

SBP

Sustainable Biomass Partnership

Supply Base Report: LJR Forest Products

First Surveillance Audit

www.sustainablebiomasspartnership.org



Completed in accordance with the Supply Base Report Template Version 1.2

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

Document history

Version 1.0: published 26 March 2015

Version 1.1 published 22 February 2016

Version 1.2 published 23 June 2016

© Copyright The Sustainable Biomass Partnership Limited 2016

Contents

1	Overview	1
2	Description of the Supply Base	2
2.1	General description	2
2.2	Actions taken to promote certification amongst feedstock supplier	3
2.3	Final harvest sampling programme	3
2.4	Flow diagram of feedstock inputs showing feedstock type [optional].....	4
2.5	Quantification of the Supply Base	4
3	Requirement for a Supply Base Evaluation	6
4	Supply Base Evaluation	7
4.1	Scope	7
4.2	Justification	7
4.3	Results of Risk Assessment.....	7
4.4	Results of Supplier Verification Programme	8
4.5	Conclusion	8
5	Supply Base Evaluation Process	10
6	Stakeholder Consultation	11
6.1	Response to stakeholder comments	11
7	Overview of Initial Assessment of Risk	13
8	Supplier Verification Programme	14
8.1	Description of the Supplier Verification Programme	14
8.2	Site visits	14
8.3	Conclusions from the Supplier Verification Programme.....	14
9	Mitigation Measures	15
9.1	Mitigation measures	15
9.2	Monitoring and outcomes	15
10	Detailed Objective Evidence of Conformances for Indicators	16
11	Review of Report	17
11.1	Peer review	17
11.2	Public or additional reviews.....	17
12	Approval of Report	18

13	Updates	19
13.1	Significant changes in the Supply Base	19
13.2	Effectiveness of previous mitigation measures	19
13.3	New risk ratings and mitigation measures	19
13.4	Actual figures for feedstock over the previous 12 months	19
13.5	Projected figures for feedstock over the next 12 months	19
	Annex 1: Detailed Findings for Supply Base Evaluation Indicators.....	20

1 Overview

Producer name: LJR Forest Products
Producer location: 1377 Old Nunez Rd. Swainsboro, Georgia 30401
Geographic position: 32°31'45"N 82°20'35"W
Primary contact: Mr. Lige Moore
 Plant Manager
 912-562-3446 (Office)
 478-494-1312 (Cell)
Ljr04@yahoo.com
Company website: none
Date report finalised: 18/Mar/2017
Close of last CB audit: 28/Mar/2017
Name of CB: NSF-ISR
Translations from English: As appropriate
SBP Standard(s) used: Standard 1 version 1.0, Standard 2 version 1.0, Standard 4 version 1.0, Standard 5 Version 1.2
Weblink to Standard(s) used: <http://www.sustainablebiomasspartnership.org/documents>
SBP Endorsed Regional Risk Assessment: Not applicable
Weblink to SBE on Company website: Not applicable

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

2 Description of the Supply Base

2.1 General description

LJR Forest Products' wood pellet production plant is located in Swainsboro, Georgia. The facility sources from a largely rural area where forestry and agriculture (e.g. forests, crops, and cattle) are prevalent and are the primary sources of income for workers and the local communities. The supply base consist of pine forests in the Piedmont, South Atlantic Coastal Plain and Mid-Atlantic Coastal Plain Regions. No hardwoods are sourced. 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 most of Georgia and the adjacent counties in Western South Carolina. LJR Forest Products pellet mill is an important market for low grade and low valued fiber 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.

LJR Forest Products does not own forest land and does not decide what forests to harvests, is not engaged in the harvesting or forest management activities and does not have responsibility for direct wood procurement. All softwood fiber is supplied to the pellet mill by primary sawmills. Thus, LJR Forest Products 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 Georgia and South Carolina 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.

LJR Forest Products' influence is through policies, supply contracts and periodic monitoring of suppliers. The use of sawmill residuals provides 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 residual softwood sawdust suppliers. All fiber 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.

LJR Forest Products has not modified or adjusted the Indicators contained in Standard # 1. LJR Forest Products 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 and PEFC Standards. The verifiers contained in the SBE represent objective evidence of conformance that have been audited by an 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 and SBP Standards.

Existing certifications include FSC and PEFC Chain of Custody and Controlled Wood/Due Diligence System Standards. These certifications help to ensure "Low Risk" of sourcing controversial or uncontrolled fiber. The company's existing Standard Operating Procedures (SOPs) and "Contract Provisions" contribute to the Objective Evidence of Conformance of Low Risk for all Standard # 1 Indicators. Thus, all wood pellet outputs are considered "SBP-compliant Biomass" and "EUTR-compliant Biomass."

LJR Forest Products does not utilize feedstock from any CITES species within the procurement region. A list of commonly sourced pine species is contained in the Tree Species List in the Controlled Wood Risk Assessment.

2.2 Actions taken to promote certification amongst feedstock supplier

All of the LJR Forest Products' softwood fiber inputs are sourced from indirect suppliers. All 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 Wood Purchase Agreement specifying conditions and requirements to ensure compliance with all applicable laws and regulations, implementation of water quality BMPs and the use of trained loggers.

LJR Forest Products is a member of the Georgia Forestry Association and the South-eastern Wood Products Association that promote forest certification and provide technical information to landowners addressing water quality BMPs, reforestation, visual quality protection, efficient utilization, protection of wildlife and biodiversity, control of invasive species and the identification and protection of forests.

2.3 Final harvest sampling programme

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

Suppliers of fiber maintain records and can make them available to LJR Forest Products and the Certification Body, upon request.

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

Not available

2.5 Quantification of the Supply Base

Supply Base

- a. Total Supply Base area (ha): 10,007,260 ha Georgia, 5,250,458 ha South Carolina
- b. Tenure by type (ha): 8,930,272 ha Private Land – Georgia, 1,076,988 ha Public Agencies – Georgia, 4,604,628 ha Private Land – South Carolina, 645,830 ha Public Agencies – South Carolina
- c. Forest by type (ha): 4,488,804 ha Temperate Pine Forests – Georgia, 1,105,434 ha Temperate Oak-Pine – Georgia, 2,516,234 ha Temperate Pine Forests – S Carolina, 593,837 ha Temperate Oak-Pine – S Carolina
- d. Forest by management type (ha): 3,127,355 ha Planted Forest – Georgia, 6,879,904 ha Managed Natural Forest – Georgia, 1,345,347 ha Planted Forest – South Carolina, 3,905,111 ha Managed Natural Forest – S Carolina
- e. Certified forest by scheme (ha): SFI Georgia 957,162 ha
South Carolina 455,989 ha
FSC Georgia 70,376 ha
South Carolina 64,1773 ha
ATFS Georgia 1,208,350 ha
South Carolina 539,282 ha

Feedstock

- f. Total volume of Feedstock: tonnes or m³ – 0-200,000 tonnes
- g. Volume of primary feedstock: tonnes or m³-0 metric tons
- h. List percentage of primary feedstock (g), by the following categories. Subdivide by SBP-approved Forest Management Schemes:
 - Certified to an SBP-approved Forest Management Scheme
 - 0%--No Certified Forest Content is reported
 - Not certified to an SBP-approved Forest Management Scheme
 - 0%--No Certified Forest Content is reported
- i. List all species in primary feedstock, including scientific name
 - Loblolly pine Pinus taeda
 - Longleaf pine Pinus palustris
 - Slash pine Pinus elliottii
 - Sand pine Pinus clausa

- Pond pine Pinus serotina
 - Spruce pine Pinus glabra
- 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%
 - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme. 0%
- 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- 187,200 tonnes of sawmill 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. 0%

3 Requirement for a Supply Base Evaluation

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

Suppliers do not report Certified Forest Content to LJR Forest Products. Only one sawmill supplier is FSC Chain of Custody certified and it does not report Certified Forest Content from any certified forests. While some lands are FSC/SFI/ATFS Certified, no content is reported and cannot, therefore, be tracked.

4 Supply Base Evaluation

4.1 Scope

While the SBE & Risk Assessment includes information and evidence from across the States of Georgia and South Carolina, the fiber supply area is significantly smaller and extends approximately 75 highway miles from all sources of supply from primary sawmills. 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 contained in Standard # 1. LJR Forest Products 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/PEFC 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, research reports, the FSC US National Risk Assessment, wildlife action plans and other publicly available sources of information.

The LJR Forest Products' FSC, PEFC 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 Assessment considered all of the Standard Operating Procedures (SOPs) previously implemented by LJR Forest Products as part of its FSC and PEFC Chain of Custody and Controlled Wood certifications. The SOPs constitute existing Contract Provisions approved and certified by independent Certification Bodies to meet the rigorous requirements of the FSC and PEFC Standards to ensure legality and sustainability.

The Low Risk Objective Evidence of Conformances of the Supply Base Evaluation & Risk Assessment are consistent with the Objective Evidence of Conformances of the FSC/PEFC 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).

The First Draft of the FSC US National Risk Assessment did not identify any High Conservation Value Forests in LJR Forest Products' supply base. Any potential water quality impacts are effectively mitigated by the very high rates of water quality BMP Compliance across the two States within the Supply Base. Note that BMP compliance rates for Georgia are 91.13% and South Carolina 92.1%.

LJR Forest Products has Wood Purchase Agreements (contract provisions) with its suppliers including 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, and 3) comply with all applicable laws and regulations.

4.4 Results of Supplier Verification Programme

By virtue of the Objective Evidence of Conformance of Low Risk to all of the SBP Standard # 1 Indicators, the Low Risk Objective Evidence of Conformance of the applicable FSC/PEFC Controlled Wood and Due Diligence System Risk Assessment and the implementation of policies and contract provisions to avoid any negative environmental impacts, there is a "Low Risk" of noncompliance with the SBP requirements in Standard # 1.

Wood Purchase Agreements and other requirements with the suppliers to ensure implementation of Contract Provisions contained in Section 4.3 above.

It is important to note that LJR Forest Products does own forest land and does not source round wood from the forest. LJR Forest Products does not procure purchase stumpage directly from the forest where the Forest Management Unit (FMU) can be identified. All sources of supply are considered indirect through secondary sources from softwood sawmills. LJR Forest Products 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 LJR Forest Products. The Supply Base Evaluation drew on the experience of the company's conformance to FSC/PEFC Chain of Custody and Controlled Wood/Due Diligence Certification Standards.

The States of Georgia and South Carolina document high levels of BMP compliance and have strong legal and regulatory systems in place to ensure legality. LJR Forest Products requires its suppliers to use trained loggers, requires compliance with laws and regulations, as well as State Best Management Practices. Feedback from the Stakeholder Consultation process was positive and reinforced the Objective Evidence of Conformance that there is a need for markets of low valued softwood sawmill residual material. No hardwood residuals are sourced.

All inputs are currently secondary sources and LJR Forest Products 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 fiber inputs are supplied within the scope of the FSC/PEFC Controlled Wood/Due Diligence Systems approved by SBP. Thus, all residual 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 Contract Provisions already in place addressing the potential of sourcing fiber unacceptable sources.

The Georgia Forestry Commission is the only stakeholder to provide feedback, and it was very positive about the benefits to the forest and landowners of having a market demand for low valued softwood residuals. Comments from the Georgia Forestry Commission include:

Georgia's forests are being sustainably managed to meet the numerous needs of our state today – averaging over 40% annual growth over removals. 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 \$28.7 billion in total economic activity and provides jobs for 129,329 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 standing forest inventory, over 5.7 million dry tons of wood and bark by-products are produced annually at Georgia's primary forestry mills. Furthermore, over 4.7 million dry tons of logging residues are produced annually in the state.

By virtue of the Low Risk rating and Contract Provisions already being applied, all wood pellet outputs from LJR Forest Products' pellet mill are considered "SBP-compliant Biomass."

5 Supply Base Evaluation Process

LJR Forest Products 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/>

LJR Forest Products is independently certified to the FSC/PEFC Chain of Custody and Controlled Wood Standards. LJR Forest Products sources all indirect and secondary inputs from suppliers that are within scope of the FSC/PEFC Chain of Custody and Controlled Wood/Due Diligence Standards.

6 Stakeholder Consultation

A Stakeholder Consultation Procedure (LJR-SBP-DP-04) was developed that included correspondence to interested and affected stakeholders across the two 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, forest products 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 LJR Forest Products

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., LJR Forest Products is uncertain what level of awareness exists within the stakeholder community.

6.1 Response to stakeholder comments

Comment 1: Dear Lige Moore,

On behalf of State Forester Robert Farris, I would like to thank you for your January 21, 2016, inquiry regarding your pellet mill's certification to the Sustainable Biomass Partnership Standards.

While I do not have any direct knowledge of your mill's "impact on sustainable forestry", 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 – averaging over 40% annual growth over removals. 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 \$28.7 billion in total economic activity and provides jobs for 129,329 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 standing forest inventory, over 5.7 million dry tons of wood and bark by-products are produced annually at Georgia's primary forestry mills. Furthermore, over 4.7 million dry tons of logging 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

Response 1: Dear Mr. Willard,

Thank you for the fast reply and all the information. These numbers will help me show how much the pellet industry is helping use the by-products from other operations.

Having people that take the time and reply to request like this truly help make these certifications possible.

Again thank you for the great information and have a great day

Sincerely,

Lige Moore

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 Contract Provisions already in place and functioning effectively justify the Low Risk rating.

Wood Purchase Agreements including contract provisions have been incorporated as part of implementing the FSC and PEFC Chain of Custody and Controlled Wood Standards.

8.2 Site visits

LJR Forest Products is in regular contact with its suppliers and conducts periodic 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." Records of mill visits and observations are kept in the office and to view on request.

8.3 Conclusions from the Supplier Verification Programme

All current evidence leads to a conclusion that there is a Low Risk of sourcing from unacceptable sources as defined by the SBP, FSC and PEFC.

The Contract Provisions include Policies to avoid potential negative impacts to the environment that may be associated with forestry activities, including harvesting and roads. Such policies have been inserted into LJR Forest Products' 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 Wood Purchase Agreements as extra measures of precaution. Supplier compliance is assessed via monitoring of LJR Forest Products' suppliers, state agency on-site inspections, stakeholder feedback, and state agency inspections or reports where relevant and available.

The Contract Provisions adopted by LJR Forest Products are contained in the Wood Purchase Agreements (LJR-SBP-DP-08).

To date, no stakeholders have documented any scientifically supported concerns regarding unacceptable sources of softwood. 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 LJR Policies and Contract Provisions are sufficient to justify a Objective Evidence of Conformance of Low Risk.

9 Mitigation Measures

9.1 Mitigation measures

LJR Forest Products' Standard Operating Procedures (SOPs) addressing sustainability and legality are already in place and have been functioning under the FSC and PEFC Chain of Custody and Controlled Wood programs.

Similar provisions are also included in the Wood Purchase Agreements as extra measures of precaution. Supplier compliance is assessed via monitoring of LJR Forest Products' suppliers, state agency inspections, stakeholder feedback, and state agency inspections or reports where relevant and available.

The Contract Provisions adopted by LJR Forest Products are contained in the Wood Purchase Agreements contained in LJR-SBP-DP-08.

9.2 Monitoring and outcomes

LJR Forest Products intends to monitor its softwood residual sawmill suppliers to confirm compliance with contract provisions and policies as part of the annual internal audit and management review. The FSC/PEFC Controlled Wood Standards require periodic monitoring the supply base and suppliers.

10 Detailed Objective Evidence of Conformances for Indicators

Detailed Objective Evidence of Conformances for each Indicator are given in Annex 1.

Detailed Objective Evidence of Conformances for each Indicator demonstrating low risk are contained in the full Supply Base Evaluation and Risk Assessment and are summarized in this Supply Base Report

11 Review of Report

11.1 Peer review

The SBP, FSC and PEFC Standards Program at LJR Forest Products has involved the development of detailed written 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). 26 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 Technical Committee review.

Independent auditors conduct annual surveillance audits of the LJR Forest Products SBP, FSC and PEFC certification programs. SBP procedures call for a Technical Review Panel to review the audit Objective Evidence of Conformances.

LJR Forest Products believes that sufficient independent reviews of its Programs and Procedures has already taken place and that an additional Peer Review is not warranted or required.

11.2 Public or additional reviews

No additional reviews have been completed.

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	<i>R. Scott Berg</i>	<i>President, R.S. Berg & Associates, Inc.</i>	<i>4/10/17</i>
	Name	Title	Date
The undersigned persons confirm that I/we are members of the organization'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>Jeremy Faircloth</i>	<i>Vice President LJR Forest Products</i>	<i>4/10/17</i>
	Name	Title	Date
Report approved by:	<i>Lige Moore</i>	<i>Plant Manager LJR Forest Products</i>	<i>4/10/17</i>
	Name	Title	Date
Report approved by:	<i>[name]</i>	<i>[title]</i>	<i>[date]</i>
	Name	Title	Date

13 Updates

13.1 Significant changes in the Supply Base

Supply Basin area has not been modified since the certification or sense the audit. No additional significant changes where identified in the supply base.

13.2 Effectiveness of previous mitigation measures

Not applicable; all indicators of the risk assessment were determined to be low risk so no mitigation measures are required

13.3 New risk ratings and mitigation measures

No new risk ratings. Because of no significant changes in the supply base.

13.4 Actual figures for feedstock over the previous 12 months

0-200,000 tonnes

13.5 Projected figures for feedstock over the next 12 months

0-200,000 tones

Annex 1: Detailed Findings for Supply Base Evaluation Indicators

	Indicator
1.1.1	The Biomass Producer’s Supply Base is defined and mapped.
Objective Evidence of Conformance	<p>All residual wood fiber sourced by LJR Forest Products originates from the mixed hardwood and conifer forests of the Mid-Atlantic Coastal Plain, Piedmont, and South Atlantic Coastal Plain Eco-regions of the States of Georgia and South Carolina.</p> <p>Hardcopy maps of the Supply Base are maintained and available in Appendix 2. The Supply Base has been confirmed with LJR Forest Products’ mill residual suppliers.</p> <p>The Supply Base is also defined as part of demonstrating conformance to the following Forest Sustainability Standards:</p> <ul style="list-style-type: none"> -FSC Chain of Custody (FSC-STD-40-004) -FSC Controlled Wood (FSC-STD-40-005) -PEFC Chain of Custody/Due Diligence System (2002:2013)
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA

	Indicator
1.1.2	Feedstock can be traced back to the defined Supply Base.
Objective Evidence of Conformance	<p>LJR Forest Products’ pellet manufacturing facility maintains formal Supply Agreement/Contracts with its suppliers (LJR-SBP-DP-08) that requires clear title and legal ownership of all wood fiber inputs.</p> <p>LJR Forest Products 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 mill using Delivery Tickets or an equivalent paper trail. These documents and records provide objective evidence of the suppliers’ supply base.</p> <p>FSC/PEFC Chain of Custody and Controlled Wood requirements address the need to define the “Districts of Origin/Material Categories” and conduct periodic monitoring of the supply base. LJR Forest Products’ pellet facility is FSC/PEFC Chain of Custody and Controlled Wood/DDS certified.</p>

	<p>Refer to the LJR Forest Products' FSC/PEFC Chain of Custody Procedure for the procedures to identify suppliers of all wood and fiber material (LJR-DP-01).</p> <p>Refer to LJR Forest Products' FSC/PEFC Controlled Wood/Due Diligence System Risk Assessment for the identification of the supply base (LJR-DP-03).</p> <p>Refer to the Approved Supplier List (LJR-DP-04) for records of supplier names, FSC/PEFC certificate numbers, and the supplied "material categories."</p>
Risk Rating	<p><input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA</p>

	Indicator
1.1.3	The feedstock input profile is described and categorised by the mix of inputs.
Objective Evidence of Conformance	<p>All feedstocks are defined as 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 (LJR-DP-01).</p> <p>Material categories are also identified for purposes of Chain of Custody tracking in the Product Group Lists (LJR-SBP-DP-06). Species of trees that are sourced are documented in the Tree Species List (LJR-SBP-DP-14).</p> <p>All inputs are supplied with as FSC/PEFC "controlled material" indicating that they are Low Risk of originating from uncontrolled or controversial sources.</p>
Risk Rating	<p><input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA</p>

	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.
Objective Evidence of Conformance	<p>LJR Forest Products requires contracts, Delivery Tickets and other documentation verifying legal ownership of incoming wood material from its mill residual suppliers. Refer to the Wood Purchase Agreement (LJR-SBP-DP-08)</p> <p>LJR Forest Products implements an FSC/PEFC Controlled Wood/Due Diligence Procedure for all of its Supply Areas/Districts of Origin (LJR-DP-03) and all inputs are considered FSC "controlled material," PEFC non-controversial and SBP Controlled Feedstock .</p>

	The World Bank has awarded the U.S. a Global Governance Index rating of 88.5% 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/index.aspx#countryReports
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA

	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.
Objective Evidence of Conformance	<p>LJR Forest Products has conducted a comprehensive risk assessment for its wood supply areas/districts of origin and has concluded Low Risk for “Illegally Harvested Wood.”</p> <p>Copies of the FSC/PEFC Controlled Wood/Due Diligence Procedures (LJR-DP-03) are available for review. A Public Summary of the Risk Assessment has been made available to FSC and is posted on its Global Risk Registry website.</p> <p>Additional Objective Evidence of Conformances 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. <p>A comprehensive list of U.S. Federal Laws and Regulations can be found at one or more of the following websites:</p> <p style="text-align: center;"> 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>

	<p>The States of Georgia and South Carolina also have extensive laws and regulations to protect water quality and provide natural areas for the protection of native Biodiversity.</p> <p>Those State laws and regulations are accessible through the state agency websites that can be found at the National Association of State Foresters website at: (State Forestry & Conservation Laws).</p>
Risk Rating	<p><input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA</p>

	Indicator
1.4.1	<p>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.</p>
Objective Evidence of Conformance	<p>Delivery Tickets and payment records demonstrate payment of fees for wood. All wood is sourced from residual markets which insure timber severences taxes are paid. Severance tax laws exist in in Georgia, 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. These documents are confidential and proprietary.</p> <p>LJR Forest Products requires a formal Wood Purchase Agreement/Contract (LJR-SBP-DP-08) containing all legal and contractual requirements, as well as Due Diligence System (DDS) record collection and maintenance.</p>
Risk Rating	<p><input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA</p>

	Indicator
1.5.1	<p>The Biomass Producer has implemented appropriate control systems and procedures to verify that feedstock is supplied in compliance with the requirements of CITES.</p>
Objective Evidence of Conformance	<p>LJR Forest Products' has a Controlled Wood/Due Diligence Procedure (LJR-DP-02) and an FSC/PEFC Controlled Wood Risk Assessment that addresses the requirements of CITES (LJR-DP-03).</p> <p>The species of trees that are common to the supply base are included in the Tree Species List (LJR-SBP-DP-14). Only mill residuals are used as inputs and LJR Forest Products is not involved in land management and harvesting decisions and operations.</p> <p>No wood is imported from outside the States of Georgia and South Carolina. 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	<p><input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA</p>

	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.
Objective Evidence of Conformance	<p>LJR Forest Products has adopted a formal Sustainable Forestry Policy addressing traditional and civil rights (LJR-DOC-02) as well as a Sustainable Biomass Policy (LJR-SBP-DP-03).</p> <p>LJR Forest Products has conducted an FSC/PEFC Controlled Wood/Due Diligence Risk Assessment that addresses the issue of violations of traditional and civil rights issues (LJR-DP-03). The Objective Evidence of Conformances from the Risk Assessment and the AHEC Legality Study include:</p> <p>“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>
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA

	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.
Objective Evidence of Conformance	<p>High Conservation Value Forests are addressed in the FSC/PEFC Controlled Wood/Due Diligence Risk Assessment (LJR-DP-03). The Risk Assessment concluded that there is a Low Risk of sourcing from High Conservation Value areas.</p> <p>Native longleaf pine savannas are identified as Priority Forest Types (PFT), particularly for Central Alabama, Florida Panhandle and Cape Fear Arch critical biodiversity areas. With respect to longleaf pine savannas that may fall within LJR Forest Products' supply base, the State of Georgia and South Carolina have active programs to identify, protect, and restore longleaf pine ecosystems, in conjunction with private conservation organizations such as the Nature Conservancy and the Conservation Fund. 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 recovery efforts are available on the website listed below.</p> <p>The Draft FSC US National Risk Assessment has not identified any High Conservation Values within the wood fiber supply area. The Draft is expected to be finalized towards the end of 2016.</p>

	<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>LJR Forest Products uses Guidance on HCVs provided by the High Conservation Value Network. Natural Heritage databases from Georgia and South Carolina are utilized to confirm that there are no HCV occurrences.</p> <p>http://www.longleafalliance.org/overview/status-of-the-lla http://www.hcvnetwork.org/</p> <p>http://www.worldwildlife.org/science/ecoregions.cfm https://www.biodiv.org/reports/list.aspx?type=for</p>
Risk Rating	<p><input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA</p>

	Indicator
2.1.2	<p>The Biomass Producer has implemented appropriate control systems and procedures to identify and address potential threats to forests and other areas with high conservation values from forest management activities.</p>
Objective Evidence of Conformance	<p>High Conservation Value Forests are addressed in the FSC/PEFC Controlled Wood/Due Diligence Risk Assessment (LJR-DP-03). The CB approved Risk Assessment concludes "Low Risk."</p> <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 Georgia in 2015 are 91.13% and South Carolina for 2011-2012 are 92.1%.</p> <p>LJR Forest Products source only pine residuals (no hardwood) thus, 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> <p>To date, no stakeholders have documented any substantiated concerns regarding the Critical Biodiversity Areas identified in the FSC US NRA.</p> <p>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 Policies and contract provisions are sufficient to demonstrate Low Risk.</p>
Risk Rating	<p><input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA</p>

	Indicator
2.1.3	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.
Objective Evidence of Conformance	<p>LJR Forest Products has concluded in its FSC/PEFC Controlled Wood/Due Diligence System Risk Assessment that:</p> <p>“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”</p> <p>LJR Forest Products uses the definition of "plantations" as contained in the FSC U.S. Forest Management Standard for purposes of its FSC/PEFC and other certification programs.</p> <p>Intensively managed plantations involving exotic species, clones and heavy use of forest chemicals are not being harvested and sourced by any suppliers in the U.S. States of Georgia and South Carolina.</p> <p>Planted forests in the conventional sense are not FSC/PEFC or SBP Plantations, and the Georgia Forest Inventory and Analysis Fact Sheet referenced to planted forests are not applicable. http://www.srs.fs.fed.us/pubs/su/su_srs053.pdf</p>
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA

	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.
Objective Evidence of Conformance	<p>Each State Forestry Agency/Commission conducts periodic BMP implementation monitoring. BMP compliance has been documented to be 82-98% for Georgia and South Carolina.</p> <p>Forestry practices were evaluated by the Georgia Forestry Commission in 2015 as part of the Statewide Forestry BMP Survey. Covering 213 randomly selected sites statewide. These 213 sites involve 34,932 acres with 204 miles of forest roads and 113 stream crossings. By ownership, 131 of the sites occurred on non-industrial private forest land (NIPF), 58 sites were on forest industry / corporate land and 24 sites were on public land. The survey also included an additional 152 state firebreak inspection sites. Overall statewide BMP implementation for GFC’s 2015 BMP Survey is 91.13 percent. BMP Implementation is simply the percentage of fully implemented BMPs compared to the total number of necessary or applicable BMPs at the tract, practice, and overall levels. This represents an approximate 1.20 percentage point improvement from GFC’s 2013 BMP Survey result of 89.93 percent. BMP implementation results were also calculated for each applicable category of practice for each tract. Categories of practice include Streamside Management Zones (SMZs), Stream Crossings, Forest Roads, Special Management</p>

	<p>Areas, Harvesting (outside SMZs), Mechanical Site Prep, Chemical Site Prep, Firebreaks/Burning, Tree Planting, and Equipment Servicing, as well as an overall category.</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> <p>Exceptionally high levels of logger training and BMP compliance across the supply base provide sufficient objective evidence of Low Risk. The FSC/PEFC Controlled Wood/Due Diligence Procedures (LJR-DP-03) specifies that the certified suppliers are requested to make an FSC/PEFC Controlled Wood claim on all wood fiber inputs.</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	<p>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).</p>
Objective Evidence of Conformance	<p>See requirement 2.2.1 above.</p> <p>Virtually all wood fiber in the supply area is harvested by trained loggers as a result of the SFI Fiber Sourcing Standard and American Forest Foundation Standards of Sustainability requirements implemented by major segments of the forest and paper industry in Georgia and South Carolina. LJR Forest Products 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 Wood Purchase Agreement/Contract (LJR-SBP-DP-08).</p> <p>Best Management Practices address the protection of soils from erosion, compaction and disturbance. BMP compliance is consistently higher than 90-95%.</p>
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA

	Indicator
2.2.3	<p>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).</p>

Objective Evidence of Conformance	<p>The FSC/PEFC Chain of Custody Program contains a Controlled Wood/Due Diligence Procedure (LJR-DP-02), Risk Assessment (LJR-DP-03) and Supplier Correspondence Procedure (LJR-SBP-DP-08) addressing conservation of High Conservation Value Forests.</p> <p>The US Protected Area Database contains information about protected lands that was published in April 2009: (http://protectedlands.net/padus/).</p>
Risk Rating	<p><input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA</p>

	Indicator
2.2.4	<p>The Biomass Producer has implemented appropriate control systems and procedures to ensure that biodiversity is protected (CPET S5b).</p>
Objective Evidence of Conformance	<p>The FSC/PEFC Chain of Custody Program contains a Controlled Wood/Due Diligence Procedure (LJR-DP-02) and Supplier Correspondence Procedure and Wood Purchase Agreement (LJR-SBP-DP-08) addressing conservation of High Conservation Value Forests to address Critical Biodiversity Areas.</p> <p>LJR Forest Products 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> <p>The Wildlife Action Plans can be found at:</p> <p>Georgia: http://www.georgiawildlife.org/conservation/wildlife-action-plan South Carolina: http://www.dnr.sc.gov/swap/main/2015StateWildlifeActionPlan_Draft-chapteronly.pdf</p>
Risk Rating	<p><input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA</p>

	Indicator
2.2.5	<p>The Biomass Producer has implemented appropriate control systems and procedures for verifying that the process of residue removal minimises harm to ecosystems.</p>
Objective Evidence of Conformance	<p>LJR Forest Products is not directly involved in removal of forest residues following logging. All inputs are considered indirect or secondary, as they are supplied by primary sawmills.</p> <p>Virtually all wood fiber in the supply area is harvested by trained loggers as a result of the SFI Fiber Sourcing Standard and American Forest Foundation Standards of Sustainability requirements implemented by major segments of the forest and paper industry in Georgia</p>

	<p>and South Carolina. LJR Forest Products 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 Wood Purchase Agreement/Contract (LJR-SBP-DP-08).</p> <p>Best Management Practices address the protection of soils from erosion, compaction and disturbance. BMP compliance is consistently higher than 90-95%.</p>
Risk Rating	<p><input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA</p>

	Indicator
2.2.6	<p>The Biomass Producer has implemented appropriate control systems and procedures to verify that negative impacts on ground water, surface water and water downstream from forest management are minimised (CPET S5b).</p>
Objective Evidence of Conformance	<p>State BMP programs described under requirement 2.2.1 adequately address the protection of water quality.</p> <p>All of the States included in the LJR Forest Products Supply Base/Districts of Origin have active and aggressive programs for the protection of water quality. BMP Compliance statistics are available on-line.</p> <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>Georgia:http://www.gfc.state.ga.us/resources/publications/BMPManualGA0609.pdf South Carolina: http://www.state.sc.us/forest/bmpmanual.pdf</p>
Risk Rating	<p><input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA</p>

	Indicator
2.2.7	<p>The Biomass Producer has implemented appropriate control systems and procedures for verifying that air quality is not adversely affected by forest management activities.</p>
Objective Evidence of Conformance	<p>The only potential adverse impact to air quality from forestry activities would be from prescribed burning. Permits or authorization are required in Georgia and South Carolina.</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> <p>Prescribed fire is regulated, for example, by the following State Forestry Commissions:</p> <p>Georgia: http://www.gfc.state.ga.us/online-permits/index.cfm South Carolina: http://www.state.sc.us/forest/fireburn.htm</p> <p>It should be noted that LJR Forest Products does 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>
Risk Rating	<p><input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA</p>

	Indicator
2.2.8	<p>The Biomass Producer has implemented appropriate control systems and procedures for verifying that there is controlled and appropriate use of chemicals, and that Integrated Pest Management (IPM) is implemented wherever possible in forest management activities (CPET S5c).</p>
Objective Evidence of Conformance	<p>Chemicals applied commercially are strictly regulated and trained and licensed applicators must be used. LJR Forest Products has no involvement in the decision to use or not use forest chemicals, and relies on Federal and State laws and regulations and the enforcement authority of State and Federal regulators.</p> <p>See EPA website for regulation of forest chemicals under FIFRA.</p> <p>U. S. Environmental Protection Agency home page</p> <p>U. S. Environmental Protection Agency’s Office of Water home page</p> <p>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: Georgia: http://www.gfc.state.ga.us/resources/publications/BMPManualGA0609.pdf South Carolina: http://www.state.sc.us/forest/bmpmanual.pdf</p> <p>LJR Forest Products contributes to Integrated Pest Management (IPM) through its utilization of low valued and low quality mill residues that may otherwise contribute to fire, insect and disease problems. Utilization of low valued wood fiber also contributes to more effective site preparation and reforestation of young and healthy trees.</p> <p>Pest management programs are administered by the State Forestry Agencies/Commissions.</p>

	Georgia: http://www.gfc.state.ga.us/forest-management/forest-health/ South Carolina: http://www.state.sc.us/forest/id.htm
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA

	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).
Objective Evidence of Conformance	LJR Forest Products 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.
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA

	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.
Objective Evidence of Conformance	<p>LJR Forest Products' procurement of residual material contributes to reducing environmental impacts and enhancing the productivity of forests. Markets for low valued wood fiber products allow for more efficient and cost-effective site preparation and reforestation.</p> <p>The latest forest inventory data for the States of Georgia and South Carolina indicate that softwood inventories are remaining stable or slightly increasing. Total forestland in the State of Georgia has remained relatively stable since the 1950's.</p> <p>State Forest Inventory & Analysis (FIA) Updates and Fact Sheets are available on-line: Georgia: http://www.gfc.state.ga.us/forest-management/private-forest-management/forest-inventory/index.cfm South Carolina: http://www.srs.fs.usda.gov/pubs/su/su_srs041.pdf</p> <p>Market history and recent studies show that forest owners can increase forest bioenergy fuel from well-managed forests by as much as 150% on planted forests and 75% on naturally growing forests as the market demand for forest bioenergy fuel increases. http://www.nafoalliance.org/images/issues/carbon/resources/A-Developing-Bioenergy-Market-and-Its-Implications-on-Forests-and-Forest-Products-Markets-in-the-US-4-2010-Clutter-et-al.pdf</p>

	<p>USDA reports that the standing inventory or volume of growing trees in U.S. forests has grown by 50% between 1953 and 2011. http://www.fs.fed.us/research/publications/gtr/gtr_wo87.pdf</p> <p>Written Feedback from the Georgia Forestry Commission confirms that wood fiber supplies are adequate and sustainable. See formal statement from the Forestry Commission in LJR-SBP-DP-05, Summary of Stakeholder Input: Georgia’s forests are being sustainably managed to meet the numerous needs of our state today – averaging over 40% annual growth over removals. 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. Feedstock’s for wood pellet mills are plentiful in Georgia. In addition to the state’s standing forest inventory, over 5.7 million dry tons of wood and bark by-products are produced annually at Georgia’s primary forestry mills. Furthermore, over 4.7 million dry tons of logging residues are produced annually in the state.</p>
Risk Rating	<p><input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA</p>

	Indicator
2.3.2	<p>Adequate training is provided for all personnel, including employees and contractors (CPET S6d).</p>
Objective Evidence of Conformance	<p>LJR Forest Products conducts in-depth internal training for all responsible personnel.</p> <p>LJR Forest Products requires its wood suppliers to utilize trained loggers. Virtually all logging contractors across the region are considered Qualified Logging Professionals due to the SFI Fiber Sourcing Standard requirements.</p> <p>Training Sign-in Sheets and records (LJR-SBP-DP-15) are maintained and are available upon request.</p> <p>A formal Training Session Agenda (LJR-SBP-DP-16) guided SBP Training for responsible personnel within LJR Forest Products. A formal Training Documentation letter documents the competency training for LJR Forest Products personnel (LJR-SBP-DP-17) that was conducted by R.S. Berg & Associates, Inc...</p>
Risk Rating	<p><input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA</p>

	Indicator
2.3.3	Analysis shows that feedstock harvesting and biomass production positively contribute to the local economy, including employment.
Objective Evidence of Conformance	<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>The economic contribution of forestry to the States of Georgia and South Carolina economies is substantial. Forestry is either # 1 or #2 in the States in terms of economic impact.</p> <p>Georgia: http://www.gfc.state.ga.us/utilization/economic-impacts/EconomicImpactsofForestProductsManufacturinginGA2010.pdf South Carolina: http://www.state.sc.us/forest/fproductsfacts.pdf</p> <p>Written Feedback from the Georgia Forestry Commission confirms that wood fiber supplies are adequate and sustainable. See formal statement from the Forestry Commission in LJR-SBP-DP-05, Summary of Stakeholder Input: Georgia’s forest industry provides \$28.7 billion in total economic activity and provides jobs for 129,329 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”.</p>
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA

	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).
Objective Evidence of Conformance	<p>Strong demand for wood fiber products provides landowners an incentive to keep their lands in forest cover. LJR Forest Products directly and indirectly contributes to the health and vitality of the forest resource and dependent communities.</p> <p>The latest forest inventory data for the States of Georgia and South Carolina indicate that softwood inventories are increasing over the long term, with some yearly fluctuations.</p> <p>LJR Forest Products has reviewed the Georgia and South Carolina Statewide Forest Resource Assessments, inventory updates and supports the State Action Plans addressing forest health.</p> <p>The forest resource assessments conducted under the 2010 Farm Bill are some of the most comprehensive and geographic specific assessments conducted in the world.</p>

	<p>Georgia: http://www.gatrees.org/about-us/strategic-plan/GAStatewideAssessmentofForestResources.pdf</p> <p>South Carolina: http://forestactionplans.org/states/south-carolina</p>
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA

	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).
Objective Evidence of Conformance	<p>Increased wood fiber utilization directly results in a reduction in fires, pests and diseases.</p> <p>LJR Forest Products works with, and supports through taxes, the Georgia and South Carolina Forestry Commissions/Forest Service to monitor and manage to prevent forest fires, pest and diseases.</p> <p>The Georgia and South Carolina Forest Resource Assessments document that forest health is not significantly threatened by forest pests.</p> <p>Georgia: http://www.gatrees.org/about-us/strategic-plan/GAStatewideAssessmentofForestResources.pdf</p> <p>South Carolina: http://forestactionplans.org/states/south-carolina</p>
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA

	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).
Objective Evidence of Conformance	<p>LJR Forest Products' Sustainable Forestry Policy (LJR-DOC-02) and Sustainable Biomass Policy (LJR-SBP-DP-03) address legality and compliance with applicable laws and regulations.</p> <p>Georgia and South Carolina Forestry Commissions have law enforcement divisions that address illegal trespass, timber theft, forest arson and illegal encroachment on private lands. Local law enforcement is active and takes immediate action against illegal forest activities.</p>

	State forestry commissions also monitor BMP compliance. BMP compliance rates for Georgia are 91.13% and South Carolina 92.1%.		
Risk Rating	<input checked="" type="checkbox"/> Low Risk	<input type="checkbox"/> Specified Risk	<input type="checkbox"/> Unspecified Risk at RA

	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).		
Objective Evidence of Conformance	<p>FSC/PEFC Chain of Custody and Controlled Wood Certificates provide sufficient objective evidence of conformance to the Indicator. There are no identified indigenous peoples with legal use rights within the wood fiber supply areas.</p> <p>There are no Federally recognized indigenous peoples tribes located within the Fiber Supply Area. See the Bureau of Indian Affairs website for the Eastern Region: http://www.bia.gov/WhoWeAre/RegionalOffices/Eastern/index.htm</p> <p>LJR Forest Products 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>		
Risk Rating	<input checked="" type="checkbox"/> Low Risk	<input type="checkbox"/> Specified Risk	<input type="checkbox"/> Unspecified Risk at RA

	Indicator		
2.5.2	The Biomass Producer has implemented appropriate control systems and procedures for verifying that production of feedstock does not endanger food, water supply or subsistence means of communities, where the use of this specific feedstock or water is essential for the fulfilment of basic needs.		
Objective Evidence of Conformance	<p>FSC/PEFC Chain of Custody and Controlled Wood Certificates provide sufficient objective evidence of conformance to this Indicator.</p> <p>No subsistence level communities are present across the supply base where the use of the wood fiber feedstock is essential to fulfill basic human needs. Therefore, this Indicator is not applicable and is outside the scope of LJR Forest Products’ SBP Program. As such, it is considered Low Risk.</p>		
Risk Rating	<input checked="" type="checkbox"/> Low Risk	<input type="checkbox"/> Specified Risk	<input type="checkbox"/> Unspecified Risk at RA

	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.
Objective Evidence of Conformance	<p>FSC/PEFC Chain of Custody and Controlled Wood Certificates provide objective evidence of conformance related to having systems in place to resolve grievances and disputes.</p> <p>LJR Forest Products 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 (LJR-DP-10).</p> <p>LJR Forest Products has a formal Complaints Procedure for addressing substantiated public concerns related to Controlled/Controversial Wood (LJR-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 file a complaint with OSHA by calling 1-800-321-OSHA (6742), online via eCompliant Form, 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>
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA

	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.
Objective Evidence of Conformance	<p>FSC/PEFC Chain of Custody and Controlled Wood Certification provides objective evidence of conformance addressing Freedom of Association.</p> <p>The FSC Self-Declaration Policy addresses the ILO Principles (LJR-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>Wood Purchase Agreements/Contracts specify compliance with applicable U.S. and state labor laws and regulations (LJR-SBP-DP-08).</p>

Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA
-------------	---

	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.
Objective Evidence of Conformance	<p>FSC/PEFC Chain of Custody and Controlled Wood Certification provides objective evidence of conformance addressing the elimination of compulsory labor.</p> <p>LJR Forest Products has conducted a Controlled Wood Risk Assessment (LJR-DP-03) covering this issue and concluded that:</p> <p>“There is no evidence of child labor or violation of ILO Fundamental Principles and Rights at work taking place in forest areas in the district concerned.”</p> <p>See 2.7.1 above.</p>
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA

	Indicator
2.7.3	The Biomass Producer has implemented appropriate control systems and procedures to verify that feedstock is not supplied using child labour.
Objective Evidence of Conformance	<p>FSC/PEFC Chain of Custody and Controlled Wood Certification provides objective evidence addressing child labor.</p> <p>Child Labor laws and regulations are enforced by the U.S. Department of Labor:</p> <p>http://www.dol.gov/dol/topic/youthlabor/</p> <p>LJR Forest Products has completed a Controlled Wood Risk Assessment (LJR-DP-03) that covers this issue:</p> <p>“There is no evidence of child labor or violation of ILO Fundamental Principles and Rights at work taking place in forest areas in the district concerned.”</p> <p>See 2.7.1 above.</p>
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA

	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.
Objective Evidence of Conformance	<p>FSC/PEFC Certificates provide objective evidence of elimination of discrimination in employment.</p> <p>U.S. anti-discrimination laws and regulations are enforced by the Department of Labor: http://www.eeoc.gov/facts/qanda.html</p> <p>LJR Forest Products has completed an FSC Controlled Wood Risk Assessment that concludes:</p> <p>“Based upon the risk assessment and evaluation of available information, there is a “low risk” that any wood fiber that is sourced into LJR Forest Products’ facility is in violation of traditional, civil and indigenous peoples’ rights.”</p>
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA

	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.
Objective Evidence of Conformance	<p>LJR Forest Products contracts with its suppliers to supply wood fiber for use in wood pellets. Contractors can attest to the fact that pay and employment conditions meet or exceed minimum requirements.</p> <p>The Wood Purchase Agreement (LJR-SBP-DP-08) specifies contract conditions and compliance with Department of Labor regulations.</p> <p>Refer to the U.S. Fair Labor Law website: http://www.flcdatacenter.com/</p>
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA

	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).
Objective Evidence of Conformance	<p>LJR Forest Products' Wood Purchase Agreement/Contract (LJR-SBP-DP-08) provisions address worker compensation insurance coverage.</p> <p>FSC/PEFC Certificates provide objective evidence of conformance with health and safety laws and regulations.</p> <p>Refer to the OSHA Logging Safety website:</p> <p>https://www.osha.gov/SLTC/logging/</p>
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA

	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.
Objective Evidence of Conformance	<p>LJR Forest Products' wood fiber 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.</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> <p>Wood Purchase Agreement/Contract provisions requiring BMPs ensure that Peat areas and high carbon stocks are not negatively impacted (LJR-SBP-DP-08).</p>
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA

	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.
Objective Evidence of Conformance	<p>State BMPs monitoring shows very high levels 91.13% of BMP compliance and the avoidance of impacts to water quality and quantity that wetlands containing carbon depend upon.</p> <p>State forestry commissions also monitor BMP compliance. BMP compliance rates for Georgia are 91.13% and South Carolina 92.1%.</p> <p>Georgia: http://www.gfc.state.ga.us/forest-management/water-quality/bmps/2015_Forestry_BMP_Survey_Highlights_Jan62016_11am_pdf.pdf</p> <p>South Carolina: http://www.state.sc.us/forest/bmpmanual.pdf</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 13% of carbon emissions from the burning of fossil fuel.</p> <p>See U.S. Forest Service website: http://www.fs.usda.gov/ccrc/topics/forests-and-carbon-storage</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> <p>According to the U.S. Environmental Protection Agency (EPA) in 2007, forest bioenergy does not increase carbon dioxide in the atmosphere when it is used sustainably.</p> <p>According to the U.S. Environmental Protection Agency (EPA), carbon dioxide storage in U.S. forests continues to increase, sequestering more than 900 million metric tons of carbon dioxide equivalents annually and offsetting about 12% of U.S. CO2 emissions.</p> <p>http://www3.epa.gov/climatechange/Downloads/ghgemissions/US-GHG-Inventory-2013-Chapter-7-LULUCF.pdf</p>
Risk Rating	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA

	Indicator
2.10.1	Genetically modified trees are not used.
Objective Evidence of Conformance	The FSC/PEFC Controlled Wood Risk Assessment confirms that GMOs are not used (LJR-DP-03).

	<p>LJR Forest Products did not find its wood fiber supply areas on any lists contained in the FAO preliminary review of biotechnology in forestry:</p> <p>http://www.fao.org/docrep/008/ae574e/AE574E00.HTM.</p>
Risk Rating	<p><input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Specified Risk <input type="checkbox"/> Unspecified Risk at RA</p>