

SBP

Sustainable Biomass Partnership

Supply Base Report: Fram Renewable Fuels, LLC (Telfair Forest Products)

www.sustainablebiomasspartnership.org



Completed in accordance with the Supply Base Report Template Version 1.1

*For further information on the SBP Framework and to view the full set of documentation see
www.sustainablebiomasspartnership.org*

Document history

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1 Overview

Producer name: Fram Renewable Fuels L.L.C.

Producer locations: 19 Farmer Street, Hazlehurst, GA USA 31539 (Head Office)
248 Sweetwater Dr., Baxley, GA 31513 (Appling County Pellets)
11 West Industrial Blvd., Lumber City, GA 31549 (Telfair Forest Products)
430 Hulett-Wooten Farms Rd., Hazlehurst, GA 31539 (Hazlehurst Wood Pellets)
1578 Waynesboro Hwy., Sylvania, GA 30467 (Said Company, Inc. – Outsourcer)

Geographic position: Appling County Pellets
31°48'54.80"N
82°28'04.01"W

Telfair Wood Products
31°55'44.40"N
82°40'46.92"W

Hazlehurst Wood Pellets
31°53'35.53"N
82°35'01.80"W

Said Company (Outsourcer)
32°52'11.68"N
81°38'36.63"W

Primary contact: Elizabeth van Tilborg, Sustainability/Certification Manager
PO Box 1810, Hazlehurst, GA 31539
(Phone) 912-617-2031
vantilborg@framfuels.com

Company website: www.framfuels.com

Date report finalised: 30/Mar/2016

Close of last CB audit: 24/Feb/2016, Sylvania, GA

Name of CB: NSF

Translations from English: No

SBP Standard(s) used: Standard 1 version 1.0, Standard 2 version 1.0, Standard 4 version 1.0, Standard 5 version 1.0

Weblink to Standard(s) used: <http://www.sustainablebiomasspartnership.org/documents>

SBP Endorsed Regional Risk Assessment: Not applicable

Weblink to SBE on Company website: www.framfuels.com

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

2 Description of the Supply Base

2.1 General description

FRAM Renewable Fuels L.L.C.'s wood pellet production plants and port facilities are located in Georgia, USA. All facilities and sites operate the same SBP Program and Procedures, but are assessed separately and issued individual SBP Certificates. The facilities source from a largely rural area where forestry and agriculture (e.g. forests, crops, cattle) are prevalent and are the primary sources of income for workers and the local communities. The forests consist of various pine, hardwood and mixed hardwood/pine forests in the Upper East Gulf Coastal Plain, Interior Low Plateau, Cumberlands & Southern Ridge & Valley, Southern Blue Ridge, Piedmont, East Gulf Coastal Plain, South Atlantic Coastal Plain Regions, Mid-Atlantic Coastal Plain and Florida Peninsula regions. A map of the procurement area is included in the Supply Base Evaluation (SBE) and Risk Assessment (RA) as an Appendix, and is available upon request.

The SBE and RA include the states of Alabama, North Central Florida, Georgia, North Carolina, South Carolina and Tennessee in the United States. FRAM Renewable Fuels L.L.C. and affiliated pellet mills are an important market for low grade and low valued wood products. Utilized as wood pellets, this otherwise low valued and marginal material contributes to the increased use of renewable energy and serves to mitigate greenhouse gas emissions. The pellet market in the US utilizes less than 1% of the of the overall forest products market compared to US pulpmills, sawmills and other wood processing facilities.

FRAM Renewable Fuels L.L.C. and affiliated organizations do not own forest land and do not decide what forests to harvest, are not engaged in the harvesting or forest management activities and do not have responsibility for direct wood procurement. All wood and fiber is supplied to the pellet mills by indirect wood producers, such as primary sawmills and secondary furniture and other wood manufacturing facilities or brokers, dealers and loggers. Beasley Timber Management is contracted to supply roundwood to Hazlehurst Wood Pellets (HWP). HWP is the only pellet mill that sources wood directly from the forest. Thus, FRAM Renewable Fuels L.L.C. is considered an Indirect and Secondary Producer that can indirectly influence forest management, but cannot control how the forests are managed and how they are harvested. Land management and harvesting decisions are made by private family forest owners, in the context of U.S. Federal and State laws, regulations and State administered Best Management Practices for water quality and beneficial use protection.

The States of Alabama, Florida, Georgia, North Carolina, South Carolina and Tennessee have large and well funded State Forestry Commissions that administer a comprehensive set of programs including: landowner outreach and extension, forest inventory and analysis, forest fire and pest prevention, BMP implementation and monitoring, smoke management planning and scheduling, forest resource and wildlife assessments and action plans, and other forest sustainability programs.

FRAM Renewable Fuels L.L.C.'s influence is through policies, supply contracts and periodic monitoring of suppliers. The use of forest residuals, sawmill and converting facility residuals provide an important market for low valued wood products that improves forest health conditions, minimizes fuels that contribute to wildfire, reduces site preparation costs, facilitates prompt reforestation and establishment of forest cover and provides the landowner with an economic incentive to keep their land in forest production.

The SBE focuses on the potential wood supply area of its wood suppliers and its residual sawdust suppliers. All wood material is sourced according to the Forest Stewardship Council (FSC) and PEFC Chain of Custody & Controlled Wood Standards and are considered an "SBP-approved Controlled Feedstock." The additional

SBE evaluation addresses each of the Biomass Feedstock Indicators, documents the Objective Evidence of Conformance, and assigns each Indicator with the appropriate "Risk" rating.

FRAM Renewable Fuels L.L.C. has not modified or adjusted the Indicators contained in Standard # 1. FRAM Renewable Fuels L.L.C. is, in all cases, two or more contracts removed from the Forest Management Unit (FMU). The verifiers or evidence of conformance have been developed to meet the requirements of Federal and State laws, State BMPs, and the requirements of the FSC, PEFC and GGL Standards. The verifiers contained in the SBE represent objective evidence of conformance that have been audited by independent Certification Bodies accredited to conduct audits to the above Standards. Independent audits have involved stakeholder consultations and have provided feedback that the verifiers are appropriate and acceptable evidence of conformance to the FSC, PEFC, GGL and SBP Standards.

Existing certifications include FSC and PEFC Chain of Custody and Controlled Wood Standards and the Green Gold Label (GGL) Standard. These certifications help to ensure "Low Risk" of sourcing controversial or uncontrolled wood and fiber. The company's existing Standard Operating Procedures (SOPs) constitute "Mitigation Measures" and contribute to the finding of Low Risk for all Standard # 1 Indicators. Thus, all wood pellet outputs are considered "SBP-compliant Biomass" and "EUTR-compliant Biomass."

FRAM Renewable Fuels L.L.C. does not utilize feedstock from any CITES species within the procurement region. A list of commonly sourced species is contained in the Tree Species List in the Controlled Wood Risk Assessment.

FRAM Renewable Fuels L.L.C. utilizes both hardwood and softwood forest and mill residuals. The residual sawdust is generated by up to sixty-seven (67) primary sawmills and secondary converting facilities, all located in Alabama, Florida, Georgia, North Carolina, South Carolina and Tennessee. The pellet facilities do not own forestland and do not directly procure wood from the forest. The facilities also do not use any construction, demolition or post-consumer derived feedstock.

2.2 Actions taken to promote certification amongst feedstock supplier

The vast majority of the FRAM Renewable Fuels L.L.C.'s wood and fiber inputs are sourced from indirect suppliers. All wood and fiber material is sourced according to the FSC/PEFC Chain of Custody and Controlled Wood Standards and is considered at least "controlled material," which provides evidence that it is Low Risk of Illegality and unsustainability.

Formal correspondence is sent to the suppliers with a Supply Agreement specifying conditions and Mitigation Measures to ensure compliance with all applicable laws and regulations, implementation of water quality BMPs, use of trained loggers and protection of High Conservation Values.

Fram Renewable Fuels, L.L. C. is a member of the Georgia, Florida and South Carolina Forestry Associations, the Forest Landowners Association, the South Carolina Loggers Association and the Southeastern Wood Products Association that promote forest certification and provides 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 High Conservation Value.

2.3 Final harvest sampling programme

FRAM Renewable Fuels L.L.C. relies on its wood and fiber suppliers to conduct monitoring of their wood procurement activities and those of its residual sawdust suppliers to ensure that the Districts of Origin/Supply Base have been verified, that BMPs are being implemented, that the loggers have been trained under the State Logger Training Programs and that operations are in regulatory compliance.

Suppliers of wood and fiber maintain records and can make them available to FRAM Renewable Fuels L.L.C. and the Certification Body, upon request.

FRAM Renewable Fuels, L.L.C. also conducts sampling of its roundwood suppliers. This is where the company has the closest connection to the forest sourcing roundwood for the Hazlehurst Mill. The Sustainability/Certification Manager uses the sub-sample formula of the Certification Bodies involving 0.8 X the square root of the total number of suppliers to pre-select roundwood suppliers on a quarterly basis for audit. The Wood Producer is visited and on-site monitoring surveys are reviewed and opportunities for improvement are addressed. In addition to the quarterly audit of roundwood suppliers, two (2) active tracts are sampled for BMP compliance on a monthly basis.

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

Not applicable.

2.5 Quantification of the Supply Base

Supply Base

a. Total Supply Base area (ha): **44,023,334 ha**

9,359,136 ha Alabama
6,140,228 ha Florida
10,007,260 ha Georgia
7,613,942 ha North Carolina
5,250,458 ha South Carolina
5,652,310 ha Tennessee
44,023,334 ha

b. Tenure by type (ha): **37,335,605 ha Private Land**

6,687,729 ha Public Agencies

8,758,760 ha Private Land – Alabama
3,990,964 ha Private Land – Florida
8,930,272 ha Private Land – Georgia
6,337,872 ha Private Land – North Carolina
4,604,628 ha Private Land – South Carolina
4,713,110 ha Private Land – Tennessee
37,335,605 ha Private Land

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

c. Forest by type (ha): **16,889,408 ha Temperate Pine**
4,863,879 ha Temperate Oak-Pine
14,546,012 ha Temperate Oak-Hickory

4,054,212 ha Temperate Pine Forests – Alabama
2,846,694 ha Temperate Pine Forests – Florida
4,488,804 ha Temperate Pine Forests – Georgia
2,466,514 ha Temperate Pine Forests N Carolina
2,516,234 ha Temperate Pine Forests – S Carolina
516,614 ha Temperate Pine Forests – Tennessee
16,889,408 ha Temperate Pine Forests

1,204,162 ha Temperate Oak-Pine - Alabama
583,167 ha Temperate Oak-Pine- Florida
1,105,434 ha Temperate Oak-Pine - Georgia
982,912 ha Temperate Oak-Pine – N Carolina
593,837 ha Temperate Oak-Pine – S Carolina
394,366 ha Temperate Oak-Pine - Tennessee
4,863,879 ha Temperate Oak-Pine

2,873,087 ha Temperate Oak-Hickory - Alabama
894,094 ha Temperate Oak-Hickory - Florida
2,611,941 ha Temperate Oak-Hickory - Georgia
2,939,410 ha Temperate Oak-Hickory – N Carolina
1,160,154 ha Temperate Oak-Hickory – S Carolina
4,067,326 ha Temperate Oak-Hickory - Tennessee
14,546,012 ha Temperate Oak-Hickory

d. Forest by management type (ha): **11,025,819 ha Planted Forest**

32,997,514 ha Managed Natural Forest

3,022,267 ha Planted Forest – Alabama
1,885,666 ha Planted Forest – Florida
3,127,355 ha Planted Forest – Georgia
1,339,709 ha Planted Forest – North Carolina
1,345,347 ha Planted Forest – South Carolina
305,475 ha Planted Forest – Tennessee

11,025,819 ha Planted Forest

6,336,868 ha Managed Natural Forest - Alabama
4,254,561 ha Managed Natural Forest - Florida
6,879,904 ha Managed Natural Forest - Georgia
6,274,233 ha Managed Natural Forest – N Carolina
3,905,111 ha Managed Natural Forest – S Carolina
5,346,836 ha Managed Natural Forest – Tennessee

32,997,514 ha Managed Natural Forest

e. Certified forest by scheme (ha): **3,576,652 ha SFI**

1,173,241 ha FSC

3,633,929 ha ATFS

1,169,490 ha SFI – Alabama
453,780 ha SFI – Florida
1,005,261 ha SFI – Georgia
414,391 ha SFI – North Carolina
439,807 ha SFI – South Carolina
93,834 ha SFI – Tennessee

3,576,562 ha SFI

2,458 ha FSC – Alabama
49 ha FSC – Florida
0 ha FSC – Georgia
1,161,295 ha FSC – North Carolina
2,952 ha FSC – South Carolina
6,487 ha FSC– Tennessee

1,173,241 ha FSC

1,250,836 ha ATFS – Alabama
425,714 ha ATFS – Florida
1,208,353 ha ATFS – Georgia
123,198 ha ATFS – North Carolina
539,284 ha ATFS – South Carolina
<u>86,545 ha ATFS – Tennessee</u>
3,633,929 ha ATFS

Feedstock

f. Total volume of Feedstock (Oct 1, 2014 to Sept 30, 2015):

- 200,000 to 400,000 metric tons per year* – Appling County Pellets
- 200,000 to 400,000 metric tons per year *– Telfair Forest Products
- 0 to 200,000 metric tons per year *– Hazlehurst Wood Pellets
- 0 to 200,000 metric tons per year *– Said Company, Inc. (Outsourcer)

g. Volume of primary feedstock (Oct 1, 2014 to Sept 30, 2015):

- 0 to 200,000 metric tons per year *– Hazlehurst Wood Pellets
- N/A Appling County Pellets (residuals only)
- N/A Telfair Forest Products (residuals only)
- N/A Said Company (residuals only)

h. List percentage of primary feedstock (g), by the following categories. Subdivide by SBP-approved Forest Management Schemes:

Note that FRAM Renewable Fuels L.L.C. recently started purchasing primary feedstock and has now developed a process for tracking SFI and ATFS certified wood at the forest level.

- 0% Certified to an SBP-approved Forest Management Scheme
- 100% is not certified to an SBP-approved Forest Management Scheme

i. List all species in primary feedstock, including scientific name: Slash pine (Pinus elliotii), Loblolly pine (Pinus taeda), Longleaf pine (Pinus palustris), Shortleaf pine (Pinus echinata), Pond pine (Pinus serotina), Spruce pine (Pinus glabra), Sand pine (Pinus clausa)

j. Volume of primary feedstock from primary forest: 0% - No primary forests are harvested

k. List percentage of primary feedstock from primary forest (j), by the following categories. Subdivide by SBP-approved Forest Management Schemes:

- Primary feedstock from primary forest certified to an SBP-approved Forest Management Scheme
0 ha (No primary forests are harvested)
- Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme

0 ha (No primary forests are harvested)

- l. Volume of secondary feedstock: specify origin and type - the volume may be shown as a % of the figure in (f) if a compelling justification is provided*

Appling County Pellets is 91% secondary mill residuals
Telfair Forest Products is 100% secondary mill residuals
Hazlehurst Wood Pellets is 62% secondary mill residuals
Said Company is 100% secondary mill residuals

- m. Volume of tertiary feedstock: specify origin and composition - the volume may be shown as a % of the figure in (f) if a compelling justification is provided*

Appling County Pellets is 9% tertiary mill residuals

*Disclosure of the exact volume figures would reveal commercially sensitive information that may allow competitors to gain a competitive advantage. Feedstock volumes and mix of feedstock into mills are confidential and not public knowledge.

Bands for (f) and (g) are:

1. 0 – 200,000 tonnes or m³
2. 200,000 – 400,000 tonnes or m³
3. 400,000 – 600,000 tonnes or m³
4. 600,000 – 800,000 tonnes or m³
5. 800,000 – 1,000,000 tonnes or m³
6. >1,000, 000 tonnes or m³

3 Requirement for a Supply Base Evaluation

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

A Supply Base Evaluation was conducted so that all feedstock material can be considered SBP compliant. Less than 70% of FRAM Renewable Fuels L.L.C.'s feedstock originates from an SBP approved Forest Management Scheme. The predominance of FRAM Renewable Fuels L.L.C.'s feedstock consists of secondary mill residues. A small percentage of pre-consumer tertiary residues and roundwood are also included as feedstocks that do not originate from an SBP approved Forest Management Scheme. (Note that all feedstocks are certified as FSC controlled wood.)

4 Supply Base Evaluation

4.1 Scope

While the SBE & Risk Assessment includes information and evidence from across all six States of Alabama, Florida, Georgia, South Carolina, North Carolina and Tennessee, the fiber supply area is significantly smaller and extends approximately 60-100 highway miles from all sources of supply. This includes limited roundwood into Hazlehurst and residuals from primary sawmills and secondary wood using manufacturers. A map of the Supply Base is available, upon request.

4.2 Justification

The Supply Base Evaluation & Risk Assessment address each of the SBP Indicators as contained in Standard # 1. FRAM Renewable Fuels L.L.C. did not attempt to modify or adapt the Indicators. Many of the Indicators are similar to the requirements contained in the FSC and GGL Standards. The evidence of conformance to the Indicators in Standard # 1 was drawn from existing FSC & GGL 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 publicly available sources including: State BMP monitoring, forest inventory & analysis statistics, state-wide resource assessments, wildlife action plans and other publicly available sources of information.

The FRAM Renewable Fuels L.L.C.'s FSC, PEFC, GGL and SBP 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 risk of sourcing illegal and unsustainable wood into the FRAM Renewable Fuels L.L.C.'s manufacturing facilities is determined to be "Low Risk" with the exception of 2.1.2, which has been determined as "Unspecified Risk".

FRAM Renewable Fuels L.L.C. has identified the Southern Appalachians, Central Appalachians, Cape Fear Arch in North Carolina, Florida Panhandle and Central Florida as potentially "Unspecified Risk." However, a rigorous system of protection in place to safeguard these habitats, along with FRAM Renewable Fuels L.L.C.'s mitigation measures, are sufficient to move this "Unspecified Risk" to "Low Risk".

The Risk Assessment considered all of the Standard Operating Procedures (SOPs) previously implemented by FRAM Renewable Fuels L.L.C. as part of its FSC and PEFC Chain of Custody and Controlled Wood certifications. These SOPs constitute existing control or mitigation measures approved and certified by independent Certification Bodies to meet the rigorous requirements of the FSC, PEFC & GGL Standards to ensure legality and sustainability.

Native longleaf pine savannas are identified as Priority Forest Types (PFT) in some evaluations of High Conservation Values, particularly for Central Alabama, Florida Panhandle and Cape Fear Arch critical biodiversity areas. With respect to longleaf pine savannas that may fall within FRAM Renewable Fuels L.L.C's supply base, the State Forestry Commissions have active programs to restore longleaf pine ecosystems, in conjunction with private conservation organizations such as the Nature Conservancy, the Conservation Fund and other private and public sector partnerships. Organizations like the Longleaf Alliance report that the acreage in longleaf forest has increased across the Southeast region from 2.8 million acres in the 1990's to approximately 3.2 million acres. More information on the Longleaf Alliance and the status of Longleaf Pine recovery efforts are available at: <http://www.longleafalliance.org/overview/status-of-the-lla>

Additional mitigation measure include Supply Agreement provisions with suppliers to include the following requirements: 1) implement water quality BMPs to protect water quality and beneficial aquatic habitats, 2) use qualified logging professionals that have been trained, 3) comply with all applicable laws and regulations, and 4) take steps to avoid potential impacts from logging to Critical Biodiversity Areas.

The Low Risk findings of the Supply Base Evaluation & Risk Assessment are consistent with the findings of the FSC Chain of Custody and Controlled Wood Assessment under FSC-STD-40-005 V2-1 and PEFC Chain of Custody Due Diligence System (PEFC ST 2002:2013).

4.4 Results of Supplier Verification Programme

By virtue of the finding of Low Risk to the SBP Standard # 1 Indicators, the Low Risk finding of the applicable FSC/PEFC Controlled Wood and Due Diligence System Risk Assessment and the implementation of policies and contract provisions to avoid any impacts on Critical Biodiversity Areas, there is a "Low Risk" of noncompliance with the SBP requirements in Standard # 1.

Mitigation Measures are included in the Supply Agreements and other requirements with the suppliers to ensure implementation of Mitigation Measures contained in Section 4.3 above. In addition, FRAM Renewable Fuels L.L.C. has close relationships with residual suppliers and ascertains District of Origin for residuals and has informed suppliers of potential HCV areas in their sourcing basins. FRAM Renewable Fuels L.L.C. has a procedure in place for monitoring BMP compliance on roundwood tracts procured by Beasley Timber Management and delivered to Hazlehurst Wood Pellets. Rigorous Federal and State laws also mitigate the risk of receiving illegally or unsustainably harvested wood.

It is important to note that FRAM Renewable Fuels L.L.C. does not own forestland and does not itself source roundwood directly from the forest. All sources of supply are considered indirect through second party roundwood producers and secondary residue sources from sawmills and converting plants. FRAM Renewable Fuels L.L.C. is two or more contracts or steps in the supply chain, from the Forest Management Unit (FMU) and has no direct control and limited influence over long-term forest management decisions of private family forest owners.

4.5 Conclusion

The Supply Base Evaluation & Risk Assessment concluded "Low Risk" for all SBP Indicators, based upon the Standard Operating Procedures (SOPs) of FRAM Renewable Fuels L.L.C. The Supply Base Evaluation drew

on the more than three (3) year history and record of conformance to FSC/PEFC Chain of Custody and Controlled Wood/Due Diligence and Green Gold Label (GGL) certification Standards.

The States of Alabama, Florida, Georgia, South Carolina, North Carolina and Tennessee document high levels of BMP compliance and have strong legal and regulatory systems in place to ensure legality. FRAM Renewable Fuels L.L.C. requires its suppliers to use trained loggers, requires compliance with laws and regulations as well as State Best Management Practices and requires that steps be taken to avoid impacts to any Critical Biodiversity Areas located in the Southern Appalachians, Central Appalachians, Cape Fear Arch, Florida Panhandle and Central Florida. Feedback from the Stakeholder Consultation process was positive and reinforced the finding that there is a need for markets of low valued forest and sawmill residual material.

All inputs are currently indirect and secondary sources and FRAM Renewable Fuels L.L.C. is considered by SBP to be a Secondary Wood Processing facility that has no direct control or contractual link to the Forest Management Unit (FMU).

100% of the wood inputs are supplied within the scope of the FSC/PEFC Controlled Wood/Due Diligence Systems approved by SBP. Thus, all wood inputs are at least considered "SBP Controlled Feedstock" and, according to the SBE/RA, SBP-compliant Feedstock. All non-certified sources are Low Risk for all Standard # 1 Indicators, with Mitigation Measures already in place addressing the potential of sourcing wood from High Conservation Value Forests.

By virtue of the Low Risk rating and Mitigation Measures already being applied to conservation of the Southern Appalachians, Central Appalachians, Cape Fear Arch, Florida Panhandle and Central Florida, all wood pellet outputs from FRAM Renewable Fuels L.L.C. and affiliated pellet mills are considered "SBP-compliant Biomass."

5 Supply Base Evaluation Process

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

FRAM Renewable Fuels L.L.C. is independently certified to the FSC/PEFC Chain of Custody and Controlled Wood Standards as well as Green Gold Label. FRAM Renewable Fuels L.L.C. sources all primary and secondary inputs from suppliers that are within scope of the FSC/PEFC Chain of Custody and Controlled Wood/Due Diligence Standards.

FRAM Renewable Fuels L.L.C. has a sampling plan in place to assess forest operations within the Supply Base, as well as to determine the “District of Origin” under FSC. This formula (based on an ISO formula for sampling) is $0.8 \times \sqrt{n}$, where n is the number of suppliers. This results in approximately 7 to 10 inspections of secondary/tertiary residual suppliers and 8-10 roundwood suppliers per year.

6 Stakeholder Consultation

A Stakeholder Consultation Procedure (FRF-SBP-DP-04) was developed that included correspondence to interested and affected stakeholders across the six state procurement region. A list of relevant Stakeholders was developed based upon several selection criteria including: the geographic scope of the Supply Base, stakeholders from past FSC/PEFC audits and consultations, relevant federal and state natural resource agencies, private conservation organizations, indigenous peoples groups, forestry colleges and universities, advocacy organizations, as well as local governmental officials. Correspondence was forwarded to all Stakeholder at least 30 days prior to the completion of the SBE/RA. A Summary of Stakeholder input was prepared documenting input and responses by FRAM Renewable Fuels L.L.C.

The SBP website contains copies of Version 1.0 that were issued March 26, 2015. Because the Standards were recently issued and the SBP Standards are not well known or understood in the U.S., FRAM Renewable Fuels L.L.C. is uncertain what level of awareness exists within the stakeholder community.

6.1 Response to stakeholder comments

Comment 1:

From Tim Adams, South Carolina Forestry Commission, Sept 16, 2015

Elizabeth,

Thank you for requesting our input into your process of conducting a Supply Base Evaluation and Risk Assessment. I understand that Fram Fuels is primarily operating off of mill residues from a couple large Georgia hardwood mills. In my role with the South Carolina Forestry Commission, I oversee our Forest Inventory & Analysis (FIA) and Timber Products Output (TPO) programs. Both programs provide critical data that help address the sustainability of our forest resource.

We have seen increasing amounts of our South Carolina hardwood resource going to Georgia mills and likely to Fram Renewable Fuels, ultimately. It is important that all wood processed by primary forest product mills is tracked back to the state and county of origin through the TPO program. TPO surveys are completed every other year. The next TPO survey will begin in January 2016 for the calendar year 2015 mill output. Please stress to your mill suppliers the importance of complying fully with TPO surveys in reporting accurately the volume and source of wood processed.

Thank you for requesting this input.

--Tim Adams

Resource Development Division Director
South Carolina Forestry Commission

Response 1:

To Tim Adams, South Carolina Forestry Commission, Sept 16, 2015

Hi Tim,

Thank you for your response to our Stakeholder Input. It's good to hear from you. I agree that the TPO reporting is important to our industry and I've certainly used my share of those reports in my career (and filled them out as well!). I'll be glad to stress the importance of completing these report to our mill suppliers.

Best regards,

Elizabeth

Comment 2:

From Herb Nicholson, South Carolina Forestry Commission, Sept 16, 2015

Ms. Van Tilborg

Tim Adams asked me to review the SBP certification standards and provide you with any comments that I saw necessary. I found only one standard that I had question with.

This is under the Feedstock Compliance Standard 2.1.3 dealing with fiber sourcing from forests converted to production plantation forests after 2008. The guidance suggests these are forests of exotic species citing examples of poplar, acacia, and eucalyptus. In the southeastern U.S., poplar is not an exotic species. It would not be a far stretch to include loblolly pine in this list if poplar is already included. I understand the intention of the standard, but as it is written, it is ambiguous and leaves room for varied interpretation.

Thanks,

Herb Nicholson
Environmental Program Manager
SC Forestry Commission
PO Box 21707
Columbia, SC 29221

Response 2:

To Herb Nicholson, South Carolina Forestry Commission, Sept 16, 2015

Thank you for your comment...I'll pass it on to Simon Armstrong with SBP. Part of the issue is that SBP is that is a "one-size-fits-all" and tries to encompass a lot of different forest management regimes globally.

Regards,

Elizabeth

Comment 3:

From Dr. Dale Greene, Dean Warnell School of Forestry, University of Georgia,

December 8, 2015

Elizabeth van Tilborg
FRAM Renewable Fuels LLC
P.O. Box 1810
Hazlehurst, GA 31539

Dear Elizabeth,

I understand you are pursuing certification under the Sustainable Biomass Partnership (SBP) Standards. As Dean of the Warnell School of Forestry and Natural Resources at the University of Georgia, I am pleased to lend my support to your application for this certification.

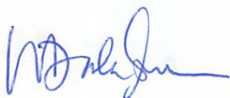
FRAM Renewable Fuels LLC has been a sustainable forestry leader for years. We have appreciated your participation and leadership in the Georgia forestry community on numerous issues. You've also hosted our students and faculty for tours through your landholdings and manufacturing facilities over the years. In short, you're a great corporate citizen and a leader in practicing sustainable forest management.

It is also without question that you made forestry more sustainable in your area by providing another market for harvested wood. History clearly shows that more markets for wood in an area and the competition it fosters increases the incentives for forest landowners to keep their lands in productive forests rather than converting them into other land uses. I applaud you for your pursuit of additional third-party certifications that will document the good things that you continue to do for our environment with sustainable forestry each day.

We deeply appreciate having FRAM Renewable Fuels as an industry partner in the state and applaud you for your approach to doing business and for being a partner every day in making sustainable forestry happen.

Sincerely,

W. Dale Greene Dean



Response 3:

To Dale Greene, December 8, 2015

Thank you!

E

Comment 4:

From Risher Willard, Georgia Forestry Commission

December 8, 2015

Elizabeth van Tilborg
Sustainability/Certification Manager
FRAM Renewable Fuels L.L.C.
P.O. Box 1810
Hazlehurst, GA 31539

Dear Elizabeth,

On behalf of State Forester Robert Farris, I would like to thank you for your December 7, 2015, inquiry requesting a letter of support for Georgia's pellet industry, particularly for FRAM's pending certification in the Sustainable Biomass Partnership (SBP).

I do have some important information about forestry in Georgia that may be useful to you in your certification process.

Georgia's forests are being sustainably managed to meet the numerous needs of our state today – annual growth exceeds removals by 48%. In addition, Georgia's forest area has remained stable over the past fifty-years at about 24 million acres – the largest commercial forest in the U.S.

Georgia's forest industry provides \$28.9 billion in total economic activity and provides jobs for 135,732 workers. The wood pellet industry in Georgia is an important contributor to the economy of our state. Georgia's wood pellet mill portfolio has grown from zero mills in 2007 to ten mills in 2015. The wood pellet industry provides new markets for small diameter trees and helps "keep working forests in forests".

Feedstock's for wood pellet mills are plentiful in Georgia. In addition to the state's 1.02 billion green tons of standing forest inventory, nearly 350 million cubic feet of wood and bark by-products are produced annually at Georgia's primary forestry mills. Furthermore, over 4.7 million dry tons of timber harvest residues are produced annually in the state.

These are just a few of the positive attributes that Georgia's forests provide to our citizens and our forest industry – including the wood pellet industry.

I trust that this information will be useful to you and please let me know if you require any further information.

Sincerely,



Risher A. Willard
Forest Marketing & Utilization Chief

Response 4:

To Risher Willard, December 8, 2015

Thanks Risher!

E

Comment 5:

From Mitch Reid, Alabama Rivers Association, March 17, 2016

Mrs. van Tilborg,

Thank you for following up with us on this issue. I will look over this and let you know if I have any further questions.

Sincerely,

Mitch Reid

Response 5:

To Mitch Reid, March, 15, 2016

Mr. Reid,

Below is a copy of the email I sent to you July 30th, 2015 to this address: mreid@alabamarivers.org. I've noted your alternate address in my address list.

You can see in the attached pdf file that you were included in an address list with other stakeholders. Your email did not kick back so I assume you received it.

In any event, thank you for your response that your comment would be the same as for Lee Energy. Please note that we do not source roundwood directly from the forest in Alabama. We use secondary mill residues which are mostly a by-product from sawmills.

We strongly support forestry best management practices and require our residue suppliers to use trained loggers in the forest harvest.

If you have any further concerns, please contact me directly.

Elizabeth van Tilborg

7 Overview of Initial Assessment of Risk

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

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

The results of the Supply Base Evaluation and Risk Assessment addressing the requirements in Standard # 1 were all Low Risk, and Mitigation Measures already in place and functioning effectively lower the "Unspecified Risk" for Indicator 2.1.2 to Low Risk.

Supply Agreements including contract provisions have been incorporated to address the unspecified risk of sourcing from the Southern Appalachians, Central Appalachians, Cape Fear Arch, Florida Panhandle and Central Florida.

8.2 Site visits

FRAM Renewable Fuels L.L.C. is in regular contact with its suppliers and conducts periodic inspections and monitoring of documents and records as part of its FSC/PEFC Controlled Wood Procedures. All inputs are confirmed from known Districts of Origin and are considered "controlled material."

8.3 Conclusions from the Supplier Verification Programme

All current evidence leads to a conclusion that there is a Low Risk of sourcing from forest areas that are considered High Conservation Value. However, the recent Draft FSC US National Risk Assessment (NRA) includes additional Critical Biodiversity Areas that may be at risk from forestry operations. The only Critical Biodiversity Area within the Supply Base is the Southern Appalachians, Central Appalachians, Cape Fear Arch, Florida Panhandle and Central Florida. (<http://foreststewardshipcouncil.s3.amazonaws.com/index.html>)

The FSC US NRA suggests that Aquatic Habitats and their associated biodiversity are potentially threatened by sedimentation from roads. Suggested Mitigation or Control Measures for Aquatic Habitats include implementing BMPs during forestry activities.

The FSC US NRA recognizes that Indirect Purchases are where there is no direct relationship with the forest management unit (FMU). Indirect purchases generally do not require field verification or supplier agreements. Byproducts, in turn, only require a company policy. In all cases, FRAM Renewable Fuels L.L.C. is more than two links in the supply chain removed from the FMU and meets the intent of the First Draft of the FSC US National Risk Assessment.

The Mitigation Measures proposed by FSC US include Policies to avoid potential impacts associated with harvesting and roads. Such policies have been inserted into FRAM Renewable Fuels L.L.C.'s Sustainable Biomass Policy and have been implemented as part of the FSC/PEFC Controlled Wood Risk Assessment and Procedures. Similar provisions are also included in Supply Agreements as extra measures of precaution. Supplier compliance is assessed via monitoring of FRAM Renewable Fuels L.L.C.'s suppliers, state agency inspections, stakeholder feedback, and state agency inspections or reports where relevant and available.

The Mitigation Measures adopted by FRAM Renewable Fuels L.L.C. are contained in the Supply Agreement contained in FRF-SBP-DP-08.

To date, no stakeholders have documented any scientifically supported concerns regarding the Critical Biodiversity Areas identified in the FSC US NRA. And overall, the southern region BMP implementation average increased from 87% in 2008 to 92% in 2012, thus mitigating potential impacts to Aquatic resources and habitats. The combined Mitigation Measures are sufficient to move the Unspecified Risk to Low Risk.

9 Mitigation Measures

9.1 Mitigation measures

FRAM Renewable Fuels L.L.C. Standard Operating Procedures (SOPs) addressing sustainability and legality are already in place and have been functioning under the FSC Chain of Custody and Controlled Wood program for three years.

FRAM Renewable Fuels L.L.C. is proactively implementing additional Mitigation Measures proposed in the Draft FSC US National Risk Assessment to include Policies and Control Measures to avoid potential impacts associated with harvesting and roads. Such policies have been inserted into FRAM Renewable Fuels L.L.C.'s Sustainable Biomass Policy.

Similar provisions are also included in the Supply Agreements as extra measures of precaution. Supplier compliance shall be assessed via monitoring of FRAM Renewable Fuels L.L.C.'s suppliers, state agency inspections, stakeholder feedback, and state agency inspections or reports where relevant and available.

The Mitigation Measures adopted by FRAM Renewable Fuels L.L.C. are contained in the Supply Agreement contained in FRF-SBP-DP-08.

9.2 Monitoring and outcomes

FRAM Renewable Fuels L.L.C. intends to periodically and annually monitor its suppliers to confirm compliance with contract provisions and policies as part of the annual internal audit and management review. The FSC Controlled Wood Standards requires periodic monitoring. The SBE will be updated and the issues of potential risk to High Conservation Values will be reassessed at that time.

10 Detailed Findings for Indicators

Detailed findings for each Indicator are given in Annex 1.

11 Review of Report

11.1 Peer review

The SBP Standards Program at FRAM Renewable Fuels L.L.C. has involved the development of detailed Documents and Procedures to address all relevant requirements. An outside consultant with expertise in forest certification standards was retained to help develop the procedures and conduct the Supply Base Evaluation.

A Readiness Review was conducted with the accredited Certification Body (NSF-ISR). Seventy-five (75) letters and notices were sent to potential stakeholders. The accredited Certification Body has assigned auditors to conduct an independent audit of the SBP Program. The Certification Body is also required to conduct 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 FRAM Renewable Fuels L.L.C. FSC/PEFC certification programs. SBP procedures call for a Technical Review Panel to review the audit findings.

FRAM Renewable Fuels L.L.C. believes that sufficient independent reviews of its Programs and Procedures has taken place and that an additional Peer Review is not warranted or required.

11.2 Public or additional reviews

See the summary response to Section 11.1 above.

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	<i>R. Scott Berg</i>	President, R.S. Berg & Associates, Inc.	1 Apr 2016
	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:	<i>Harold Arnold</i>	President FRAM Renewable Fuels L.L.C.	30 Mar 2016
	Name	Title	Date
Report approved by:	<i>Elizabeth van Tilborg</i>	Sustainability/Certification Manager FRAM Renewable Fuels L.L.C.	30 Mar 2016
	Name	Title	Date

13 Updates

FRAM Renewable Fuels L.L.C. intends to update the SBP Program on an annual basis and conduct annual audits and management reviews. These will be conducted prior to normally schedule surveillance audits of the SBP, FSC, PEFC and GGL Standards Programs.

13.1 Significant changes in the Supply Base

Not applicable.

13.2 Effectiveness of previous mitigation measures

Not applicable.

13.3 New risk ratings and mitigation measures

Not applicable.

13.4 Actual figures for feedstock over the previous 12 months

Not applicable.

13.5 Projected figures for feedstock over the next 12 months

n. Total volume of Feedstock (Oct 1, 2015 to Sept 30, 2016):

- 200,000 to 400,000 metric tons per year* – Appling County Pellets
- 0 to 200,000 metric tons per year *– Telfair Forest Products
- 0 to 200,000 metric tons per year *– Hazlehurst Wood Pellets
- 0 to 200,000 metric tons per year *– Said Company, Inc. (Outsourcer)

- * Compelling justification would be specific evidence that, for example, disclosure of the exact figure would reveal commercially sensitive information that could be used by competitors to gain competitive advantage. State the reasons why the information is commercially sensitive, for example, what competitors would be able to do or determine with knowledge of the information.

Bands are:

1. 0 – 200,000 tonnes or m³
2. 200,000 – 400,000 tonnes or m³
3. 400,000 – 600,000 tonnes or m³
4. 600,000 – 800,000 tonnes or m³

- 5. 800,000 – 1,000,000 tonnes or m³
- 6. >1,000, 000 tonnes or m³

Annex 1: Detailed Findings for Supply Base Evaluation Indicators

	Indicator
1.1.1	The Biomass Producer's Supply Base is defined and mapped.
Finding	All wood and fiber sourced by FRAM Renewable Fuels L.L.C. originates at some point in the supply chain from the mixed hardwood and conifer forests of the Upper East Gulf Coastal Plain, Interior Low Plateau Cumberlands & Southern Ridge & Valley, Southern Blue Ridge, Piedmont, East Gulf Coastal Plain, South Atlantic Coastal Plain, Mid-Atlantic Coastal Plain and Florida Peninsula regions of the States of Alabama, Florida, Georgia, North Carolina, South Carolina and Tennessee
Means of Verification	The Supply Base is also defined as part of demonstrating conformance to the following Forest Sustainability Standards: -FSC Chain of Custody (FSC-STD-40-004) -FSC Controlled Wood (FSC-STD-40-005) -PEFC Chain of Custody/Due Diligence System (2002:2013) -Green Gold Label (GGL)
Evidence Reviewed	Hardcopy maps of the Supply Base are maintained and available in Appendix 2 of FRF-SBP-DP-07 document.
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	The Supply Base has been confirmed with FRAM Renewable Fuels L.L.C.'s and affiliated suppliers.

	Indicator
1.1.2	Feedstock can be traced back to the defined Supply Base.
Finding	FRAM Renewable Fuels L.L.C. and affiliated facilities maintain formal Supply Agreement/Contracts with its suppliers (FRF-SBP-DP-08) that requires clear title and legal ownership of all wood and fiber inputs.
Means of Verification	<p>FRAM Renewable Fuels L.L.C. keeps records of payments and receipts with all of its suppliers. Title to the wood material is exchanged as it is delivered at the pellet mills using Scale Tickets or an equivalent paper trail. These documents and records provide objective evidence of the suppliers and their supply base.</p> <p>FSC/PEFC Chain of Custody and Controlled Wood requirements address the need to define the "Districts of Origin" and conduct periodic monitoring of the supply base, both from the forest and mill residuals. FRAM Renewable Fuels L.L.C. and affiliated facilities are FSC/PEFC Chain of Custody and Controlled Wood certified.</p>
Evidence Reviewed	<p>Refer to FRAM Renewable Fuels L.L.C.'s FSC/PEFC Controlled Wood/Due Diligence System Risk Assessment for the identification of the supply base (FRF-DP-05).</p> <p>Refer to the FRAM Renewable Fuels L.L.C.'s FSC/PEFC Chain of Custody Procedure for the procedures to identify suppliers of all wood and fiber material (FRF-DP-01).</p> <p>Refer to the Approved Supplier List (FRF-DP-06) for records of supplier names, FSC/PEFC certificate numbers, the supplied "material categories."</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	

	Indicator
1.1.3	The feedstock input profile is described and categorised by the mix of inputs.
Finding	All feedstocks are defined as either forest or mill residual inputs supplied in accordance with the FSC/PEFC Chain of Custody and Controlled Wood/Due Diligence Standards. The mix of feedstock inputs are described as "Categories of Origin" in the Chain of Custody Procedures (FRF-DP-01).
Means of Verification	Material categories are also identified for purposes of Chain of Custody tracking in the Product Group Lists (FRF-SBP-DP-06). Species of trees that are sourced are documented in the Tree Species List (FRF-SBP-DP-14).
Evidence Reviewed	FRF-DP-01, FRF-SBP-DP-06, FRF-SBP-DP-14
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	All inputs are supplied with as FSC/PEFC "controlled material" indicating that they are Low Risk of originating from uncontrolled or controversial sources.

	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>FRAM Renewable Fuels L.L.C. requires contracts, Delivery Tickets and other documentation verifying legal ownership of incoming wood material from its wood suppliers. Refer to the Wood Supply Agreement (FRF-SBP-DP-08)</p> <p>FRAM Renewable Fuels L.L.C. implements an FSC/PEFC Controlled Wood/Due Diligence Procedure for all of its Supply Areas/Districts of Origin (FRF-DP-05) and all inputs are considered FSC "controlled material," PEFC non-controversial and SBP</p>
Means of Verification	<p>The World Bank has awarded the U.S. a Global Governance Index rating that exceeds 90% for Regulatory Quality. This objective evidence demonstrates Low Risk for legality. 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) available at: http://www.ahec-europe.org/ concluded that:</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>
Evidence Reviewed	FRF-DP-05, FRF-SBP-DP-08
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
1.3.1	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.
Finding	<p>FRAM Renewable Fuels L.L.C. has conducted a comprehensive risk assessment for its wood supply areas/districts of origin and has concluded Low Risk for “Illegally Harvested Wood.” Additional findings of the Controlled Wood/Due Diligence 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.
Means of Verification	FRAM Renewable Fuels L.L.C. requires Delivery Tickets, Purchase Orders or other documentation for roundwood deliveries with information relating to the supplier, landowner name, tract location, Product Type, and FSC/PEFC Claim, if any. The states of Alabama, Florida, Georgia, North Carolina, South Carolina and Tennessee have extensive laws and regulations to protect water quality and provide areas for the protection of native biodiversity.
Evidence Reviewed	<p>U.S. Federal Laws and Regulations can be found at one or more of 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 - http://www.epa.gov/region10/ 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>
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	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	FRAM Renewable Fuels L.L.C. requires a formal Wood Supply Agreement/Contract (FRF-SBP-DP-08) containing all legal and contractual requirements.
Means of Verification	Severance tax laws exist in Alabama, Georgia, North Carolina and South Carolina and are established as either: (1) a fixed amount per unit of measurement or (2) a percentage of the value of timber harvested. Florida has doc stamps in which a fee based on the value of the timber sale is paid at the courthouse at the time of filing the warranty deed.
Evidence Reviewed	Delivery Tickets and payment records demonstrate payment for timber. These documents are confidential and proprietary, but are available to the CB during annual audits and upon request. Contracts with suppliers are also available for review.
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	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	FRAM Renewable Fuels L.L.C. has a Controlled Wood/Due Diligence Procedure (FRF-DP-02) and an FSC/PEFC Controlled Wood Risk Assessment that addresses the requirements of CITES (FRF-DP-05).
Means of Verification	The species of trees that are common to the supply base are included in the Tree Species List (FRF-SBP-DP-14). Only forest residuals and sawmill and wood processing residuals are used as inputs and FRAM Renewable Fuels L.L.C. is not involved in land management and harvesting decisions and operations.
Evidence Reviewed	<p>No wood is imported from outside the States of Alabama, Florida, Georgia, North Carolina, South Carolina and Tennessee. No CITES Listed Tree Species are found within the wood and fiber procurement areas/Districts of Origin.</p> <p>See the CITES website: http://www.cites.org/eng/disc/species.php</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	

	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	FRAM Renewable Fuels L.L.C. has adopted a formal Sustainable Forestry Policy addressing traditional and civil rights (FRF-DOC-02) as well as a Sustainable Biomass Policy (FRF-SBP-DP-03).
Means of Verification	<p>FRAM Renewable Fuels L.L.C. has conducted an FSC/PEFC Controlled Wood/Due Diligence Risk Assessment that addresses the issue of violations of traditional and civil rights issues (FRF-DP-05). The findings from the Risk Assessment and the AHEC Legality Study 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 is in violation of traditional, civil and indigenous peoples' rights.”</p>
Evidence Reviewed	FRF-DP-05, AHEC Legality Study
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	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	High Conservation Value Forests are addressed in the FSC/PEFC Controlled Wood/Due Diligence Risk Assessment (FRF-DP-05). The Risk Assessment concluded that there is a Low Risk of sourcing from High Conservation Value areas.
Means of Verification	<p>All protected areas are mapped and are available for download from the national GAP database which contains state and federally protected parks, reserves, refuges, wilderness areas among other designations. These protected are also referenced by the IUCN classification.</p> <p>FRAM Renewable Fuels L.L.C. uses Guidance on HCVs provided by the High Conservation Value Network. Natural Heritage databases from Alabama, Florida, Georgia, North Carolina, South Carolina and Tennessee are utilized to identify HCV occurrences.</p>
Evidence Reviewed	<p>FRF-DP-05 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</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	

	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.
Finding	High Conservation Value Forests are addressed in the FSC/PEFC Controlled Wood/Due Diligence Risk Assessment (FRF-DP-05). The CB approved Risk Assessment concludes "Low Risk."
Means of Verification	<p>The WWF Global 200 has determined that aquatic habitats in SE US rivers and streams are potentially at risk. If adequate BMP's are installed during harvesting, this risk is adequately mitigated. Supply Agreements require the use of BMP's.</p> <p>State forestry commissions also monitor BMP compliance. BMP compliance rates for Alabama are 97%, Georgia 91%, Florida 99%, North Carolina 85%, South Carolina 92% and BMP Compliance in Tennessee is from 89-93%.</p> <p>The recent Draft FSC US National Risk Assessment (NRA) includes additional Critical Biodiversity Areas that may be at "potential" risk from forestry operations. The Critical Biodiversity Area within the Supply Base are the Southern Appalachians, Central Appalachians, Cape Fear Arch, Florida Panhandle and Central Florida. (http://foreststewardshipcouncil.s3.amazonaws.com/index.html)</p> <p>The Draft Critical Biodiversity Areas are outside of the roundwood procurement area for the Hazlehurst Mill. Secondary and Tertiary residual materials from sawmills and other converting facilities may source from this broader supply base.</p> <p>The Draft FSC US NRA suggests that these Critical Biodiversity Areas are "potentially" threatened by sedimentation from roads, logging, conversion to other pine types and poor forest management activities.</p> <p>The FSC US NRA recognizes that Indirect Purchases are where there is no direct relationship with the forest management unit (FMU). Indirect purchases do not require field verification or supplier agreements. Byproducts, in turn, only require a company policy. In all cases, FRAM Renewable Fuels L.L.C. is multiple supply chain links away from the FMU.</p>
Evidence Reviewed	<p>FRF-DP-05, State BMP compliance rates, FSC Draft US National Risk Assessment, WWF Global 200, FRAM Renewable Fuels Supplier Agreements</p> <p>All current evidence leads to a conclusion that there is a Low Risk of sourcing from forest areas that are considered High Conservation Value and associated Critical Biodiversity Areas.</p>
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input checked="" type="checkbox"/> Unspecified Risk at RA

<p>Comment or Mitigation Measure</p>	<p>The Mitigation Measures adopted by FRAM Renewable Fuels L.L.C. are contained in the Supply Agreement in FRF-SBP-DP-08 as an extra level of precaution above and beyond the Biomass Policy provisions.</p> <p>To date, no stakeholders have documented any substantiated concerns regarding the Critical Biodiversity Areas identified in the FSC US NRA. And overall, the southern region BMP implementation average increased from 87% in 2008 to 92% in 2012, thus mitigating potential impacts to Aquatic resources and habitats. The combined Mitigation Measures of Policies and contract provisions are sufficient to move the initial Draft FSC US findings of Unspecified Risk to Low Risk. The Mitigation Measures proposed by the Draft FSC US National Risk Assessment include Policies to avoid potential impacts associated with harvesting and roads. Such policies have been inserted into FRAM Renewable Fuels L.L.C.'s Sustainable Biomass Policy</p>
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	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.
Finding	FRAM Renewable Fuels L.L.C. has concluded in its FSC/PEFC Controlled Wood/Due Diligence Risk Assessment that: "There is "low risk" that the organization's wood procurement contributes to a significant rate of loss of "natural forests and other natural wooded ecosystems
Means of Verification	Trees planted in 2008 would not be merchantable or harvested at 8 yrs old. The common age for first thinning is ~ 15 yrs. Also, secondary/tertiary residues would be generated from larger sawtimber logs originating from forests established before 2008.
Evidence Reviewed	FRF-DP-05
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	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.
Finding	Exceptionally high levels of logger training and BMP compliance provide sufficient objective evidence of Low Risk. The FSC/PEFC Controlled Wood/Due Diligence Procedures (FRF-DP-04) requires the suppliers to make an FSC/PEFC Controlled Wood claim on all wood inputs.
Means of Verification	Each State Forestry Agency/Commission conducts periodic BMP implementation monitoring. BMP compliance has been documented to be 85-95%, or better, for Alabama, Florida, Georgia, North Carolina, South Carolina and Tennessee.
Evidence Reviewed	<p>Forestry practices were evaluated by the Georgia Forestry Commission in 2015 as part of the Statewide Forestry BMP Survey. http://www.gfc.state.ga.us/forest-management/water-quality/bmps/2015-BMP-Survey-Results.pdf . The 2015 survey evaluated 213 sites, with 84 sites in the Lower Coastal Plain and 43 sites in the Upper Coastal Plain. Of the 6,223 individual BMPs evaluated, the statewide percentage of correct implementation was 91.13%. This is a 1.2 percent increase in BMP implementation from the 2013 survey. The number of observed Water Quality Risks decreased from 100 to 63 for an improvement of 37%. The number of Water Quality Risks for this survey is calculated at 0.30 Water Quality Risks per site, significantly lower than the 0.48 risks per site seen in the 2013 BMP Survey.</p> <p>Of the 86.86 miles of streams evaluated, 96.7%, were observed to have no impacts or impairment from forestry practices.</p> <p>The fact is that the forestry community's BMP implementation rate for streamside management zones is 94.2%. Forest owners continue to do an excellent job of protecting these sensitive areas. In addition, with a 91% overall statewide BMP implementation rate, forest operators as a whole are doing a good job of implementing forestry BMPs.</p> <p>The report from the Southern Group of State Foresters (SGSF) in 2012 reported high rates of BMP compliance: http://www.forestry.alabama.gov/PDFs/SGSF_BMP_Report_2012.pdf. Seven BMP categories were considered in the report and covered 11 states in the southern region. Alabama, Arkansas, Georgia, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee and Virginia where among those studied. Overall, the southern region BMP implementation average increased from 87% in 2008 to 92% in 2012.</p>
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA

	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>See requirement 2.2.1 above.</p> <p>Virtually all wood in the supply area is harvested by trained loggers as a result of the SFI Fiber Sourcing Standard requirements implemented by major segments of the forest and paper industry. FRAM Renewable Fuels L.L.C. is a beneficiary of the near universal use of trained loggers across the region.</p> <p>Compliance with BMPs is required in contracts with suppliers through the Supply Agreement/Contract (FRF-SBP-DP-08).</p> <p>Best Management Practices address the protection of soils from erosion, compaction and disturbance. BMP compliance is consistently higher than 90%.</p>
Means of Verification	See requirement 2.2.1 above.
Evidence Reviewed	See requirement 2.2.1 above.
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	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	The FSC/PEFC Chain of Custody Program contains a Controlled Wood/Due Diligence Procedure (FRF-DP-04), Risk Assessment (FRF-DP-05) and Supplier Correspondence Procedure (FRF-SBP-DP-08) addressing conservation of High Conservation Value Forests.
Means of Verification	<p>The US Protected Area Database contains information about protected lands that was published in April 2009: (http://protectedlands.net/padus/). This “GAP” database is used in the procurement process to map and check the location of each tract supplying wood to the facility and make sure it is not protected. Correct tract location is verified for the tracts sampled in the Due Diligence System.</p> <p>The FSC/PEFC Chain of Custody Program contains a Controlled Wood/Due Diligence Procedure (FRF-DP-04) and Supplier Correspondence Procedure and Supply Agreement (FRF-SBP-DP-08) addressing conservation of High Conservation Value Forests to address Critical Biodiversity Areas.</p> <p>FRAM Renewable Fuels L.L.C. promotes the State Wildlife Action Plans that are focused on wildlife species and habitats that have declined and need concerted effort by Federal and State agencies, conservation organizations and the private sector.</p>
Evidence Reviewed	<p>FRF-DP-04, FRF-DP-05, FRF-SBP-DP-08 The Wildlife Action Plans can be found at:</p> <p>Alabama: http://teaming.com/sites/default/files/FRF/Alabama%20Wildlife%20Action%20Plan.pdf</p> <p>Florida: http://myfwc.com/media/2663010/StateWildlifeActionPlan.pdf</p> <p>Georgia: http://www.georgiawildlife.org/conservation/wildlife-action-plan</p> <p>North Carolina: http://www.ncwildlife.org/Conserving/2015WildlifeActionPlan.aspx</p> <p>South Carolina: http://www.dnr.sc.gov/swap/main/2015StateWildlifeActionPlan_Draft-chapteronly.pdf</p> <p>Tennessee: http://www.tn.gov/twra/cwcs/cwcsindex.html</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	

	Indicator
2.2.4	The Biomass Producer has implemented appropriate control systems and procedures to ensure that biodiversity is protected (CPET S5b).
Finding	The FSC/PEFC Chain of Custody Program contains a Controlled Wood/Due Diligence Procedure (FRF-DP-04) and Supplier Correspondence Procedure and Supply Agreement (FRF-SBP-DP-08) addressing conservation of High Conservation Value Forests to address Critical Biodiversity Areas.
Means of Verification	Review of Fram documents.
Evidence Reviewed	FRF-DP-04, FRF-DP-05, FRF-SBP-DP-08
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	As additional mitigation, suppliers are sent maps of HCV areas. Beasley Timber Management, who procures roundwood for Hazlehurst is also made aware of the GAP database.

	Indicator
2.2.5	The Biomass Producer has implemented appropriate control systems and procedures for verifying that the process of residue removal minimises harm to ecosystems.
Finding	FRAM Renewable Fuels L.L.C. is not directly involved in removal of forest residues following logging. All inputs are considered indirect or secondary, as they are supplied by other wood producers and suppliers. FRAM Renewable Fuels L.L.C. works closely with the wood producers and suppliers on open-market wood deliveries to ensure that ecosystems are not harmed and that monitoring of harvesting is conducted by the supplier (Beasley Timber Management). FRAM Renewable Fuels and Beasley Timber Management have a procedure in place to monitor logger compliance to state BMPs.
Means of Verification	FRAM Renewable Fuels L.L.C. encourages the use of the Biomass Harvesting BMP's developed for the State of South Carolina by timber harvesting operators. Even though FRAM Renewable Fuels L.L.C. does not source roundwood material from South Carolina, the Biomass Harvesting BMPs represent "good practice" and are encouraged.
Evidence Reviewed	The South Carolina Biomass Harvesting BMPs can be found at: http://www.trees.sc.gov/mbiomasssupp.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	South Carolina Biomass Harvesting BMPs sent to Beasley Timber Management Procurement Forester

	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).
Finding	State BMP programs described under requirement 2.2.1 adequately address the protection of water quality.
Means of Verification	FRAM Renewable Fuels and Beasley Timber Management have a procedure in place to monitor logger compliance to state BMPs. All of the States included in the FRAM Renewable Fuels L.L.C. Supply Base/Districts of Origin have active and aggressive programs for the protection of water quality. BMP Compliance statistics are available on-line.
Evidence Reviewed	<p>A recent Technical Bulletin 966 (September, 2009) issued by the National Council for Air and Stream Improvement (NCASI) has reported high levels of compliance with water quality laws and BMP requirements across the U.S: (http://www.ncasi.org/Publications/Detail.aspx?id=3204).</p> <p>State BMP Manuals prescribe best practices to avoid water quality impacts. The State BMP Manuals for forestry are contained below:</p> <p>Alabama: http://www.forestry.state.al.us/publications/BMPs/2007_BMP_Manual.pdf</p> <p>Florida: http://www.floridaforestservice.com/publications/silvicultural_bmp_manual.pdf</p> <p>Georgia: http://www.gfc.state.ga.us/resources/publications/BMPManualGA0609.pdf</p> <p>North Carolina: http://ncforestservice.gov/publications/WQ0107/BMP_manual.pdf</p> <p>South Carolina: http://www.state.sc.us/forest/bmpmanual.pdf</p> <p>Tennessee: http://www.tn.gov/agriculture/publications/forestry/BMPs.pdf</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	

	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 from forestry activities would be from prescribed burning. Permits or authorization are required in Alabama, Florida, Georgia, North Carolina, South Carolina and Tennessee.</p> <p>Air quality and smoke management concerns are reported to be factors in limiting the ability to apply prescribed fire, which is critical to maintaining Longleaf Pine ecosystems and managing for dependent wildlife species that are a concern of conservation organizations.</p>
Means of Verification	<p>Prescribed fire is regulated by the following State Forestry Commissions:</p> <p>Alabama: http://www.forestry.state.al.us/BurnPermitLaw.aspx?bv=1&s=1 Florida: http://www.freshfromflorida.com/Divisions-Offices/Florida-Forest-Service/Wildland-Fire/Resources/Fire-Tools-and-Downloads/Web-Based-Open-Burn-Authorization-Request-WebOBA Georgia: http://www.gfc.state.ga.us/online-permits/index.cfm North Carolina: http://ncforestservice.gov/burn_permits/burn_permits_main.htm South Carolina: http://www.state.sc.us/forest/fireburn.htm Tennessee: http://burnsafetn.org/burn_permit.html</p> <p>It should be noted that FRAM Renewable Fuels L.L.C. and affiliated facilities do not control forest management activities and has no involvement in decisions to conduct prescribed burning. State prescribed burning requirements are sufficient to address any air quality related concerns.</p>
Evidence Reviewed	See above
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.2.8	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).
Finding	Chemicals applied commercially are strictly regulated and trained and licensed applicators must be used. FRAM Renewable Fuels L.L.C. has no involvement in the decision to use or not use forest chemicals, and relies on Federal and State laws and regulations.
Means of Verification	<p>See EPA website for regulation of forest chemicals under FIFRA.</p> <p><u>U. S. Environmental Protection Agency home page</u></p> <p><u>U. S. Environmental Protection Agency's Office of Water home page</u> State BMP Manuals address the application of chemicals and prescribe best practices to avoid water quality impacts. The State BMP Manuals for forestry are contained below:</p> <p>Alabama: <u>http://www.forestry.state.al.us/publications/BMPs/2007_BMP_Manual.pdf</u></p> <p>Florida: <u>http://www.floridaforests-service.com/publications/silvicultural_bmp_manual.pdf</u></p> <p>Georgia: <u>http://www.gfc.state.ga.us/resources/publications/BMPManualGA0609.pdf</u></p> <p>North Carolina: <u>http://ncforests-service.gov/publications/WQ0107/BMP_manual.pdf</u></p> <p>South Carolina: <u>http://www.state.sc.us/forest/bmpmanual.pdf</u></p> <p>Tennessee: <u>http://www.tn.gov/agriculture/publications/forestry/BMPs.pdf</u></p>
Evidence Reviewed	<p>FRAM Renewable Fuels L.L.C. contributes to Integrated Pest Management (IPM) through its utilization of low valued and low quality forest and mill residues that would otherwise contribute to fire, insect and disease problems.</p> <p>Pest management programs are administered by the State Forestry Agencies/Commissions.</p> <p>Alabama: <u>http://www.forestry.state.al.us/</u></p> <p>Florida: <u>http://www.freshfromflorida.com/Divisions-Offices/Florida-Forest-Service/Our-Forests/Forest-Health</u></p> <p>Georgia: <u>http://www.gfc.state.ga.us/forest-management/forest-health/</u></p> <p>North Carolina: <u>http://www.ncforests-service.gov/forest_health/forest_health.htm</u></p> <p>South Carolina: <u>http://www.state.sc.us/forest/id.htm</u></p> <p>Tennessee: <u>http://www.tn.gov/agriculture/forestry/foresthealth.shtml</u></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	

	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	FRAM Renewable Fuels L.L.C. requires that its supplier implement BMPs to minimize negative impacts on forest ecosystems. Otherwise, the company has no involvement in forest harvesting methods and relies on State BMP programs.
Means of Verification	State BMPs require the removal of garbage and other wastes. Alabama: http://www.forestry.state.al.us/publications/BMPs/2007_BMP_Manual.pdf Florida: http://www.floridaforestservice.com/publications/silvicultural_bmp_manual.pdf Georgia: http://www.gfc.state.ga.us/resources/publications/BMPManualGA0609.pdf North Carolina: http://ncforestservice.gov/publications/WQ0107/BMP_manual.pdf South Carolina: http://www.state.sc.us/forest/bmpmanual.pdf Tennessee: http://www.tn.gov/agriculture/publications/forestry/BMPs.pdf
Evidence Reviewed	FRF-SBP-DP-08
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	Procurement Forester randomly monitors ongoing harvesting operations for compliance with BMPs.

	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>FRAM Renewable Fuels L.L.C.'s procurement of forest and mill residual material contributes to reducing environmental impacts and enhancing the productivity of forests. Markets for low valued wood products allow for more efficient and cost-effective site preparation and reforestation.</p> <p>The latest forest inventory data for the States of Alabama, Florida, Georgia, North Carolina, South Carolina and Tennessee indicate that softwood and hardwood inventories are remaining stable or slightly increasing. Total forestland in the State of Georgia has remained relatively stable since the 1950's.</p>
Means of Verification	The US Forest Service conducts regular forest inventory surveys of the Southern US states. This information is available online for analysis as well as many prepared reports which detail timber growth and removal down to the county level in each state.
Evidence Reviewed	<p>State Forest Inventory & Analysis (FIA) Updates and Fact Sheets are available on-line:</p> <p>Alabama: http://www.srs.fs.usda.gov/pubs/su/su_srs042.pdf</p> <p>(Total volume of all growing-stock trees rose 154 percent between 1953 and 2010)</p> <p>Florida: http://www.srs.fs.usda.gov/pubs/su/su_srs043.pdf</p> <p>Georgia: http://www.gfc.state.ga.us/forest-management/private-forest-management/forest-inventory/index.cfm</p> <p>North Carolina: http://www.srs.fs.usda.gov/pubs/su/su_srs080.pdf</p> <p>South Carolina: http://www.srs.fs.usda.gov/pubs/su/su_srs041.pdf</p> <p>Tennessee: http://www.tn.gov/agriculture/publications/forestry/TN-FIA-Factsheet_2011.pdf</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	

	Indicator
2.3.2	Adequate training is provided for all personnel, including employees and contractors (CPET S6d).
Finding	<p>FRAM Renewable Fuels L.L.C. conducts in-depth internal training for all responsible and affiliated personnel.</p> <p>FRAM Renewable Fuels L.L.C. requires its wood suppliers to utilize trained loggers.</p>
Means of Verification	<p>Virtually all logging contractors across the region are considered Qualified Logging Professionals due to the SFI Fiber Sourcing Standard requirements.</p> <p>FRAM Renewable Fuels L.L.C. encourages its indirect Wood Producers to encourage their contractors to attend logger training courses.</p>
Evidence Reviewed	<p>Training Sign-in Sheets and records (FRF-SBP-DP-15) are maintained and are available upon request.</p> <p>A formal Training Session Agenda (FRF-SBP-DP-16) guided SBP Training for responsible personnel within FRAM Renewable Fuels L.L.C. A formal Training Documentation letter documents the competency training for FRAM Renewable Fuels L.L.C. personnel (FRF-SBP-DP-17).</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	

	Indicator
2.3.3	Analysis shows that feedstock harvesting and biomass production positively contribute to the local economy, including employment.
Finding	<p>Harvesting for low valued biomass fuel makes a significant contribution to employment by loggers, harvesters and processors, trucking companies 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>Fram Renewable Fuels' pellet mills contribute to the local economy in the towns that they are located in by providing employment and using local businesses.</p>
Means of Verification	The economic contribution of forestry to the States of Alabama, Florida, Georgia, North Carolina, South Carolina and Tennessee economies is substantial. Forestry is either # 1 or #2 in the States in terms of economic impact.
Evidence Reviewed	<p>Alabama: http://www.aces.edu/impact/ag/</p> <p>Florida: http://floridaforest.org/wp-content/uploads/1-2010-Florida-Forest-Economic-Impacts-Factsheet.pdf</p> <p>Georgia: http://www.gfc.state.ga.us/utilization/economic-impacts/EconomicImpactsofForestProductsManufacturinginGA2010.pdf</p> <p>North Carolina: http://research.cnr.ncsu.edu/blogs/wpe/2013/08/01/north-carolinas-forest-products-industry-is-an-economic-engine/</p> <p>South Carolina: http://www.state.sc.us/forest/fproductsfacts.pdf</p> <p>Tennessee: http://web.utk.edu/~mtaylo29/pages/Economic%20Impact%20of%20Tennessee%20Timber%20SaFRF.htm</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	

	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	Strong demand for wood products provides landowners an incentive to keep their lands in forest cover. FRAM Renewable Fuels L.L.C. and affiliated facilities directly and indirectly contribute to the health and vitality of the forest resource and dependent communities.
Means of Verification	The latest forest inventory data for the States of Alabama, Florida, Georgia, North Carolina, South Carolina and Tennessee indicate that softwood and hardwood inventories are increasing over the long term, with some yearly fluctuations.
Evidence Reviewed	<p>RAM Renewable Fuels L.L.C. has reviewed the Alabama, Florida, Georgia, North Carolina, South Carolina and Tennessee Statewide Forest Resource Assessments, inventory updates and supports the State Action Plans addressing forest health.</p> <p>Alabama: http://www.forestry.alabama.gov/AlabamaForestActionPlan.aspx?bv=2&s=3</p> <p>Florida: http://forestactionplans.org/states/florida</p> <p>Georgia: http://www.gatrees.org/about-us/strategic-plan/GAStateAssessment-6-17-10.pdf</p> <p>North Carolina: http://forestactionplans.org/states/north-carolina</p> <p>South Carolina: http://forestactionplans.org/states/south-carolina</p> <p>Tennessee: http://www.tn.gov/agriculture/publications/forestry/TN-FAP_Brochure.pdf</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	

	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	Increased wood utilization directly results in a reduction in fires, pests and diseases.
Means of Verification	FRAM Renewable Fuels L.L.C. works with, and supports through taxes, the Georgia, Forestry Commission to monitor and manage to prevent forest fires, pest and diseases. Fram also supports and works with the Alabama, Florida, North Carolina, South Carolina and Tennessee Forestry Commissions/Service as requested. Fram also supports the state Forestry Associations and Forest Landowner Association which also address these issues.
Evidence Reviewed	Fram Renewable Fuels L.L.C. personnel membership in various forestry organizations.
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.4.3	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).
Finding	FRAM Renewable Fuels L.L.C.'s Sustainable Forestry Policy (FRF-DOC-02) and Sustainable Biomass Policy (FRF-SBP-DP-03) address legality and compliance with applicable laws and regulations.
Means of Verification	Alabama, Florida, Georgia, South Carolina, North Carolina and Tennessee Forestry Commissions/Forest Service have law enforcement divisions that address illegal trespass, timber theft, forest arson and illegal encroachment on private lands. State forestry commissions also monitor BMP compliance. BMP compliance rates for Alabama are 97%, Georgia 91%, Florida 99%, North Carolina 85%, South Carolina 92% and BMP Compliance in Tennessee is from 89-93%.
Evidence Reviewed	FRF-DOC-02, FRF-SBP-DP-03
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	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	FSC/PEFC Chain of Custody and Controlled Wood Certificates provide sufficient objective evidence of conformance to the Indicator.
Means of Verification	<p>There are 3 Federally recognized tribes located within the Fiber Supply Area: the Poarch Band of Creek Indians of Alabama, the Catawba Indian Nation in South Carolina and the Eastern Band of Cherokee Indians in North Carolina.</p> <p>The Cherokee Tribe is in North Carolina, is outside of the Roundwood Supply Base. In addition, the Cherokee have their own independent reservation of 56,000 acres. The tribe is recognized as a sovereign nation that has an active forestry and economic development program. See the Bureau of Indian Affairs website for the Eastern Region:</p> <p>http://www.bia.gov/WhoWeAre/RegionalOffices/Eastern/index.htm</p> <p>Also see the Cherokee Tribe website for information on the economic development activities of the tribe.</p> <p>http://www.cherokeesmokies.com/about_cherokee.html</p> <p>FRAM Renewable Fuels L.L.C. relies on the FSC/PEFC Controlled Wood Risk Assessment that 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>
Evidence Reviewed	FRF-DP-04 (FRAM Renewable Fuels controlled wood document), FRF-DP-05 (FRAM Renewable Fuels FSC/PEFC 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	

	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 fulfillment of basic needs.
Finding	FSC/PEFC Chain of Custody and Controlled Wood Certificates provide sufficient objective evidence of conformance to this Indicator.
Means of Verification	No subsistence level communities are present across the supply base where the use of the wood feedstock is essential to fulfill basic human needs. Therefore, this Indicator is not applicable and is outside the scope of FRAM Renewable Fuels L.L.C.'s SBP Program. As such, it is considered Low Risk.
Evidence Reviewed	FSC/PEFC Chain of Custody and Controlled Wood Certificates
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	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	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.
Means of Verification	<p>FRAM Renewable Fuels L.L.C. has a formal process for receiving and responding to public inquiries, particularly those that potentially relate to practices that may be inconsistent with the FSC/PEFC and SBP Standards (FRF-DP-12).</p> <p>FRAM Renewable Fuels L.L.C. has a formal Complaints Procedure for addressing substantiated public concerns related to Controlled/Controversial Wood (FRF-SBP-DP-11).</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 <u>file a complaint</u> with OSHA by calling 1-800-321-OSHA (6742), online via <u>eComplaint Form</u>, or by printing the complaint form and mailing or faxing it to your local OSHA area office. Complaints that are signed by an employee are more likely to result in an inspection.</p>
Evidence Reviewed	FRF-DP-12, FRF-SBP-DP-11, FRF-SBP-DP-12, OSHA Laws
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.7.1	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.
Finding	FSC/PEFC Chain of Custody and Controlled Wood Certification provides objective evidence of conformance addressing Freedom of Association.
Means of Verification	<p>The FSC Self-Declaration Policy addresses the ILO Principles (FRF-DOC-02). The FSC ILO Policy recognizes the preeminence 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.</p> <p>http://www.dol.gov/dol/aboutdol/history/amworkerconclusion.htm</p> <p>Supply Agreements/Contracts specify compliance with applicable U.S. and state labor laws and regulations (FRF-SBP-DP-08).</p>
Evidence Reviewed	Supply Agreements/Contracts (FRF-SBP-DP-08), FRF-DOC-02
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	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	FSC/PEFC Chain of Custody and Controlled Wood Certification provides objective evidence of conformance addressing the elimination of compulsory labor.
Means of Verification	FRAM Renewable Fuels L.L.C. has conducted a Controlled Wood Risk Assessment (FRF-DP-05) covering this issue and concluded that: "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." See 2.7.1 above.
Evidence Reviewed	FRF-DP-05 (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	

	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	FSC/PEFC Chain of Custody and Controlled Wood Certification provides objective evidence addressing child labor.
Means of Verification	Child Labor laws and regulations are enforced by the U.S. Department of Labor: http://www.dol.gov/dol/topic/youthlabor/
Evidence Reviewed	FRAM Renewable Fuels L.L.C. has completed a Controlled Wood Risk Assessment (FRF-DP-05) that covers this issue: "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." See 2.7.1 above.
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	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	FSC/PEFC Certificates provide objective evidence of elimination of discrimination in employment.
Means of Verification	U.S. anti-discrimination laws and regulations are enforced by the Department of Labor: http://www.eeoc.gov/facts/qanda.html
Evidence Reviewed	FRAM Renewable Fuels L.L.C. has completed an FSC Controlled Wood Risk Assessment that concludes: "Based upon the risk assessment and evaluation of available information, there is a "low risk" that any wood that is sourced into FRAM Renewable Fuels L.L.C.'s facilities is in violation of traditional, civil and indigenous peoples' rights."
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	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	FRAM Renewable Fuels L.L.C. contracts with its wood producers and suppliers to supply wood and fiber for use in wood pellets. Contractors can attest to the fact that pay and employment conditions meet or exceed minimum requirements.
Means of Verification	The Supply Agreement (FRF-SBP-DP-08) specifies contract conditions and compliance with Department of Labor regulations. Refer to the U.S. Fair Labor Law website: http://www.flcdatcenter.com/
Evidence Reviewed	See above
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	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	FRAM Renewable Fuels L.L.C.'s Supply Agreement/Contract (FRF-SBP-DP-08) provisions address worker compensation insurance coverage. Fram pellet mills and affiliated mill (Said Company) also require mill employees to wear PPE and attend regular safety meetings. Fram pellets mills have contractors that also help manage the safety program and deliver the safety programs to employees.
Means of Verification	FSC/PEFC and GGL Certificates provide objective evidence of conformance with health and safety laws and regulations.
Evidence Reviewed	FSC/PEFC and GGL Certificates Refer to the OSHA Logging Safety website: https://www.osha.gov/SLTC/logging/
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	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	FRAM Renewable Fuels L.L.C.'s wood procurement activities do not result in significant impacts on carbon stocks and resources, do not drain wetlands and are considered "normal silviculture" under the Federal Clean Water Act. Strong legal framework prevents swampland/peatland from being drained.
Means of Verification	<p>Strong legal framework prevents swampland/peatland from being drained.</p> <p>Greenpeace has an active campaign to conserve forests and maintain forest lands in forest cover. Normal forestry activities ensure that soil carbon stocks are maintained and conversion to other agricultural land uses is avoided.</p> <p>http://www.greenpeace.org/international/Global/international/briefings/forests/2013/HCS-Briefing-2013.pdf</p>
Evidence Reviewed	Supply Agreement/Contract provisions requiring BMPs ensure that Peat areas and high carbon stocks are not negatively impacted (FRF-SBP-DP-08).
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	

	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	State BMPs monitoring shows very high levels (90%+) of BMP compliance and the avoidance of impacts to water quality and quantity that wetlands containing carbon depend upon.
Means of Verification	<p>State forestry commissions also monitor BMP compliance. BMP compliance rates for Alabama are 97%, Georgia 91%, Florida 99%, North Carolina 85%, South Carolina 92% and BMP Compliance in Tennessee is from 89-93%.</p> <p>Research is available that demonstrates that forest management in the U.S. does not diminish the capability of the forest to serve as carbon sinks. Forests are shown to serve as a carbon sink and offset 15% of carbon emissions from the burning of fossil fuel.</p> <p>http://www.fia.fs.fed.us/forestcarbon/docs/CarbonReport_OnlineDraft-opt.pdf</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:</p> <p>http://www.nrs.fs.fed.us/pubs/jrnl/2010/nrs_2010_nave_001.pdf</p>
Evidence Reviewed	<p>Alabama: http://www.adem.state.al.us/programs/water/forestry.cnt</p> <p>Florida: http://www.floridaforestservice.com/publications/silvicultural_bmp_manual.pdf</p> <p>Georgia: http://www.gfc.state.ga.us/forest-management/water-quality/bmps/2011BMPSurveyResults.pdf</p> <p>North Carolina: http://ncforestservice.gov/publications/WQ0107/BMP_manual.pdf</p> <p>South Carolina: http://www.state.sc.us/forest/bmpmanual.pdf</p> <p>Tennessee: https://www.tn.gov/agriculture/publications/forestry/BMPimpl2013.pdf</p> <p>Carbon stocks are available at: http://www.fia.fs.fed.us/forestcarbon/</p> <p>See U.S. Forest Service website: http://www.fs.usda.gov/ccrc/topics/forest-carbon</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	

	Indicator
2.10.1	Genetically modified trees are not used.
Finding	The FSC/PEFC Controlled Wood Risk Assessment confirms that GMOs are not used (FRF-DP-05).
Means of Verification	FRAM Renewable Fuels L.L.C. 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
Evidence Reviewed	See above
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
Comment or Mitigation Measure	