence of conformance related to having systems in place to resolve grievances and disputes.</p> <p>The BP supports the SFI Implementation Committee efforts to address concerns about apparent nonconforming practices (SFI 7.3.1).</p> <p>The BP has a formal process for receiving and responding to public inquiries, particularly those that potentially relate to practices that appear to be inconsistent with the SFI requirements (SFI 7.3.2).</p> <p>The BP has a formal Complaints Procedure for addressing public concerns (WF-DP-11).</p> <p>The Controlled Wood Procedure (WF-DP-02) contains a public complaints procedure addressing mechanisms for resolving disputes.</p> <p>Workers may file a complaint to have OSHA inspect their workplace if they believe that their employer is not following OSHA standards or that there are serious hazards. Employees can file a complaint with OSHA by calling 1-800-321-OSHA (6742), online via the OSHA Online Complaint Form, or by printing the complaint form and mailing it or faxing it to the local OSHA area office. Complaints that are signed by employees are more likely to result in an inspection.</p> <p>The US Department of Labor enforces US labor law.</p>

	<p>AHEC indicates that: “Forest employment in the US is regulated under federal and state laws and codes, which prohibit child labor and are consistent with the ILO Fundamental Principles and Rights at work.”</p> <p>The use of land is limited by the National Historic Preservation Act of 1966 (16 U.S.C. 461) and the National Environmental Policy Act of 1969 (42 U.S.C. 4321).</p>
Means of Verification	Company procedures, SFI Implementation Committee feedback.
Evidence Reviewed	<p>WF-DP-01 Chain of Custody Procedure</p> <p>WF-DP-02 Controlled Wood Procedure</p> <p>WRE-SBP-DP11 Substantiated Complaints Procedure</p> <p>Database indicates no complaints received.</p>
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	N/A

	Indicator
2.7.1	<p>The Biomass Producer has implemented appropriate control systems and procedures for verifying that Freedom of Association and the effective recognition of the right to collective bargaining are respected.</p>
Finding	<p>For all sources purchased by the BP: SFI/FSC/PEFC Certificates provide objective evidence of conformance addressing Freedom of Association.</p> <p>The FSC Self-Declaration Policy addresses the ILO Principles (WF-DOC-02). The FSC ILO Policy recognizes the pre-eminence of U.S. and State laws and regulations in meeting the intent of the ILO Core Conventions.</p> <p>U.S. law clearly specifies rights to collective bargaining and freedom of association. Supply Contracts specify compliance with applicable U.S. and state labor laws and regulations.</p> <p>We are bound by the National Labor Relations Act, the Fair Labor Standards Act, 18 US Code 1589 (Forced Labor), and the BP’s EEO Policy.</p> <p>The BP’s Wood Purchase Agreement specifies contract conditions. For additional information regarding Wood Purchase Agreements please refer to Exhibit D Wood Purchase Agreement Overview.</p>
Means of Verification	SFI/PEFS/FSC Chain of Custody, Equal Opportunity Employment Act, National Labor Relations Act, ITUC Survey of Trade Union Rights Violations
Evidence Reviewed	<p>The ITUC SCI IGB Survey of violations of Trade Union Rights does not indicate violations in the forest industry in our supply base. https://survey.ituc-csi.org/USA.html#tabs-3</p> <p>National Labor Relations Act: http://www.nlrb.gov/resources/national-labor-relations-act 29 CFR 2200.22(b): https://www.law.cornell.edu/cfr/text/29/2200.22</p>
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA

Comment or Mitigation Measure	N/A
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	Indicator
2.7.2	The Biomass Producer has implemented appropriate control systems and procedures for verifying that feedstock is not supplied using any form of compulsory labour.
Finding	<p>For all sources purchased by the BP: SFI/FSC/PEFC Certificates provide objective evidence of conformance addressing the elimination of compulsory labor.</p> <p>The BP conducted a Controlled Wood/Due Diligence System Risk Assessment covering this issue and concluded that:</p> <p style="padding-left: 40px;">“There is no evidence of child labor or violation of ILO Fundamental Principles and Rights at work taking place in forest areas in the district concerned.”</p> <p>The 13th Amendment of the US Constitution prevents involuntary slavery or servitude within the US. Benefitting from compulsory labor is a federal crime punishable by up to 20 years in prison. The BP’s policies on discrimination and worker’s rights are clearly documented and posted.</p> <p>The BP’s Wood Purchase Agreement specifies contract conditions. For additional information regarding Wood Purchase Agreements please refer to Exhibit D Wood Purchase Agreement Overview.</p> <p>Exhibit B Supplemental Information High Conservation Value and Sourcing Risk addresses rights, taxes & fees, harvesting activities, third parties’ rights, trade & transport, and diligence & due care. Further detail is provided in the BP’s FSC Controlled Wood Risk Assessment.</p>
Means of Verification	Notification(s) of violation of federal law, review of supplier policies during annual audits, verification of posting of mandatory Labor Law poster at company and supplier sites.
Evidence Reviewed	Employee handbooks/policies Postings of Labor Law posters Amendment XIII of the United States Constitution: https://www.law.cornell.edu/constitution/amendmentxiii 18 US Code 1589: https://www.law.cornell.edu/uscode/text/18/1589 Check for notification(s) of violation of federal law during annual audits
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	N/A

	Indicator
2.7.3	The Biomass Producer has implemented appropriate control systems and procedures to verify that feedstock is not supplied using child labour.
Finding	<p>For all sources purchased by the BP: SFI/FSC/PEFC Certificates provide objective evidence addressing child labor.</p> <p>The BP has completed a Controlled Wood/Due Diligence System Risk Assessment that covers this issue:</p> <p style="padding-left: 40px;">“There is no evidence of child labor or violation of ILO Fundamental Principles and Rights at work taking place in forest areas in the district concerned.”</p> <p>The Wood Purchase Agreement specifies contract conditions. For additional information regarding Wood Purchase Agreements please refer to Exhibit D Wood Purchase Agreement Overview.</p> <p>Exhibit B Supplemental Information High Conservation Value and Sourcing Risk addresses rights, taxes & fees, harvesting activities, third parties’ rights, trade & transport, and diligence & due care. Further detail is provided in the BP’s FSC Controlled Wood Risk Assessment.</p>
Means of Verification	Notification(s) of violation of federal law, review of supplier policies during annual audits, verification of posting of mandatory Labor Law poster at company and supplier sites.
Evidence Reviewed	Postings of Labor Law poster Employment Handbook Company Policies Child labor laws for each state in the supply area: AL https://labor.alabama.gov/uc/ChildLabor/child-labor.aspx GA https://dol.georgia.gov/child-labor-and-minors-entertainment LA https://www.laworks.net/Youth_Portal/YP_Menu.asp AR https://www.labor.ar.gov/divisions/Pages/childLabor.aspx MO https://labor.mo.gov/youth-employment TN https://www.tn.gov/workforce/employees/labor-laws/labor-laws-redirect/child-labor.html NC https://www.labor.nc.gov/workplace-rights/youth-employment-rules SC http://www.llr.state.sc.us/Labor/index.asp?file=wages/cli.htm TX http://www.twc.state.tx.us/jobseekers/texas-child-labor-law MS https://www.blr.com/HR-Employment/Compensation/Child-Labor-in-Mississippi FL https://wmich.edu/sites/default/files/attachments/u910/2017/hr-poster-fl-child-labor-2016.pdf
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	N/A

	Indicator
2.7.4	The Biomass Producer has implemented appropriate control systems and procedures for verifying that feedstock is not supplied using labour which is discriminated against in respect of employment and occupation.
Finding	<p>For all sources purchased by the BP: SFI/FSC/PEFC Certificates provide objective evidence of elimination of discrimination.</p> <p>SFI Performance Measure 4.2 requires compliance with applicable social laws at all levels.</p> <p>The Federal Equal Employment Opportunity Act provides rights to workers.</p> <p>The BP has completed a Controlled Wood/Due Diligence System Risk Assessment that concludes:</p> <p style="padding-left: 40px;">“Based upon the risk assessment and evaluation of available information, there is a “low risk” that any wood that is sourced into the BP’s facilities is in violation of traditional, civil and indigenous peoples' rights.”</p> <p>The Wood Purchase Agreement specifies contract conditions. For additional information regarding Wood Purchase Agreements please refer to Exhibit D Wood Purchase Agreement Overview.</p> <p>Exhibit B Supplemental Information High Conservation Value and Sourcing Risk addresses rights, taxes & fees, harvesting activities, third parties' rights, trade & transport, and diligence & due care. Further detail is provided in the BP’s FSC Controlled Wood Risk Assessment.</p>
Means of Verification	Postings of Labor Law poster Employment Handbook Company Policies 2 US Code 1311: https://www.law.cornell.edu/uscode/text/2/1311 Equal Pay Act of 1963
Evidence Reviewed	2 US Code 1311: https://www.law.cornell.edu/uscode/text/2/1311 Equal Pay Act of 1963: http://www.eeoc.gov/laws/statutes/epa.cfm Postings of Labor Law poster Employment Handbook
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	N/A

	Indicator
2.7.5	The Biomass Producer has implemented appropriate control systems and procedures for verifying that feedstock is supplied using labour where the pay and employment conditions are fair and meet, or exceed, minimum requirements.

Finding	<p>For all sources purchased by The BP: The BP contracts with dealers and brokers to harvest wood for use in wood fuels. Contractors are asked to attest to the fact that pay and employment conditions meet or exceed minimum requirements.</p> <p>The Wood Purchase Agreement specifies contract conditions. For additional information regarding Wood Purchase Agreements please refer to Exhibit D Wood Purchase Agreement Overview.</p> <p>Exhibit B Supplemental Information High Conservation Value and Sourcing Risk addresses rights, taxes & fees, harvesting activities, third parties' rights, trade & transport, and diligence & due care. Further detail is provided in the BP's FSC Controlled Wood Risk Assessment.</p> <p>State and Federal laws, such as the Equal Employment Opportunity and OSHA are in place to ensure fair pay and employment conditions.</p>
Means of Verification	Postings of Labor Law poster Employment Handbook Company Policies
Evidence Reviewed	Postings of Labor Law poster Employment Handbook Company Policies
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	N/A

	Indicator
2.8.1	The Biomass Producer has implemented appropriate control systems and procedures for verifying that appropriate safeguards are put in place to protect the health and safety of forest workers (CPET S12).
Finding	<p>For all sources purchased by the BP: The BP's Wood Purchase Agreement provisions address worker compensation insurance coverage. For additional information regarding Wood Purchase Agreements please refer to Exhibit D Wood Purchase Agreement Overview.</p> <p>SFI/FSC/PEFC Certificates provide objective evidence of conformance with health and safety laws and regulations.</p> <p>Common and widespread modern forestry practices of the entire supply area are an important part of the BP's control system. The supply area was devised in part to encompass regions with consistently-strong, modern forestry practices. These include the large and successful investment by industry in logger training through the Sustainable Forestry Initiative® program, which includes logger training.</p> <p>The SFI logger training covers only feedstock originating from SFI certified lands. The following measures are taken, in the absence of certified feedstock, to ensure health and</p>

	<p>safety of forest workers remains a low risk indicator:</p> <ul style="list-style-type: none"> • Annual supplier questionnaires to primary and secondary suppliers, which details health and safety (OSHA) requirements. • Signed contracts with suppliers ensuring regulatory requirements with state and federal laws. • Field inspections on a sample of primary feedstock tracts to monitor health and safety practices of forest workers. <p>There are numerous health and safety measures related to health and safety of forest workers enforced by US Department of Labour. There are several categories of regulation, policy, directives, statutes and guidelines that govern forest workers, including:</p> <ul style="list-style-type: none"> • OSHA enforced Standards - Federal • Registrar Notices - Federal • Directives - Federal • Letter of Interpretation - Federal • Logging Operation Safety Standards - State <p>Examples of standards that protect the safety and health of forest workers include:</p> <ul style="list-style-type: none"> • Occupational health and environmental control • Occupational noise exposure • Machinery and machine guarding • Rules for logging operations • Logging Safety Rules <p>Details regarding OSHA health and Safety Enforcement for Forest workers can be found here: https://www.osha.gov/SLTC/logging/standards.html</p> <p>We also refer to the OSHA Logging Safety website: https://www.osha.gov/SLTC/logging/ OSHA 1910.266 & eTOOL</p> <p>Although Forestry remains a high-risk activity for safety and health, there are numerous standards in place to improve awareness and overall safety performance in the forest industry. Many of these standards are enforced at the federal level and companies not in compliance with OSHA safety and health standards are subject to penalties and other serious infractions.</p> <p>The government oversight of safety and health of forest workers at the national level, including the use of enforcement officers and compliance monitoring, and paired with the BP's internal auditing procedures, suggest there is sufficient evidence to conclude "low risk" for this indicator</p>
<p>Means of Verification</p>	<p>Review of purchase agreements; existing certifications; government websites; harvest site visits, OSHA logs, safety audits, third party audits, safety manuals, safety training records.</p>
<p>Evidence Reviewed</p>	<p>OSHA logs, safety audits, third party audits, safety manuals, safety training records.</p>

Risk Rating	<input checked="" type="checkbox"/> Low Risk	<input type="checkbox"/> Specified Risk	<input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	N/A		

	Indicator																																																																																		
2.9.1	Biomass is not sourced from areas that had high carbon stocks in January 2008 and no longer have those high carbon stocks.																																																																																		
Finding	<p>For all sources purchased by the BP: The BP's wood procurement activities do not result in significant impacts on resources, do not drain wetlands, and are considered "normal silviculture" under the Federal Clean Water Act.</p> <p>Thinning of overstocked softwood planted forests has no significant long-term impacts on forest carbon stocks.</p> <p>As indicated in 2.3.1, forest stocks continue to grow in all areas of the supply base. Furthermore, the growth in carbon can be quantified as indicated in the following table.</p> <p style="text-align: center;">Change in Carbon Stocks in Supply Area Source: USDA Forest Inventory Analysis Data</p> <table border="1"> <thead> <tr> <th>State</th> <th>Time Period*</th> <th>Live Above/Below Ground</th> <th>Gain/(Loss)</th> <th>Change</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Alabama</td> <td>2000 (2000)</td> <td>982,703,863,601</td> <td rowspan="2">198,345,519,956</td> <td rowspan="2">20.2%</td> </tr> <tr> <td>2006-2015 (2015)</td> <td>1,181,049,383,557</td> </tr> <tr> <td rowspan="2">Mississippi</td> <td>2006 (2006)</td> <td>915,626,606,511</td> <td rowspan="2">120,514,641,793</td> <td rowspan="2">13.2%</td> </tr> <tr> <td>2009-2015 (2015)</td> <td>1,036,141,248,303</td> </tr> <tr> <td rowspan="2">Georgia</td> <td>1997 (1997)</td> <td>1,115,366,654,316</td> <td rowspan="2">212,914,153,358</td> <td rowspan="2">19.1%</td> </tr> <tr> <td>2011-2015 (2015)</td> <td>1,328,280,807,674</td> </tr> <tr> <td rowspan="2">Louisiana</td> <td>2001-2008 (2005)</td> <td>680,819,793,494</td> <td rowspan="2">752,336,758,647</td> <td rowspan="2">110.5%</td> </tr> <tr> <td>2001-2014 (2014)</td> <td>1,433,156,552,142</td> </tr> <tr> <td rowspan="2">Florida**</td> <td>2002-2007 (2007)</td> <td>643,558,440,567</td> <td rowspan="2">801,476,603,034</td> <td rowspan="2">124.5%</td> </tr> <tr> <td>2009-2015 (2015)</td> <td>1,445,035,043,601</td> </tr> <tr> <td rowspan="2">Texas**</td> <td>2001-2003 (2003)</td> <td>525,105,691,104</td> <td rowspan="2">14,510,653,009</td> <td rowspan="2">2.8%</td> </tr> <tr> <td>2009-2015 (2015)</td> <td>539,616,344,112</td> </tr> <tr> <td rowspan="2">Tennessee</td> <td>1999 (1999)</td> <td>845,705,662,232</td> <td rowspan="2">106,310,434,750</td> <td rowspan="2">12.6%</td> </tr> <tr> <td>2010-2014 (2014)</td> <td>952,016,096,982</td> </tr> <tr> <td rowspan="2">South Carolina</td> <td>1999-2001 (2001)</td> <td>622,857,503,150</td> <td rowspan="2">139,035,575,741</td> <td rowspan="2">22.3%</td> </tr> <tr> <td>2009-2015 (2015)</td> <td>761,893,078,891</td> </tr> <tr> <td rowspan="2">North Carolina</td> <td>2002 (2002)</td> <td>1,075,713,467,445</td> <td rowspan="2">169,029,328,156</td> <td rowspan="2">15.7%</td> </tr> <tr> <td>2009-2015 (2015)</td> <td>1,244,742,795,601</td> </tr> <tr> <td rowspan="2">Arkansas</td> <td>2002-2005 (2005)</td> <td>881,412,941,815</td> <td rowspan="2">104,590,856,549</td> <td rowspan="2">11.9%</td> </tr> <tr> <td>2011-2015 (2015)</td> <td>986,003,798,364</td> </tr> <tr> <td rowspan="2">Missouri**</td> <td>1999-2003 (2003)</td> <td>673,991,980,749</td> <td rowspan="2">105,802,207,541</td> <td rowspan="2">15.7%</td> </tr> <tr> <td>2011-2016 (2016)</td> <td>779,794,188,290</td> </tr> </tbody> </table> <p>* Parentheses numbers indicate actual year listed on the report ** Includes all counties</p>	State	Time Period*	Live Above/Below Ground	Gain/(Loss)	Change	Alabama	2000 (2000)	982,703,863,601	198,345,519,956	20.2%	2006-2015 (2015)	1,181,049,383,557	Mississippi	2006 (2006)	915,626,606,511	120,514,641,793	13.2%	2009-2015 (2015)	1,036,141,248,303	Georgia	1997 (1997)	1,115,366,654,316	212,914,153,358	19.1%	2011-2015 (2015)	1,328,280,807,674	Louisiana	2001-2008 (2005)	680,819,793,494	752,336,758,647	110.5%	2001-2014 (2014)	1,433,156,552,142	Florida**	2002-2007 (2007)	643,558,440,567	801,476,603,034	124.5%	2009-2015 (2015)	1,445,035,043,601	Texas**	2001-2003 (2003)	525,105,691,104	14,510,653,009	2.8%	2009-2015 (2015)	539,616,344,112	Tennessee	1999 (1999)	845,705,662,232	106,310,434,750	12.6%	2010-2014 (2014)	952,016,096,982	South Carolina	1999-2001 (2001)	622,857,503,150	139,035,575,741	22.3%	2009-2015 (2015)	761,893,078,891	North Carolina	2002 (2002)	1,075,713,467,445	169,029,328,156	15.7%	2009-2015 (2015)	1,244,742,795,601	Arkansas	2002-2005 (2005)	881,412,941,815	104,590,856,549	11.9%	2011-2015 (2015)	986,003,798,364	Missouri**	1999-2003 (2003)	673,991,980,749	105,802,207,541	15.7%	2011-2016 (2016)	779,794,188,290
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Means of Verification	Harvesting maps & records; evidence of harvesting in wetlands or peatlands which would require further investigation. Existence of a strong legal framework in the region, FIA data.																																																																																		

Evidence Reviewed	Company harvest plan, external data, FIA carbon stocks data.
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	N/A

	Indicator
2.9.2	Analysis demonstrates that feedstock harvesting does not diminish the capability of the forest to act as an effective sink or store of carbon over the long term.
Finding	<p>Research demonstrates that forest management in the U.S. does not diminish the capability of the forest to serve as sinks. Forests are shown to serve as a carbon sink and offset 13% of carbon emissions from the burning of fossil fuel.</p> <p>According to the U.S Forest Service:</p> <p>“U.S. forests currently serve as a carbon 'sink', offsetting approximately 13% of U.S. emissions from burning fossil fuels in 2011, and from 10 to 20% of U.S. emissions each year. Climate change may affect the ability of U.S. forests to continue to store and sequester carbon.” (http://www.fs.usda.gov/ccrc/topics/forest-carbon)</p> <p>Research addressing harvest impacts on soil carbon storage in temperate forests indicates that there are no significant impacts on mineral soils and their capacity to serve as carbon sinks. See Forest Ecology and Management research article: http://www.nrs.fs.fed.us/pubs/jrnl/2010/nrs_2010_nave_001.pdf</p> <p>Additionally, US Forest service research indicates that forest carbon stocks increased across all regions of the United States from 1990 to 2016. In forests that remained forests, carbon accumulation from net forest growth resulted in net annual accumulation in all regions. The North (Missouri) and South (all other states in the supply basin) regions demonstrated an increasing rate of net forest growth as indicated in Figure 9 below.</p>

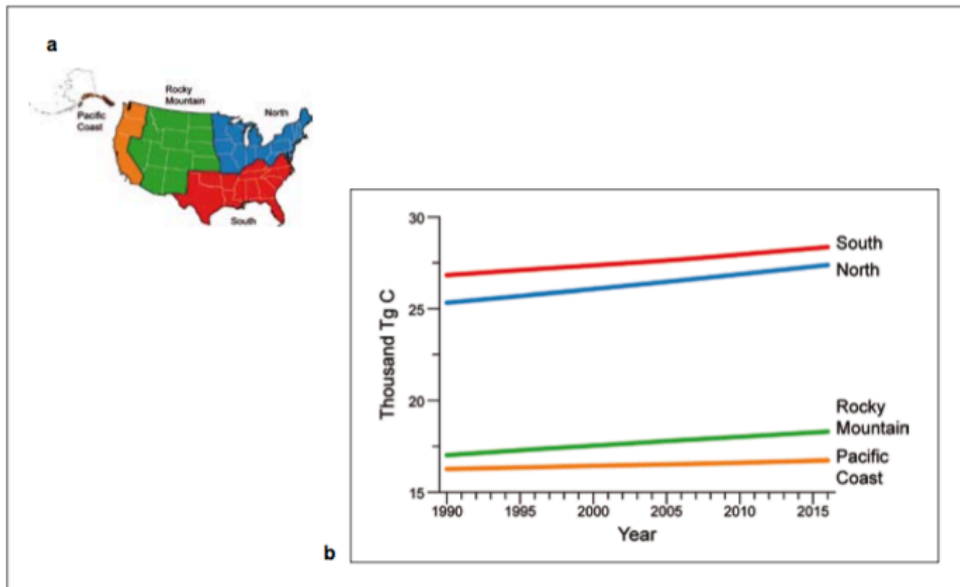


Figure 9.—Regional disaggregation of forest carbon analysis, 1990-2016: (a) regional delineations, (b) U.S. forest carbon stocks, and (c) annual forest carbon flux delineated by forests remaining forest (net forest carbon accretion) and land use change (net carbon transfer into forest land use) by region.

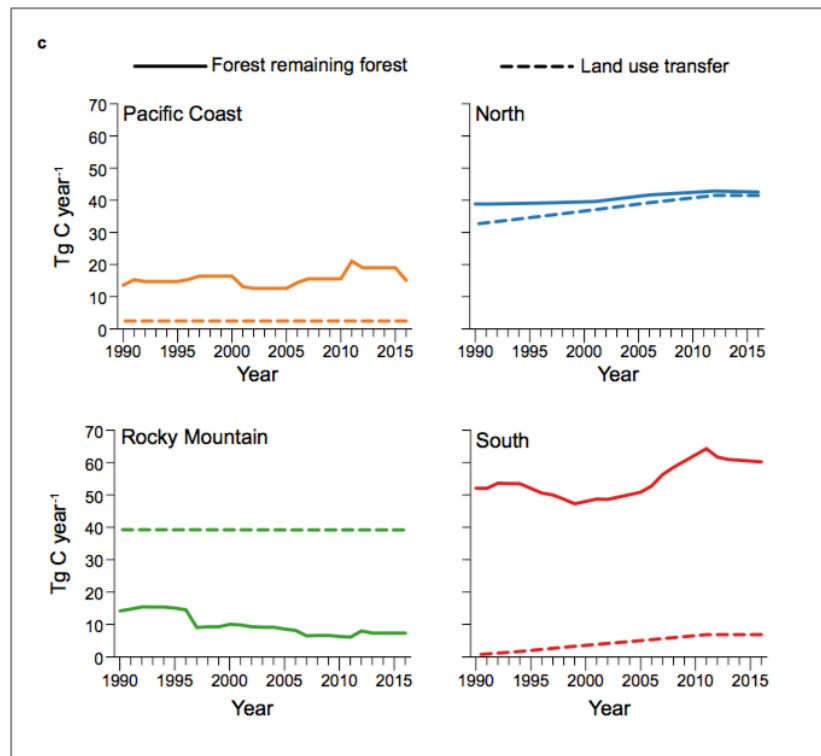


Figure 9 (continued).—Regional disaggregation of forest carbon analysis, 1990-2016: (a) regional delineations, (b) U.S. forest carbon stocks, and (c) annual forest carbon flux delineated by forests remaining forest (net forest carbon accretion) and land use change (net carbon transfer into forest land use) by region.

Source:

Woodall, Christopher W.; Coulston, John W.; Domke, Grant M.; Walters, Brian F.; Wear, David N.; Smith, James E.; Andersen, Hans-Erik; Clough, Brian J.; Cohen, Warren B.; Griffith, Douglas M.; Hagen, Stephen C.; Hanou, Ian S.; Nichols, Michael C.; Perry, Charles H.; Russell, Matthew B.; Westfall, James A.; Wilson, Barry T. 2015. The U.S. forest carbon accounting framework: stocks and stock change, 1990-2016. Gen. Tech.

	<p>Rep. NRS-154. Newtown Square, PA: U.S. Department of Agriculture, Forest Service, Northern Research Station. 49 p.</p> <p>We also refer to the following resources:</p> <p>The Southern Forest Futures Project: technical report. Gen. Tech. Rep. SRS-178., Southern Research Station Forest Soils, Charles H. (Hobie) Perry and Michael C. Amacher</p>
Means of Verification	FIA carbon stock data; third party reports.
Evidence Reviewed	FIA data.
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	N/A

	Indicator
2.10.1	Genetically modified trees are not used.
Finding	<p>For all sources purchased by the BP:</p> <p>The FSC/PEFC/SFI Controlled Wood/Due Diligence System Risk Assessment confirms that GMOs are not used (WF-COC-DP-03).</p> <p>The Global Forest Registry (www.globalforestregistry.org) indicates that the United States may be considered low risk in relation to wood from genetically modified trees.</p> <p>The BP did not find its wood supply areas on any lists contained in the FAO preliminary review of biotechnology in forestry: http://www.fao.org/docrep/008/ae574e/AE574E00.HTM.</p>
Means of Verification	Third-party data, strong legal framework in region, company records.
Evidence Reviewed	FAO report, Controlled Wood Risk Assessment.
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	N/A

Exhibit A
Supply Base Area Map

