SBP

Sustainable Biomass Program

Supply Base Report: Enviva Pellets Greenwood, LLC

Second Surveillance Audit

www.sbp-cert.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.sbp-cert.org

Document history

Version 1.0: published 26 March 2015

Version 1.1 published 22 February 2016

Contents

1 Overview

Producer name:	Enviva Pellets Greenwood, LLC
Producer location:	200 Colombo Drive, Greenwood, SC 29646
Geographic position:	34.229426° / -82.062082°
Primary contact:	Don Grant 4242 Six Forks Road Suite 1050 Raleigh, NC 27609 +1 984 789 3642 ext. 1069
Company website:	http://www.envivabiomass.com/
Date report finalised:	
Close of last CB audit:	11/May/2017; Greenwood, SC
Name of CB:	SCS Global Services
Translations from English:	NA
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.sbp-cert.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**
☐	☐	**X**	☐	☐

2 Description of the Supply Base

2.1 General description

Enviva JV Development Company, LLC a subsidiary of Enviva, PL purchased Colombo Energy, Inc. (CE), a subsidiary of The Navigator Company in February 2018. The facility name was changed to Enviva Pellets Greenwood (Greenwood).

Greenwood purchases primary and secondary feedstock from hundred fifty (150) counties containing 12,271,715 hectares of forest. States or portions of states include; Georgia (58 counties), North Carolina (46 counties) and the entire state of South Carolina (46 counties) within the United States. Forests are the predominant land use in this supply base (66%). Hardwood forests comprise the largest forest type (50%) of the supply area's forest followed by pine forests (38%). The pine/oak forest comprises 11% of the supply area's forest type while about 1% of the forest is considered non-stocked. About 78% of the supply area's forests are managed as natural forests (9,592,730 hectares) while the remaining 22% of the supply area's forests are artificially regenerated (2,678,685 hectares).

Greenwood purchases its primary feedstock in the form of roundwood and in-woods chips from suppliers who purchase standing timber from landowners. Private forest landowners account for 86% of the forestland within the wood basin. Federal lands account for a little more than 10% with the remainder (<4%) owned by state and local governments. Tracts owned by small landowners will provide about 75% of the primary feedstock while large private landowners will provide the remaining 25%. Primary feedstock from public lands may occur but should be de-minimus.

The forest products industry is a very large part of the area's economy and is one of the top industries within both states generating $16.9 billion in GA, $10.7 billion in NC and $18.6 billion in SC annually. In GA there are 12 pulp/paper manufacturing facilities and 10 bioenergy facilities within the state. In SC there are 97 primary wood products facilities within the state.

While hardwood forests dominate the majority of the forests within the supply area the primary species to be used for feedstock is loblolly pine (*Pinus taeda*). Other species of southern yellow pine, including shortleaf pine (*Pinus echinata*), Virginia pine *(Pinus virginiana)* and longleaf pine (*Pinus palustris*) will also be used. Small amounts of hardwood roundwood may be mixed with these pine species in primary feedstock. No species purchased at the Greenwood facility is listed on the CITES list. Longleaf pine was recently added to the IUCN Red List.

Pine forests are typically managed on an even-aged basis with a rotation age of 25 to 30 years. During this rotation the pine stand may be thinned one or two times during the middle of the rotation with a final harvest completing the rotation. Most pine forests are artificially regenerated with pine seedlings planted by hand to defined stand densities. Chemical and/or mechanical site preparation is typically used to manage the less desirable hardwood species and herbaceous species at stand establishment. Chemical treatments are minimal or below label rates; do not kill all competing species and last about two years so the pine seedlings can become established. Fertilizers are not normally applied to these forests due to costs. Some private investment groups (REITS, TIMOs) may apply fertilizers on forests which are more intensively managed.

These intensively managed pine forests represent a very small percentage of the overall pine forests in the supply basin.

Hardwood forests are managed either as even-aged or uneven-aged stands. Most hardwood stands are 40 to 50 years when harvested if managed as an even-aged stand. No site preparation or fertilizers are used on hardwood forests.

The vast majority of forests in the Greenwood supply area are managed according to state forestry best management practices (BMPs). While these BMPs are normally voluntary, all Greenwood suppliers are contractually required to abide by them. Supplier compliance with state BMPs is verified by periodic audits conducted by Greenwood staff. Greenwood's SFI Sourcing Procedures require all harvesting professionals to maintain continuing education training on BMPs and other sustainable forestry issues such as wildlife habitats and biodiversity and aesthetics. Overall BMP compliance reported for the various states within the supply base are: GA – 91.3% (2015); NC – 85% (2008); SC – 93.4% (2012).

Lands managed to forest management certifications such as ATFS, FSC and SFI are present in the supply area. Greenwood will purchase certified wood when opportunities arise and will encourage landowners to certify lands to support good forest management.

Greenwood purchases pine and hardwood roundwood and pine in-woods chips as its primary feedstock from about thirty eight (38) wood suppliers. Secondary feedstock will be received from about five (5) suppliers in the form of pine chip mill and residual chips, hardwood residual chips, pine and hardwood sawdust and pine shavings. Primary feedstock will account for 98% of the total feedstock. Secondary feedstock will account for 2% of the total feedstock.

2.2 Actions taken to promote certification amongst feedstock supplier

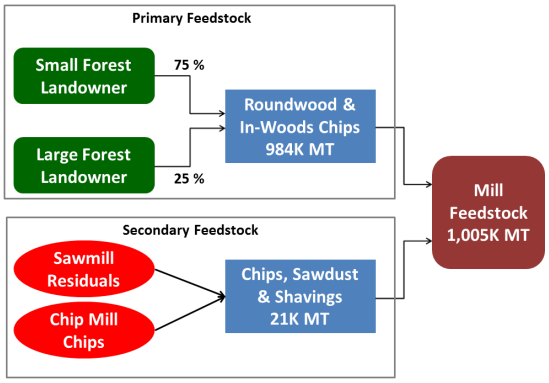
Greenwood is certified to the SFI Fiber Sourcing Standard, FSC Chain of Custody Standard, FSC Controlled Wood Standard and PEFC Chain of Custody Standard. As part of Greenwood's SFI compliance program, the company promotes SFI and American Tree Farm (ATF) certification. Greenwood personnel are active members of the SC Tree Farm program. Greenwood personnel are active members of the SC SFI State Implementation Committee (SIC).The company provides sustainable forestry information, including ATF certification information, to landowners when opportunities arise. In addition Greenwood requires logging operations to be conducted by loggers trained in accordance with the state training program as conducted by the SFI state implementation committee.

2.3 Final harvest sampling programme

Greenwood, through its SFI Sourcing procedures, samples a maximum of 5% of all harvest sites or twenty four (24) harvesting sites of all forest tracts from which its primary feedstock originates annually. This procedure is described in the company's -PROC-001 Fiber Sourcing Procedures. Greenwood personnel document the type of harvest, location of harvest, BMP compliance, etc. on the -DOC-005 BMP Compliance Checklist to record this sample data.

Approximately 40% of Greenwood's roundwood will come from final fellings. The other 60% will originate from thinnings. The typical rotation age of final fellings in the region is 25 - 30 years.

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



2.5 Quantification of the Supply Base

Supply Base

a. Total Supply Base area (ha): 12,271,715 ha
b. Tenure by type (ha): Privately owned (10,545,375 ha) / Public - Federal (1,267,575 ha) / Public - State (283,822 ha) / Public - Local (174,943 ha)
c. Forest by type (ha): Temperate
d. Forest by management type (ha): Plantation (2,678,685 ha) / Managed Natural (9,320,629 ha) / Natural (272,101 ha)
e. Certified forest by scheme (ha): SFI (438,542 ha) / FSC (130,226 ha) / ATFS (125,182 ha)

Feedstock

f. Total volume of Feedstock: 330,760 tonnes
g. Volume of primary feedstock: 322,968 tonnes
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: 15%
    - Not certified to an SBP-approved Forest Management Scheme: 85%
i. List all species in primary feedstock, including scientific name

Species List	
Primary Species:	**Miscellaneous Species (con't):**
Loblolly Pine *(Pinus taeda)*	Hickory (*Carya spp*)
Miscellaneous Species:	Locust (*Robinia spp*)
Longleaf Pine (Pinus palustris)	Maple (*Acer spp*)

Species List	
Sand Pine *(Pinus clausa)*	Oak (*Quercus spp*)
Shortleaf Pine *(Pinus echinata)*	Persimmon (*Diospyros virginiana*)
Virginia Pine *(Pinus virginiana)*	Red maple (*Acer rubrum*)
American beech (*Fagus grandifolia*)	Red mulberry (*Morus rubra*)
Ash (*Fraxinus spp*)	Red oak (*Quercus rubra)*
Basswood, American (*Tilia americana*)	River birch (*Betula nigra*)
Black cherry (*Prunus serotina*)	Sassafras (*Sassafras albidum*)
Black walnut (*Juglans nigra*)	Sourwood (*Oxydendrum arboreum*)
Blackgum (*Nyssa sylvatica*)	Sugarberry (*Greenwoodltis laevigata*)
Boxelder (*Acer negundo*)	Sweetgum (*Liquidambar styraciflua*)
Buckeye (*Aesculus spp*)	Sycamore (*Platanus occidentalis*)
Eastern cottonwood (*Populus deltoides*)	Water oak (*Quercus nigra*)
Elm (*Ulmus spp*)	White oak (*Quercus alba*)
Hackberry (*Celtis occidentalis*)	Yellow-poplar (*Liriodendron tulipifera*)

j. Volume of primary feedstock from primary forest: 0 tonnes

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 - 8,061 metric tonnes delivered in the form of saw dust, chips or shavings.

m. Volume of tertiary feedstock: specify origin and composition – 0 tonnes

3 Requirement for a Supply Base Evaluation

SBE completed	SBE not completed
X	□

SBE was completed so that all material can be SBP compliant in accordance with SBP Standard 4, 5.2.2.

4 Supply Base Evaluation

4.1 Scope

The scope of the supply base evaluation of Colombo Energy is to confirm all indicators of Principles 1 & 2 of SBP Framework Standard 1: Feedstock Compliance Standard are considered low risk and unspecified risk with mitigation within the defined supply base.

4.2 Justification

The evaluation assessed each of the indicators within Principles 1 & 2 of SBP Framework Standard 1: Feedstock Compliance to determine if there is a low risk associated with each indicator. This assessment reviewed applicable laws and regulations and forestry best management practices, analysed high conservation areas within the supply base for their rareness and level of protection and assessed the economic impact of the company's presence in the supply base.

This review and analysis was completed using stated laws and regulations, published forestry best management practices, recognized research and data from the USDA Forest Service and conservation organizations such as the World Wildlife Fund, NatureServe, state forestry and wildlife agencies and other noted experts.

4.3 Results of Risk Assessment

The results of the risk assessment indicate there is low risk to all indicators except for indicators 2.1.2, 2.2.3, 2.2.4, and 2.2.5 within Principles 1 & 2 of SBP Framework Standard 1: Feedstock Compliance. These indicators (2.1.2, 2.2.3, 2.2.4, and 2.2.5) were initially declared to be Unspecified Risk and have determined to be low risk and unspecified risk with mitigation. No additional supplier assessment programs were identified as needed.

4.4 Results of Supplier Verification Programme

The Supplier Verification Programme to mitigate any unspecified risk that may have been determined from the risk assessment for indicators 2.1.2, 2.2.3, 2.2.4 and 2.2.5 within Principles 1 & 2 of SBP Framework Standard 1: Indicators (2.1.2, 2.2.3, 2.2.4, and 2.2.5) were initially declared to be Unspecified Risk and have determined to be low risk and unspecified risk with mitigation Feedstock Compliance includes the following systems to verity that mitigation measures are in place:

a. The company's Master Wood Product Purchase Agreement (MWPPA) places the responsibility on fiber suppliers to ensure that fiber does not come from the five (5) unacceptable sources as stated in the FSC Control Wood Standard. One of these five unacceptable sources includes wood from high conservation value areas. This contractual requirement of the MWPPA (Exhibit G) is further supported by the supplier providing specific track information on the "Track and Trace Requirements" about the origin of the primary feedstock.

b. The company's SFI Fiber Sourcing system (CE-PROC-001 SFI Fiber Sourcing Procedures) requires the company to conduct field inspections of primary feedstock. The sample intensity of this monitoring system requires a maximum of 5% of all harvest tracts or a total of twenty four (24) tracts to be inspected annually. This monitoring program verifies the origin of the primary feedstock, BMP compliance, wood utilization, and biomass retention. These compliance checks are recorded on -DOC-004 BMP Compliance Checklists.
c. The company's SFI Fiber Sourcing system (CE-PROC-001 SFI Fiber Sourcing Procedures) also requires primary feedstock suppliers and their loggers to maintain their SFI SIC trained logger status. As part of this SFI training, loggers receive training on high conversation value areas and the habitats/ecosystems these areas are located.
d. The company's CE-PROC-003 FSC Controlled Wood / PEFC Due Diligence procedures also record if the harvest tract meets any of the five unacceptable sources of FSC Controlled Wood for primary feedstock (CE-DOC-004 BMP Compliance Checklist). These procedures also require company personnel to audit secondary feedstock suppliers annually (-DOC-014 Secondary Supplier Audit Checklist) to verify their supply base is within the company's district of origin, to determine if the supplier has had any BMP or regulatory violation and to determine if the supplier has received any wood from high conservation value areas.

4.5 Conclusion

Based on the results of the supply base evaluation there is low risk to all indicators except for indicators 2.1.2, 2.2.3, 2.2.4, and 2.2.5 within Principles 1 & 2 of SBP Framework Standard 1: Feedstock Compliance. These indicators (2.1.2, 2.2.3, 2.2.4, and 2.2.5) were declared to have low risk and unspecified risk with mitigation.

This conclusion is based on the strong legal and regulatory system found within the supply base (CE-DOC-008 FSC Controlled Wood Risk Assessment / CE-DOC-008a PEFC Due Diligence Risk Assessment). Federal, state and local laws and regulations are in place to address a wide range of indicators including, but not limited to, illegal harvesting, water quality, rare and endangered species, worker health and safety, labour rights and air quality. In addition to these laws and regulations, voluntary state forestry best management practices (BMPs) are in place to provide guidance to forest landowners and contractors on how to sustainably manage forests. The company has made these voluntary guidelines mandatory through contract language requiring the use of all BMPs. To further strengthen this conclusion, the company's contracts, policies and procedures require high standards to be met by its suppliers. These high standards are monitored, verified and documented using company checklists and forms.

Analysis using USDA Forest Service FIA data clearly shows the supply area's forests are growing more fiber and carbon stock than is being harvested. The company's supply base shows growth to harvest & mortality at a positive 1.23 for softwood and 1.34 for hardwood. Carbon stocks in the supply base increased 4.81% from the end of 2007 to 2014. This data along with economic impact studies indicate this company is a key part of the area's economy providing employment opportunities at the manufacturing site as well as throughout the supply area.

5 Supply Base Evaluation Process

The Supply Base Evaluation was completed in partnership with Greener Options Inc., a sustainability consulting company specializing in sustainable forest certification and Biological Integrity LLC, a consulting company specializing in conservation and biodiversity assessments.

Gary Boyd, Greener Options, Inc. is a SAF Certified Forester, a Georgia Registered Forester and an ISO 14001 Environmental Management Lead Auditor. Mark Hughes Ph.D., Biological Integrity LLC, is an accomplished wildlife biologist who has published more than 10 scientific articles, books and monographs. He has developed more than thirty (30) risk assessments for forest products companies addressing sustainable forestry certification schemes such as the Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC).

The supply base was determined based on primary and secondary feedstock suppliers to ensure the complete geography of the supply area. USDA Forest Service data based on this established supply base was used to verify forest growth and harvest levels, forest ownership and overall forest composition (species, age, stand structure). Ecosystem and biodiversity data from WWF, GreenPeace, World Resources Institute (WRI), Conservation International (CI), NatureServe and the various state natural heritage programs from within the supply base was also reviewed to determine potential high conversation value (HCV) areas and the level of protection for these HCVs.

Forest management regimes for the supply base were determined from information gathered from local forestry professionals and contractors within the region. Regional economic and forest health information was gathered from state forestry agencies and forestry associations.

Greenwood requires the use of best management practices (BMPs), adherence to all laws and regulations and harvesting professional training as part of its contract with feedstock suppliers. Greenwood personnel use various field verification systems for its primary suppliers and its other secondary feedstocks. Primary feedstock suppliers are verified at the forest level through on-site harvest and BMP inspections conducted by Greenwood personnel. Overall sample size for these inspections is a maximum of 5 percent of all tracts supplying wood or a maximum of 24 samples per year, whichever is greater. Secondary feedstock suppliers are visited at least annually to confirm their supply base and the species they purchase for their operations.

6 Stakeholder Consultation

A list of thirty five (35) local and regional stakeholders was identified for consultation. These stakeholders represent interests from local contractors and businesses, local governments, state forestry and wildlife agencies, conservation organizations such as the Nature Conservancy, state forestry associations, local forest landowner associations, US Forest Service and US Fish & Wildlife Service. Two recognized indigenous peoples groups have been identified within the supply area and are included on the stakeholder list.

A letter was sent to the identified stakeholders on 2 May 2016 notifying them the intent of Colombo Energy, Inc. to become SBP certified and asking for input on their thoughts on the company's business practices and their impact on sustainable forestry in their area. Feedback was requested during the certification process via letter, email and/or telephone. All feedback will be reviewed and responses will be provided.

6.1 Response to stakeholder comments

As of 9 June three (3) stakeholders have responded to the initial notification letter sent out on 2 May 2016. Stakeholder's comments are supportive of Greenwood's presence in the region and endorse certification. These comments are summarized below.

Comment 1: **Mr. Sandy Gresham, President**
McCormick County Forestry Association
Positive comments supporting the start-up of the wood pellet mill. Pleased to see Greenwood getting certified. Association would like Greenwood to speak at an upcoming Forestry Association meeting to answer questions about the mill and the fiber the company will be purchasing.

Response 1: Have not currently responded to letter, but plan to agree to speak at an upcoming meeting to talk about the wood pellet mill.

Comment 2: **Mr. Wallace Wood, Executive Director**
Upper Savannah Land Trust
Positive comments welcoming Greenwood to the area. Look forward to Greenwood providing a market for fiber from landowners in the area.
Response 2: Thanked Mr. Wood for his comments.

Comment 3: **Mr. Tim Adams, Director Resource Development Division**
South Carolina Forestry Commission
Positive comments about Greenwood providing another market for wood in the state. Re-enforced the Commission's projects on Forest Inventory (13 million acres in SC) and BMP Compliance (>90% compliance).
Response 2: Have not currently responded to letter, but plan to in the near future and will invite SCFC to visit the facility.

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 Supplier Verification Programme includes the following systems to verity that mitigation measures are in place:

a. The company's Master Wood Product Purchase Agreement (MWPPA) places the responsibility on fiber suppliers to ensure that fiber does not come from the five (5) unacceptable sources as stated in the FSC Control Wood Standard. One of these five unacceptable sources includes wood from high conservation value areas. This contractual requirement of the MWPPA (Exhibit G) is further supported by the supplier providing specific track information on the "Track and Trace Requirements" about the origin of the primary feedstock.
b. The company's SFI Fiber Sourcing system (-PROC-001 SFI Fiber Sourcing Procedures) requires the company to conduct field inspections of primary feedstock. The sample intensity of this monitoring system requires a maximum of 5% of all harvest tracts or a total of twenty four (24) tracts to be inspected annually. This monitoring program verifies the origin of the primary feedstock, BMP compliance, wood utilization, and biomass retention. These compliance checks are recorded on -DOC-004 BMP Compliance Checklists.
c. The company's SFI Fiber Sourcing system (-PROC-001 SFI Fiber Sourcing Procedures) also requires primary feedstock suppliers and their loggers to maintain their SFI SIC trained logger status. As part of this SFI training, loggers receive training on high conversation value areas and the habitats/ecosystems these areas are located.
d. The company's -PROC-003 FSC Controlled Wood / PEFC Due Diligence procedures also record if the harvest tract meets any of the five unacceptable sources of FSC Controlled Wood for primary feedstock (-DOC-004 BMP Compliance Checklist). These procedures also require company personnel to audit secondary feedstock suppliers annually (-DOC-014 Secondary Supplier Audit Checklist) to verify their supply base is within the company's district of origin, to determine if the supplier has had any BMP or regulatory violation and to determine if wood could come from high conservation value areas.

8.2 Site visits

For primary feedstock suppliers, the company's SFI Fiber Sourcing system (-PROC-001 SFI Fiber Sourcing Procedures) requires the company to conduct field inspections of primary feedstock. The sample intensity of this monitoring system requires a maximum of 5% of all harvest tracts or a total of twenty four (24) tracts to be inspected annually. This monitoring program verifies the origin of the primary feedstock, BMP compliance, wood utilization, and biomass retention. These compliance checks are recorded on -DOC-004 BMP Compliance Checklists.

The company's -PROC-003 FSC Controlled Wood / PEFC Due Diligence procedures also record if the harvest tract meets any of the five unacceptable sources of FSC Controlled Wood for primary feedstock (-DOC-004 BMP Compliance Checklist).

For secondary feedstock suppliers, the company's -PROC-003 FSC Controlled Wood / PEFC Due Diligence procedures require company personnel to audit secondary feedstock suppliers annually (-DOC-014

Secondary Supplier Audit Checklist) to verify their supply base is within the company's district of origin, to determine if the supplier has had any BMP or regulatory violation and to determine if wood could come from high conservation value areas.

8.3 Conclusions from the Supplier Verification Programme

Based on the results of the Supplier Verification Programme there is a strong legal and regulatory system found within the supply base (-DOC-008 FSC Controlled Wood Risk Assessment / -DOC-008a PEFC Due Diligence Risk Assessment). Federal, state and local laws and regulations are in place to address a wide range of indicators including, but not limited to, illegal harvesting, water quality, rare and endangered species, worker health and safety, labour rights and air quality. In addition to these laws and regulations, voluntary state forestry best management practices (BMPs) are in place to provide guidance to forest landowners and contractors on how to sustainably manage forests. The company has made these voluntary guidelines mandatory through contract language requiring the use of all BMPs. To further strengthen this conclusion, the company's contracts, policies and procedures require high standards to be met by its suppliers. These high standards are monitored, verified and documented using company checklists and forms.

9 Mitigation Measures

9.1 Mitigation measures

The Supplier Verification Programme to mitigate any unspecified risk that may have been determined from the risk assessment for indicators 2.1.2, 2.2.3, 2.2.4 and 2.2.5 within Principles 1 & 2 of SBP Framework Standard 1: Feedstock Compliance includes the following systems to verity that mitigation measures are in place:

a. The company's Master Wood Product Purchase Agreement (MWPPA) places the responsibility on fiber suppliers to ensure that fiber does not come from the five (5) unacceptable sources as stated in the FSC Control Wood Standard. One of these five unacceptable sources includes wood from areas where proposed forestry activity threatens high conservation values. This contractual requirement of the MWPPA (Exhibit G) is further supported by the supplier providing specific track information on the "Track and Trace Requirements" about the origin of the primary feedstock.
b. The company's SFI Fiber Sourcing system (CE-PROC-001 SFI Fiber Sourcing Procedures) requires the company to conduct field inspections of primary feedstock. The sample intensity of this monitoring system requires a maximum of 5% of all harvest tracts or a total of twenty four (24) tracts to be inspected annually. This monitoring program verifies the origin of the primary feedstock, BMP compliance, wood utilization, and biomass retention. These compliance checks are recorded on CE-DOC-004 BMP Compliance Checklists.
c. The company's SFI Fiber Sourcing system (CE-PROC-001 SFI Fiber Sourcing Procedures) also requires primary feedstock suppliers and their loggers to maintain their SFI SIC trained logger status. As part of this SFI training, loggers receive training on high conversation value areas and the habitats/ecosystems these areas are located.
d. The company's CE-PROC-003 FSC Controlled Wood / PEFC Due Diligence procedures also record if the harvest tract meets any of the five unacceptable sources of FSC Controlled Wood for primary feedstock (CE-DOC-004 BMP Compliance Checklist). These procedures also require company personnel to audit secondary feedstock suppliers annually (CE-DOC-014 Secondary Supplier Audit Checklist) to verify their supply base is within the company's district of origin, to determine if the supplier has had any BMP or regulatory violation and to determine if wood could come from high conservation value areas.

9.2 Monitoring and outcomes

For primary feedstock suppliers, the company's SFI Fiber Sourcing system (-PROC-001 SFI Fiber Sourcing Procedures) requires the company to conduct field inspections of primary feedstock. The sample intensity of this monitoring system requires a maximum of 5% of all harvest tracts or a total of twenty four (24) tracts to be inspected annually. This monitoring program verifies the origin of the primary feedstock, BMP compliance, wood utilization, and biomass retention. These compliance checks are recorded on -DOC-004 BMP Compliance Checklists.

The company's -PROC-003 FSC Controlled Wood / PEFC Due Diligence procedures also record if the harvest tract meets any of the five unacceptable sources of FSC Controlled Wood for primary feedstock (-DOC-004 BMP Compliance Checklist).

No outcomes have been determined as this system is just being implemented.

10 Detailed Findings for Indicators

Detailed findings for each Indicator are given in Annex 1.

11 Review of Report

11.1 Peer review

No peer review of this report has been completed by other stakeholders. Due to the recent development and approval of the SBP standards, no other stakeholders with sufficient knowledge and experience with SBP certification could be identified in a timely manner.

11.2 Public or additional reviews

No additional external review of this report has been completed by other stakeholders. Due to the recent development and approval of the SBP standards, no other stakeholders with sufficient knowledge and experience with SBP certification could be identified in a timely manner.

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	***Don Grant***	***Manager, Sustainability Standards***	***9th July 2018***
	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:	***Ciara McCarthy***	***Technical Associate***	***31st October 2018***
	Name	**Title**	**Date**

13 Updates

13.1 Significant changes in the Supply Base

No significant changes

13.2 Effectiveness of previous mitigation measures

The Supplier Verification Programme to mitigate any unspecified risk that may have been determined from the risk assessment for indicators 2.1.2, 2.2.3, 2.2.4 and 2.2.5 within Principles 1 & 2 of SBP Framework Standard 1: Feedstock Compliance includes the following systems to verity that mitigation measures are in place:

a. The Wood Products Team ensured all suppliers have signed an MWPPA.
b. The Wood Products Team conducted 27 field site inspection to ensure forestry best management practices were properly installed.
c. The Wood Products Team verified all suppliers retained trained logger status.
d. The Wood Procurement Team performed the annual verification of the secondary suppliers and found no non-conformities.

13.3 New risk ratings and mitigation measures

No new risk ratings or mitigation measures.

13.4 Actual figures for feedstock over the previous 12 months

Feedstock

e. Total volume of Feedstock: 330,760 tonnes
f. Volume of primary feedstock: 322,968 tonnes
g. 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: 15%
    - Not certified to an SBP-approved Forest Management Scheme: 85%
h. List all species in primary feedstock, including scientific name

Species List	
Primary Species:	**Miscellaneous Species (con't):**
Loblolly Pine *(Pinus taeda)*	Hickory (*Carya spp*)
Miscellaneous Species:	Locust (*Robinia spp*)
Longleaf Pine (Pinus palustris)	Maple (*Acer spp*)

Species List	
Sand Pine *(Pinus clausa)*	Oak (*Quercus spp*)
Shortleaf Pine *(Pinus echinata)*	Persimmon (*Diospyros virginiana*)
Virginia Pine *(Pinus virginiana)*	Red maple (*Acer rubrum*)
American beech (*Fagus grandifolia*)	Red mulberry (*Morus rubra*)
Ash (*Fraxinus spp*)	Red oak (*Quercus rubra)*
Basswood, American (*Tilia americana*)	River birch (*Betula nigra*)
Black cherry (*Prunus serotina*)	Sassafras (*Sassafras albidum*)
Black walnut (*Juglans nigra*)	Sourwood (*Oxydendrum arboreum*)
Blackgum (*Nyssa sylvatica*)	Sugarberry (*CEltis laevigata*)
Boxelder (*Acer negundo*)	Sweetgum (*Liquidambar styraciflua*)
Buckeye (*Aesculus spp*)	Sycamore (*Platanus occidentalis*)
Eastern cottonwood (*Populus deltoides*)	Water oak (*Quercus nigra*)
Elm (*Ulmus spp*)	White oak (*Quercus alba*)
Hackberry (*Celtis occidentalis*)	Yellow-poplar (*Liriodendron tulipifera*)

i. Volume of primary feedstock from primary forest: 0 tonnes
j. 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%
k. Volume of secondary feedstock: specify origin and type - 8,061 metric tonnes delivered in the form os saw dust, chips or shavings.

l. Volume of tertiary feedstock: specify origin and composition – 0 tonnes

13.5 Projected figures for feedstock over the next 12 months

Feedstock

e. Total volume of Feedstock: 330,760 tonnes
f. Volume of primary feedstock: 322,968 tonnes
g. 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: 15%
    - Not certified to an SBP-approved Forest Management Scheme: 85%
h. List all species in primary feedstock, including scientific name

Species List	
Primary Species:	**Miscellaneous Species (con't):**
Loblolly Pine *(Pinus taeda)*	Hickory (*Carya spp*)
Miscellaneous Species:	Locust (*Robinia spp*)
Longleaf Pine (Pinus palustris)	Maple (*Acer spp*)
Sand Pine *(Pinus clausa)*	Oak (*Quercus spp*)
Shortleaf Pine *(Pinus echinata)*	Persimmon (*Diospyros virginiana*)
Virginia Pine *(Pinus virginiana)*	Red maple (*Acer rubrum*)
American beech (*Fagus grandifolia*)	Red mulberry (*Morus rubra*)
Ash (*Fraxinus spp*)	Red oak (*Quercus rubra)*
Basswood, American (*Tilia americana*)	River birch (*Betula nigra*)
Black cherry (*Prunus serotina*)	Sassafras (*Sassafras albidum*)
Black walnut (*Juglans nigra*)	Sourwood (*Oxydendrum arboreum*)
Blackgum (*Nyssa sylvatica*)	Sugarberry (*Celtis laevigata*)
Boxelder (*Acer negundo*)	Sweetgum (*Liquidambar styraciflua*)
Buckeye (*Aesculus spp*)	Sycamore (*Platanus occidentalis*)
Eastern cottonwood (*Populus deltoides*)	Water oak (*Quercus nigra*)
Elm (*Ulmus spp*)	White oak (*Quercus alba*)
Hackberry (*Celtis occidentalis*)	Yellow-poplar (*Liriodendron tulipifera*)

i. Volume of primary feedstock from primary forest: 0 tonnes

j. 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%

k. Volume of secondary feedstock: specify origin and type - 8,061 metric tonnes delivered in the form os saw dust, chips or shavings.

l. Volume of tertiary feedstock: specify origin and composition – 0 tonnes

Annex 1: Detailed Findings for Supply Base Evaluation Indicators

	Indicator
1.1.1	The Biomass Producer's Supply Base is defined and mapped.
Finding	Company's Supply Base is defined and mapped as part of the company's CE-DOC-008 FSC Controlled Wood Risk Assessment and CE-DOC-008a PEFC Due Diligence Risk Assessment. The map (Figure 1) and list of states and counties (Table 1) are defined by the present and projected future needs of the plant and includes identified primary and secondary feedstock suppliers.
Means of Verification	Map of supply basin and list of counties.
Evidence Reviewed	1. CE-DOC-008 FSC Controlled Wood Risk Assessment 2. CE-DOC-008a PEFC Due Diligence Risk Assessment
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**

	Indicator
1.1.2	Feedstock can be traced back to the defined Supply Base.
Finding	Primary feedstock can be traced back to the defined Supply Base through scale ticket documentation and wood inventory records where each scale ticket defines the county, state and tract that feedstock originates. Secondary feedstock is transferred from the supplier in the form of pine chip mill chips, pine and hardwood residual chips, pine and hardwood sawdust & pine shavings. This secondary feedstock can be tracked by scale tickets. Communications with secondary feedstock suppliers confirms feedstock originates from within the Greenwood supply base and is recorded using the secondary supplier audit checklist. Traceability is enforced by Company policies and procedures.
Means of Verification	Company procedures, records in wood inventory system and communications with suppliers, Master Wood Products Purchase Agreement
Evidence Reviewed	1. CE-PROC-001 SFI Fiber Sourcing Procedures 2. CE-PROC-002 Chain of Custody Procedures 3. CE-DOC-008 FSC Controlled Wood Risk Assessment 4. CE-DOC-008a PEFC Due Diligence Risk Assessment 5. CE-DOC-014 Secondary Supplier Audit Checklist

	6. Master Wood Products Purchase Agreement
Risk Rating	☒ **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**

	Indicator
1.1.3	The feedstock input profile is described and categorised by the mix of inputs.
Finding	Product groups are defined in the company's chain of custody documentation. These document describe how wood feedstocks are categorized and tracked
Means of Verification	Review of company's procedures
Evidence Reviewed	1. CE-DOC-004 Chain of Custody Group list 2. CE-PROC-002 Chain of Custody Procedures
Risk Rating	☒ **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**

	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	There are appropriate control systems and procedures to ensure that legality of ownership and land use can be demonstrated for the Supply Base. Illegal harvesting in the supply base is prohibited by state laws. Evidence indicates that major violations are prosecuted and legal liability is enforced. There is no evidence suggesting that illegal logging is a wide scale problem in the United States (US). Commonly used terms for violations in US are timber theft, tree poaching and unlawful logging. Thefts do occur, however the share of illegal felling in hardwoods is much smaller than 1% according to a study conducted by American Hardwood Export Council. It is logical to conclude that similarly illegal logging is not a major problem for softwoods in US. Further, legality of ownership and land use is enforced through Company procedures and contractual agreements by suppliers.
Means of Verification	State laws, Company policy, regional risk assessments, contract provisions with suppliers.
Evidence Reviewed	1. CE-POL-003 Fiber Procurement Policy 2. CE-PROC-001 SFI Fiber Sourcing Procedures 3. CE-PROC-002 Chain of Custody Procedures 4. CE-DOC-008 FSC Controlled Wood Risk Assessment 5. CE-DOC-008a PEFC Due Diligence Risk Assessment 6. Master Wood Products Purchase Agreement 7. State laws addressing illegal logging and wood theft are as follows:

	Georgia Laws House Bill - HB 790 Signed by Governor: April 29, 2014 Effective Date: July 1, 2014 Provides additional enforcement authority to Georgia Forestry Commission investigators In cases involving the unauthorized cutting or cutting and carrying away of timber from the property of another damages shall be awarded in accordance with GA. CODE ANN. § 51-12-50. Amends GA. CODE ANN. § 51-12-50 whereas damages shall be: (1) Treble the fair market value of the trees cut as they stood; (2) Treble the diminished fair market value of any trees incidentally harmed; (3) Costs of reasonable reforestation activities related to the plaintiff's injury; and (4) Attorney fees and expenses of litigation. When defendant is a willful trespasser, plaintiff may receive punitive damages. Amends GA. CODE ANN. § 12-6-23 relating to wood load ticket required for wood removal, so as to require purchasers to provide the proper tickets to sellers of timber within 20 days GA Codes Title 12 Forest Resources and other Plant Life Article 1 – Forestry Resources GA. CODE § 12-6-23 - Wood load ticket required for wood removal; form; exceptions GA. CODE § 12-6-24 - Notice of timber harvesting operations County Laws in Georgia can be found online at: http://warnell.forestry.uga.edu/warnell/service/library/index.php3?docID=272&docHistory[]=11 *North Carolina Laws* N.C. GEN. STAT. § 1-539 “awards double damages for a timber trespass that occurs *without the consent and permission of the bona fide owner or an act of arson* if a defendant willfully and intentionally set on fire, or cause to be set on fire" timber on the land of another.” N.C. GEN STAT. § 14-128 “considers anyone committing a *willful* timber trespass guilty of a Class 1 misdemeanor, provided the offender is not an officer, agent, or employee of the Department of Transportation who committed the act within a right-of-way or easement of the Department of Transportation.” N.C. GEN. STAT. § 1-487 “requires that when a title to timberland is contested, either party is not to harvest timber until ownership is determined by court action.” *South Carolina Laws* S.C. CODE ANN. 1976 § 16-11-580 “if the value of stolen forest products is

	$5,000 or more, a defendant is fined at the discretion of the court, or imprisoned for not more than ten years." This code also allows for seizure and forfeiture of all property used in the timber theft. S.C. CODE ANN. 1976 § 16-13-177 "imposes the forfeiture of property used in a timber trespass if more than $5,000 of timber is taken."
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **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.
Finding	There are appropriate control systems and procedures to ensure that legality of ownership and land use can be demonstrated for the Supply Base. Illegal harvesting in the supply base is prohibited by state laws. Evidence indicates that major violations are prosecuted and legal liability is enforced. There is no evidence suggesting that illegal logging is a wide scale problem in the United States (US). Commonly used terms for violations in US are timber theft, tree poaching and unlawful logging. Thefts do occur, however the share of illegal felling in hardwoods is much smaller than 1% according to a study conducted by American Hardwood Export Council. It is logical to conclude that similarly illegal logging is not a major problem for softwoods in US. Further, legality of ownership and land use is enforced through Company procedures and contractual representations by suppliers.
Means of Verification	State laws, Company policy, Risk Assessments, Master Wood Products Purchase Agreement
Evidence Reviewed	1. CE-POL-003 Fiber Procurement Policy 2. CE-PROC-001 SFI Fiber Sourcing Procedures 3. CE-PROC-002 Chain of Custody Procedures 4. CE-DOC-008 FSC Controlled Wood Risk Assessment 5. CE-DOC-008a PEFC Due Diligence Risk Assessment 6. Master Wood Products Purchase Agreement 7. State laws addressing illegal logging and wood theft are as stated in 1.2.1 above.
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**

	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	Company 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. Severance taxes are paid by the manufacturer for feedstock in NC and SC. The company will pay this tax on a quarterly basis per state regulations. The forest landowner is responsible for an ad valorem timber tax in GA. For a lump sum sale, the ad valorem tax is calculated based on the county millage rate multiplied by the lump sum amount. This value is then deducted from the proceeds to the landowner and paid directly to the county tax commissioner by the logger. For a pay as cut contract, a report is filed quarterly to the county tax commissioner by the logger where the timber is harvested and the landowner receives a bill directly from the tax commissioner for their ad valorem timber payments. Master Wood Products Purchase Agreement states seller is responsible for all taxes.
Means of Verification	Master Wood Products Purchase Agreement, Quarterly tax payment records
Evidence Reviewed	1. Master Wood Products Purchase Agreement 2. Quarterly tax payment records
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**

	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	Company has implemented appropriate control systems and procedures to verify that feedstock is supplied in compliance with the requirements of CITES. Based on review of the CITES list it is determined that there are no species used in Company operations that are included in the CITES list.
Means of Verification	List of species used by Company and CITES list located in CE-DOC-008a PEFC Due Diligence Risk Assessment
Evidence Reviewed	1. CE-DOC-008a PEFC Due Diligence Risk Assessment
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**

	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	Harvesting in the supply basin presents a low risk of violation of traditional, civil and collective rights based on the following factors: (1) There is no UN Security Council ban on timber exports from the country concerned; (2) The country or district is not designated a source of conflict timber (e.g. USAID Type 1 conflict timber); (3) 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; and (4) There is no evidence of violation of the ILO Convention 169 on Indigenous and Tribal Peoples taking place in the forest areas in the district concerned.
Means of Verification	CE-DOC-008 FSC Controlled Wood Risk Assessment, CE-DOC-008a PEFC Due Diligence Risk Assessment
Evidence Reviewed	1. CE-DOC-008 FSC Controlled Wood Risk Assessment 2. CE-DOC-008a PEFC Due Diligence Risk Assessment
Risk Rating	X **Low Risk** ☐ **Specified Risk at RA** ☐ **Unspecified Risk**

	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	The company's CE-DOC-008 FSC Controlled Wood Risk Assessment identified and mapped the presence or absence of the following high conservation value areas within its supply base. These high conservation values were determined by recommended conservation organizations mentioned below: **Conservation International** There are no Conservation International hotspots within the District of Origin. **World Resources Institute** There are no World Resources Institute (Global Forest Watch) Frontier Forests within the District of Origin. **Alliance for Zero Extinction** There are no Alliance for Zero Extinction sites within the District of Origin. **Two World Wildlife Fund (WWF) Global 200 Ecoregion's Sub-ecoregions** 1. The Southeastern mixed forests (NA0413) **LOW RISK JUSTIFICATION -** Identifying and protecting any remaining blocks of land in the ecoregion is a high priority for conservationists. Overall this ecoregion does have large protected areas. These are the Bienville, Holly Springs, Homochitto, Noxubee, Oconee, Sumter, Talladega, Tombigbee, Tuskegee, and Uwharrie national forests as well as Camp Perry Naval Reservation, Fort A. P. Hill, Fort Belvoir, Fort Benning, Fort George G. Meade, Fort Gordon, Fort Lee, Fort Pickett, Fort Rucker (in part), and Quantico Marine Corps Base. In addition to the other protected areas, there are multiple US Army Corps of Engineers reservoirs that have terrestrial habitat under corps management in the ecoregion. Procurement in this ecoregion is **Low Risk.** 2. The Southeastern conifer forests (NA0529) **LOW RISK JUSTIFICATION –** Fire that is essential to this ecosystem was suppressed as it was in many of the other ecoregions in the southeast. Due to commercial and private development, conversion to agriculture, and the planting of loblolly pine in the area, the longleaf pine flatwoods have been reduced to less than 1% of its original size. However, there are several places where the natural habitat is being maintained and fire is still allowed into the systems. Most of the conservation sites that remain can be found on national forests, military bases, and state parks (Fig. 8d). Thanks to organizations like the Longleaf Alliance, private landowners are being given federal incentives to plant longleaf on their property and maintain those stands for many decades to come. As a result of education and conservation planning, there has been an increase in longleaf plantations over the past decade with an increase in newly planted acres every

year within the ecoregion. Larger protected areas are the Osceola National Forest, Fort Stewart, and the Okefenokee National Wildlife Refuge. The Apalachicola, Conecuh, DeSoto, and Ocala national forests; the Avon Park Bombing Range, Eglin Air Force Base, Fort Rucker (in part); as well as the Bogue Chitto national wildlife refuge are within the ecoregion. There are so few unprotected acres of natural longleaf remaining; the danger of disturbing natural habitat in this ecoregion is remote. The risk of working in this ecoregion is **Low Risk**.

Three Centers for Plant Diversity (CPD) sites
NA24. Piedmont granitic rock outcrops occur sporadically in Georgia, South Carolina and North Carolina. A high percentage (33%) of plants associated with these rock outcrops are endemics. These outcrops are restricted to geological areas with granite bedrock.
LOW RISK JUSTIFICATION - Trees do not grow on these outcrops. If good forestry practices are maintained, this habitat should remain intact and the threat to these taxa from forestry activities should be avoided.
NA25. Serpentine flora (eastern) are associated with serpentine rock outcrops found in association with utramafic metavolcanic/intrusive rock and/or serpentinite. In the wood basin, NA25 is restricted to the Ridge and Valley, Blue Ridge, and Piedmont physiographic provinces. Based on the locations of known parent material for the serpentine soils, the most likely locations for serpentine soils in the wood basin would be somewhere in Georgia, North Carolina and South Carolina because ultramafic bedrock is located in those states. Serpentine soils are associated with a linear boundary between ancient continents. There are two of these zones in North America, one on the west coast and the other on the east coast. The eastern zone extends from Alabama north into Quebec. These soils are toxic to most plants. They have relatively higher levels of heavy metals (chromium and cobalt) and are lower in available calcium. Clays found there hold water, more so than other clays, making water less available to plants. Plant species found in this CPD have become specialists. They are adapted to the harsh conditions created by these soils and cannot survive outside of this habitat, making them obligate endemics to serpentine soils while other more common species cannot survive there at all.
LOW RISK JUSTIFICATION - Most plants cannot live in this environment and it is unlikely that commercial timber products would or could occur there. If good forestry practices are maintained, such as avoiding barrens and rock outcrops, this habitat should remain intact and the threat to these taxa from forestry activities should be avoided.
NA31. The Atlantic Coastal Plain is included in a list of CPDs on the IUCN Centres of Plant Diversity webpage.
LOW RISK JUSTIFICATION - This CPD has very little descriptive information delineating it. Nevertheless, an area approximating the Atlantic Coastal Plain as broadly described by the Center for Plant Diversity. The entire description on their webpage is quoted below. "The area from south-eastern North Carolina south to north-eastern Florida between the coast and St John's River is an important centre of plant diversity. Many now feel that coastal North Carolina-Florida should be considered a separate region since numerous endemic plants occur in its habitats, including coastal hammocks, dunes, shell mounds, marshes and flatwoods. There are 73 species endemic to northern Florida."
At this time it is best to be aware of where the area is located and rely on Best Management Practices to protect the area from procurement activities until the Centre of Plant Diversity is delineated.

Greenpeace Intact Forest
Two Greenpeace Intact Forests are located in the District of Origin, both are located within the Great Smoky Mountains National Park.
LOW RISK JUSTIFICATION - Two intact forests are completely within the Great Smoky Mountains National Park and for that reason should receive ample protection from the Department of the Interior. Risk of impacting this area should be LOW.

	The CE-DOC-008 FSC Controlled Wood Risk Assessment has identified and mapped the high conservation values stated above. These mapped areas can be found the Appendix of CE-DOC-008 FSC Controlled Wood Risk Assessment.
Means of Verification	Figures provided in CE-DOC-008 FSC Controlled Wood Risk Assessment
Evidence Reviewed	1. Following figures from CE-DOC-008 FSC Controlled Wood Risk Assessment a. Conservation International hotspots (Figure 2) b. Centres for Plant Diversity (Figures 5a, 5b, 6) c. GreenPeace Intact Forests (Figure 7) d. World Resources Institute (Global Forest Watch) Frontier Forests (Figure 3) e. Alliance for Zero Extinctions (AZE) sites (Figure 4) f. WWF Ecoregions (Figures 8a, 8b, 8c, 8d)
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**

	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	Company Risk Assessments state there is LOW risk of working in areas with high conservation value. The company's CE-PROC-001 SFI Fiber Sourcing Procedures, through its SFI Fiber Sourcing certification, state requirements for suppliers to meet state Best Management Practices (BMPs) and describes the Company's BMP compliance program. CE-DOC-005 BMP Compliance Checklist and CE-DOC-014 Secondary Supplier Audit Checklist verify this compliance. The Company's Master Wood Products Purchasing Agreement (MWPPA) mandates that suppliers meet state BMP guidelines. While state BMPs do not directly mention or address areas with high conservation values, many imperiled species live around water bodies and wetland areas. Following state BMPs help protect these areas. The company's MWPPA places the responsibility on fiber suppliers to ensure that fiber does not come from the five (5) unacceptable sources as stated in the FSC Control Wood Standard. All loggers delivering fiber to Greenwood are SFI trained and have received training on identifying high conservation value areas.
Means of Verification	Company procedures, BMP compliance check records, Master Wood Products Purchase Agreement
Evidence Reviewed	1. CE-DOC-008 FSC Controlled Wood Risk Assessment 2. CE-DOC-008a PEFC Due Diligence Risk Assessment 3. CE-PROC-001 SFI Fiber Sourcing Procedures 4. CE-DOC-005 BMP Compliance Checklist 5. Master Wood Products Purchase Agreement
Risk Rating	X **Low Risk** ☐ **Specified Risk** X **Unspecified Risk at RA**
Comment or Mitigation Measure	e. The company's Master Wood Product Purchase Agreement (MWPPA) places the responsibility on fiber suppliers to ensure that fiber does not come from the five (5) unacceptable sources as stated in the FSC Control Wood Standard. One of these five unacceptable sources includes wood from high conservation value areas. This contractual requirement of the MWPPA (Exhibit G) is further supported by the supplier providing specific track information on the "Track and Trace Requirements" about the origin of the primary feedstock.

	f. The company's SFI Fiber Sourcing system (CE-PROC-001 SFI Fiber Sourcing Procedures) requires the company to conduct field inspections of primary feedstock. The sample intensity of this monitoring system requires 5% of all harvest tracts or a total of twenty four (24) tracts to be inspected annually. This monitoring program verifies the origin of the primary feedstock, BMP compliance, wood utilization, and biomass retention. These compliance checks are recorded on CE-DOC-004 BMP Compliance Checklists. g. The company's SFI Fiber Sourcing system (CE-PROC-001 SFI Fiber Sourcing Procedures) also requires primary feedstock suppliers and their loggers to maintain their SFI SIC trained logger status. As part of this SFI training, loggers receive training on high conversation value areas and the habitats/ecosystems these areas are located. h. The company's CE-PROC-003 FSC Controlled Wood / PEFC Due Diligence procedures also record if the harvest tract meets any of the five unacceptable sources of FSC Controlled Wood for primary feedstock (CE-DOC-004 BMP Compliance Checklist). These procedures also require company personnel to audit secondary feedstock suppliers annually (CE-DOC-014 Secondary Supplier Audit Checklist) to verify their supply base is within the company's district of origin, to determine if the supplier has had any BMP or regulatory violation and to determine if the supplier has received any wood from high conservation value areas.

	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	Company Master Wood Products Purchase Agreement prohibits suppliers from knowingly supplying fiber that is sourced from lands that were converted to production plantation forest or non-forest lands after January 2008 or will be converted to plantation forest or none forest lands in the present or future. Production plantation forests are defined as forests of exotic species that have been planted or seeded by human intervention and that are under intensive stand management, are fast growing, and subject to short rotations (e.g. poplar, acacia or eucalyptus plantations). Company monitors compliance through BMP audits and records compliance on the BMP compliance checklist.
Means of Verification	Master Wood Products Purchase Agreement, BMP compliance records
Evidence Reviewed	1. Master Wood Products Purchase Agreement 2. CE-DOC-005 BMP Compliance Checklist
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **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.
Finding	Company has conducted a risk assessment on the supply basin. All fiber sourced can be traced to locations encompassed by the supply basin.

	Company requires that suppliers harvest fiber in compliance with state BMPs to control the impact on the forests. Company conducts compliance checks to verify supplier compliance with BMPs. In addition state forestry agencies conduct BMP compliance checks randomly or upon request by stakeholders. State agencies have also completed state Forest Action Plans for the states within the company's wood supply basin. These forest action plans have assessed long-term challenges for the state's forest resources and have developed plans to address these challenges moving forward.
Means of Verification	Risk assessments, Fiber Supply Agreements, BMP compliance check records, state forestry BMP compliance reports, state Forest Action Plans
Evidence Reviewed	1. CE-DOC-008 FSC Controlled Wood Risk Assessment 2. CE-DOC-008a PEFC Due Diligence Risk Assessment 3. CE-PROC-001 SFI Fiber Sourcing Procedures 4. CE-DOC-005 BMP Compliance Checklist 5. Master Wood Products Purchase Agreement 6. Results of Georgia's 2015 Silvicultural Best Management Practices Implementation and Compliance Survey 7. North Carolina Forestry BMP Implementation Survey Results 2006-2008 (Feb 2011) 8. South Carolina BMP Compliance Survey 2011-2012 9. Georgia Statewide Assessment of Forest Resources (2010) 10. South Carolina's Statewide Forest Resource Assessment and Strategy (2010) 11. North Carolina's Forest Resources Assessment (2010)
Risk Rating	X **Low Risk** ☐ **Specified Risk at RA** ☐ **Unspecified Risk**

	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	State BMPs set forth guidelines for maintaining and/or improving soil quality. Greenwood requires that all suppliers comply with state BMPs in harvesting operations. Company verifies supplier compliance with state BMPs through BMP compliance checks. Soil maps covering the supply basin are available as a resource to suppliers to assist in planning fiber harvest in a way that does not harm soil quality.
Means of Verification	Company sustainable forestry policy, fiber sourcing procedures, BMP compliance records
Evidence Reviewed	2. CE-POL-003 Fiber Procurement Policy 3. CE-PROC-001 SFI Fiber Sourcing Procedures 4. CE-DOC-005 BMP Compliance Checklist 5. USGS Soil Maps: http://websoilsurvey.nrcs.usda.gov/app/WebSoilSurvey.aspx
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**

	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 company's CE-DOC-008 FSC Controlled Wood Risk Assessment identified and mapped the presence or absence of the following high conservation value areas within its supply base. These high conservation values were determined by recommended conservation organizations mentioned below: **Conservation International** There are no Conservation International hotspots within the District of Origin. **World Resources Institute** There are no World Resources Institute (Global Forest Watch) Frontier Forests within the District of Origin. **Alliance for Zero Extinction** There are no Alliance for Zero Extinction sites within the District of Origin. **Two World Wildlife Fund (WWF) Global 200 Ecoregion's Sub-ecoregions** 1. The Southeastern mixed forests (NA0413) **INITIAL UNSPECIFIED RISK MITIGATED** TO **LOW RISK JUSTIFICATION -** Identifying and protecting any remaining blocks of land in the ecoregion is a high priority for conservationists. Overall this ecoregion does have large protected areas. These are the Bienville, Holly Springs, Homochitto, Noxubee, Oconee, Sumter, Talladega, Tombigbee, Tuskegee, and Uwharrie national forests as well as Camp Perry Naval Reservation, Fort A. P. Hill, Fort Belvoir, Fort Benning, Fort George G. Meade, Fort Gordon, Fort Lee, Fort Pickett, Fort Rucker (in part), and Quantico Marine Corps Base. In addition to the other protected areas, there are multiple US Army Corps of Engineers reservoirs that have terrestrial habitat under corps management in the ecoregion. Procurement in this ecoregion is **Low Risk.** 2. The Southeastern conifer forests (NA0529) **INITIAL UNSPECIFIED RISK MITIGATED** TO **LOW RISK JUSTIFICATION –** Fire that is essential to this ecosystem was suppressed as it was in many of the other ecoregions in the southeast. Due to commercial and private development, conversion to agriculture, and the planting of loblolly pine in the area, the longleaf pine flatwoods have been reduced to less than 1% of its original size. However, there are several places where the natural habitat is being maintained and fire is still allowed into the systems. Most of the conservation sites that remain can be found on national forests, military bases, and state parks (Fig. 8d). Thanks to organizations like the Longleaf Alliance, private landowners are being given federal incentives to plant longleaf on their property and maintain those stands for many decades to come. As a result of education and conservation planning, there has been an increase in longleaf plantations over the past decade with an increase in newly planted acres every year within the ecoregion. Larger protected areas are the Osceola National Forest, Fort Stewart, and the Okefenokee National Wildlife Refuge. The Apalachicola, Conecuh, DeSoto, and Ocala national forests; the Avon Park Bombing Range, Eglin Air Force Base, Fort Rucker (in part); as well as the Bogue Chitto national wildlife refuge are within the ecoregion. There are so few unprotected acres of natural longleaf remaining; the danger of disturbing natural habitat in this ecoregion is remote. The risk of working in this ecoregion is **Low Risk**. **Three Centers for Plant Diversity (CPD) sites** **NA24. Piedmont granitic rock outcrops** occur sporadically in Georgia, South Carolina and North Carolina. A high percentage (33%) of plants associated with these rock

	outcrops are endemics. These outcrops are restricted to geological areas with granite bedrock. **INITIAL UNSPECIFIED RISK MITIGATED** TO **LOW RISK JUSTIFICATION -** Trees do not grow on these outcrops. If good forestry practices are maintained, this habitat should remain intact and the threat to these taxa from forestry activities should be avoided. **NA25. Serpentine flora (eastern)** are associated with serpentine rock outcrops found in association with utramafic metavolcanic/intrusive rock and/or serpentinite. In the wood basin, NA25 is restricted to the Ridge and Valley, Blue Ridge, and Piedmont physiographic provinces. Based on the locations of known parent material for the serpentine soils, the most likely locations for serpentine soils in the wood basin would be somewhere in Georgia, North Carolina and South Carolina because ultramafic bedrock is located in those states. Serpentine soils are associated with a linear boundary between ancient continents. There are two of these zones in North America, one on the west coast and the other on the east coast. The eastern zone extends from Alabama north into Quebec. These soils are toxic to most plants. They have relatively higher levels of heavy metals (chromium and cobalt) and are lower in available calcium. Clays found there hold water, more so than other clays, making water less available to plants. Plant species found in this CPD have become specialists. They are adapted to the harsh conditions created by these soils and cannot survive outside of this habitat, making them obligate endemics to serpentine soils while other more common species cannot survive there at all. **INITIAL UNSPECIFIED RISK MITIGATED** TO **LOW RISK JUSTIFICATION -** Most plants cannot live in this environment and it is unlikely that commercial timber products would or could occur there. If good forestry practices are maintained, such as avoiding barrens and rock outcrops, this habitat should remain intact and the threat to these taxa from forestry activities should be avoided. **NA31. The Atlantic Coastal Plain** is included in a list of CPDs on the IUCN Centres of Plant Diversity webpage. **INITIAL UNSPECIFIED RISK MITIGATED** TO **LOW RISK JUSTIFICATION -** This CPD has very little descriptive information delineating it. Nevertheless, an area approximating the Atlantic Coastal Plain as broadly described by the Center for Plant Diversity. The entire description on their webpage is quoted below. “The area from south-eastern North Carolina south to north-eastern Florida between the coast and St John's River is an important centre of plant diversity. Many now feel that coastal North Carolina-Florida should be considered a separate region since numerous endemic plants occur in its habitats, including coastal hammocks, dunes, shell mounds, marshes and flatwoods. There are 73 species endemic to northern Florida.” At this time it is best to be aware of where the area is located and rely on Best Management Practices to protect the area from procurement activities until the Centre of Plant Diversity is delineated. **Greenpeace Intact Forest** Two Greenpeace Intact Forests are located in the District of Origin, both are located within the Great Smoky Mountains National Park. **INITIAL UNSPECIFIED RISK MITIGATED** TO **LOW RISK JUSTIFICATION -** Two intact forests are completely within the Great Smoky Mountains National Park and for that reason should receive ample protection from the Department of the Interior. Risk of impacting this area should be LOW. The CE-DOC-008 FSC Controlled Wood Risk Assessment has identified and mapped key ecosystems and habitats that are conserved or set aside in their natural state described above. These mapped areas can be found the Appendix of CE-DOC-008 FSC Controlled Wood Risk Assessment. The company through its SFI Fiber Sourcing certification is committed to ensure these areas are conserved. The company’s Master Wood Products Purchase Agreement (MWPPA) places the responsibility on fiber suppliers to ensure that fiber does not come

	from the five (5) unacceptable sources of the FSC CW Standard which includes high conservation value. Documentation through CE-DOC-005 BMP Compliance Checklist for primary feedstock verifies the tract from which the fiber originates does not come from the 5 FSC CW sources.
Means of Verification	Figures provided in CE-DOC-008 FSC Controlled Wood Risk Assessment; SFI Fiber Sourcing certification addresses Forests with Exceptional Conservation Value (FECV); Master Wood Product Purchase Agreement; CE-DOC-004 BMP Compliance Checklist; CE-DOC-014 Secondary Supplier Audit Checklist
Evidence Reviewed	1. Following figures from CE-DOC-008 FSC Controlled Wood Risk Assessment g. Conservation International hotspots (Figure 2) h. Centres for Plant Diversity (Figures 5a, 5b, 6) i. GreenPeace Intact Forests (Figure 7) j. World Resources Institute (Global Forest Watch) Frontier Forests (Figure 3) k. Alliance for Zero Extinctions (AZE) sites (Figure 4) l. WWF Ecoregions (Figures 8a, 8b, 8c, 8d) 2. Master Wood Product Purchase Agreement 3. CE-DOC-004 BMP Compliance Checklist 4. CE-DOC-014 Secondary Supplier Audit Checklist
Risk Rating	X **Low Risk** ☐ **Specified Risk** X **Unspecified Risk at RA**
Comment or Mitigation Measure	a. The company's Master Wood Product Purchase Agreement (MWPPA) places the responsibility on fiber suppliers to ensure that fiber does not come from the five (5) unacceptable sources as stated in the FSC Control Wood Standard. One of these five unacceptable sources includes wood from high conservation value areas. This contractual requirement of the MWPPA (Exhibit G) is further supported by the supplier providing specific track information on the "Track and Trace Requirements" about the origin of the primary feedstock. b. The company's SFI Fiber Sourcing system (CE-PROC-001 SFI Fiber Sourcing Procedures) requires the company to conduct field inspections of primary feedstock. The sample intensity of this monitoring system requires 5% of all harvest tracts or a total of twenty four (24) tracts to be inspected annually. This monitoring program verifies the origin of the primary feedstock, BMP compliance, wood utilization, and biomass retention. These compliance checks are recorded on CE-DOC-004 BMP Compliance Checklists. c. The company's SFI Fiber Sourcing system (CE-PROC-001 SFI Fiber Sourcing Procedures) also requires primary feedstock suppliers and their loggers to maintain their SFI SIC trained logger status. As part of this SFI training, loggers receive training on high conversation value areas and the habitats/ecosystems these areas are located. d. The company's CE-PROC-003 FSC Controlled Wood / PEFC Due Diligence procedures also record if the harvest tract meets any of the five unacceptable sources of FSC Controlled Wood for primary feedstock (CE-DOC-004 BMP Compliance Checklist). These procedures also require company personnel to audit secondary feedstock suppliers annually (CE-DOC-014 Secondary Supplier Audit Checklist) to verify their supply base is within the company's district of origin, to determine if the supplier has had any BMP or regulatory violation and to determine if the supplier has received any wood from high conservation value areas.

	Indicator
2.2.4	The Biomass Producer has implemented appropriate control systems and procedures to ensure that biodiversity is protected (CPET S5b).
Finding	The company's CE-DOC-008 FSC Controlled Wood Risk Assessment identified and mapped the presence or absence of the following high conservation value areas within its supply base. These high conservation values were determined by recommended conservation organizations mentioned below: **Conservation International** There are no Conservation International hotspots within the District of Origin. **World Resources Institute** There are no World Resources Institute (Global Forest Watch) Frontier Forests within the District of Origin. **Alliance for Zero Extinction** There are no Alliance for Zero Extinction sites within the District of Origin. **Two World Wildlife Fund (WWF) Global 200 Ecoregion's Sub-ecoregions** 1. The Southeastern mixed forests (NA0413) **INITIAL UNSPECIFIED RISK MITIGATED** TO **LOW RISK JUSTIFICATION -** Identifying and protecting any remaining blocks of land in the ecoregion is a high priority for conservationists. Overall this ecoregion does have large protected areas. These are the Bienville, Holly Springs, Homochitto, Noxubee, Oconee, Sumter, Talladega, Tombigbee, Tuskegee, and Uwharrie national forests as well as Camp Perry Naval Reservation, Fort A. P. Hill, Fort Belvoir, Fort Benning, Fort George G. Meade, Fort Gordon, Fort Lee, Fort Pickett, Fort Rucker (in part), and Quantico Marine Corps Base. In addition to the other protected areas, there are multiple US Army Corps of Engineers reservoirs that have terrestrial habitat under corps management in the ecoregion. Procurement in this ecoregion is **Low Risk.** 2. The Southeastern conifer forests (NA0529) **INITIAL UNSPECIFIED RISK MITIGATED** TO **LOW RISK JUSTIFICATION –** Fire that is essential to this ecosystem was suppressed as it was in many of the other ecoregions in the southeast. Due to commercial and private development, conversion to agriculture, and the planting of loblolly pine in the area, the longleaf pine flatwoods have been reduced to less than 1% of its original size. However, there are several places where the natural habitat is being maintained and fire is still allowed into the systems. Most of the conservation sites that remain can be found on national forests, military bases, and state parks (Fig. 8d). Thanks to organizations like the Longleaf Alliance, private landowners are being given federal incentives to plant longleaf on their property and maintain those stands for many decades to come. As a result of education and conservation planning, there has been an increase in longleaf plantations over the past decade with an increase in newly planted acres every year within the ecoregion. Larger protected areas are the Osceola National Forest, Fort Stewart, and the Okefenokee National Wildlife Refuge. The Apalachicola, Conecuh, DeSoto, and Ocala national forests; the Avon Park Bombing Range, Eglin Air Force Base, Fort Rucker (in part); as well as the Bogue Chitto national wildlife refuge are within the ecoregion. There are so few unprotected acres of natural longleaf remaining; the danger of disturbing natural habitat in this ecoregion is remote. The risk of working in this ecoregion is **Low Risk**. **Three Centers for Plant Diversity (CPD) sites** **NA24. Piedmont granitic rock outcrops** occur sporadically in Georgia, South Carolina and North Carolina. A high percentage (33%) of plants associated with these rock

	outcrops are endemics. These outcrops are restricted to geological areas with granite bedrock. **INITIAL UNSPECIFIED RISK MITIGATED** TO **LOW RISK JUSTIFICATION -** Trees do not grow on these outcrops. If good forestry practices are maintained, this habitat should remain intact and the threat to these taxa from forestry activities should be avoided. **NA25. Serpentine flora (eastern)** are associated with serpentine rock outcrops found in association with utramafic metavolcanic/intrusive rock and/or serpentinite. In the wood basin, NA25 is restricted to the Ridge and Valley, Blue Ridge, and Piedmont physiographic provinces. Based on the locations of known parent material for the serpentine soils, the most likely locations for serpentine soils in the wood basin would be somewhere in Georgia, North Carolina and South Carolina because ultramafic bedrock is located in those states. Serpentine soils are associated with a linear boundary between ancient continents. There are two of these zones in North America, one on the west coast and the other on the east coast. The eastern zone extends from Alabama north into Quebec. These soils are toxic to most plants. They have relatively higher levels of heavy metals (chromium and cobalt) and are lower in available calcium. Clays found there hold water, more so than other clays, making water less available to plants. Plant species found in this CPD have become specialists. They are adapted to the harsh conditions created by these soils and cannot survive outside of this habitat, making them obligate endemics to serpentine soils while other more common species cannot survive there at all. **INITIAL UNSPECIFIED RISK MITIGATED** TO **LOW RISK JUSTIFICATION -** Most plants cannot live in this environment and it is unlikely that commercial timber products would or could occur there. If good forestry practices are maintained, such as avoiding barrens and rock outcrops, this habitat should remain intact and the threat to these taxa from forestry activities should be avoided. **NA31. The Atlantic Coastal Plain** is included in a list of CPDs on the IUCN Centres of Plant Diversity webpage. **INITIAL UNSPECIFIED RISK MITIGATED** TO **LOW RISK JUSTIFICATION -** This CPD has very little descriptive information delineating it. Nevertheless, an area approximating the Atlantic Coastal Plain as broadly described by the Center for Plant Diversity. The entire description on their webpage is quoted below. “The area from south-eastern North Carolina south to north-eastern Florida between the coast and St John's River is an important centre of plant diversity. Many now feel that coastal North Carolina-Florida should be considered a separate region since numerous endemic plants occur in its habitats, including coastal hammocks, dunes, shell mounds, marshes and flatwoods. There are 73 species endemic to northern Florida.” At this time it is best to be aware of where the area is located and rely on Best Management Practices to protect the area from procurement activities until the Centre of Plant Diversity is delineated. **Greenpeace Intact Forest** Two Greenpeace Intact Forests are located in the District of Origin, both are located within the Great Smoky Mountains National Park. **INITIAL UNSPECIFIED RISK MITIGATED** TO **LOW RISK JUSTIFICATION -** Two intact forests are completely within the Great Smoky Mountains National Park and for that reason should receive ample protection from the Department of the Interior. Risk of impacting this area should be LOW. The CE-DOC-008 FSC Controlled Wood Risk Assessment has identified and mapped the high conservation values stated above. These mapped areas can be found the Appendix of CE-DOC-008 FSC Controlled Wood Risk Assessment. The company through its SFI Fiber Sourcing certification is committed to ensure these areas are conserved. The company’s Master Wood Products Purchase Agreement (MWPPA) places the responsibility on fiber suppliers to ensure that fiber does not come from the five (5) unacceptable sources of the FSC CW Standard which includes high

	conservation value. Documentation through CE-DOC-005 BMP Compliance Checklist for primary feedstock verifies the tract from which the fiber originates does not come from the 5 FSC CW sources.
Means of Verification	Figures provided in CE-DOC-008 FSC Controlled Wood Risk Assessment; SFI Fiber Sourcing certification addresses Forests with Exceptional Conservation Value (FECV); Master Wood Product Purchase Agreement; CE-DOC-004 BMP Compliance Checklist; CE-DOC-014 Secondary Supplier Audit Checklist
Evidence Reviewed	1. Following figures from CE-DOC-008 FSC Controlled Wood Risk Assessment m. Conservation International hotspots (Figure 2) n. Centres for Plant Diversity (Figures 5a, 5b, 6) o. GreenPeace Intact Forests (Figure 7) p. World Resources Institute (Global Forest Watch) Frontier Forests (Figure 3) q. Alliance for Zero Extinctions (AZE) sites (Figure 4) r. WWF Ecoregions (Figures 8a, 8b, 8c, 8d) 2. Master Wood Product Purchase Agreement 3. CE-DOC-004 BMP Compliance Checklist 4. CE-DOC-014 Secondary Supplier Audit Checklist
Risk Rating	X **Low Risk** ☐ **Specified Risk** X **Unspecified Risk at RA**
Comment or Mitigation Measure	a. The company's Master Wood Product Purchase Agreement (MWPPA) places the responsibility on fiber suppliers to ensure that fiber does not come from the five (5) unacceptable sources as stated in the FSC Control Wood Standard. One of these five unacceptable sources includes wood from high conservation value areas. This contractual requirement of the MWPPA (Exhibit G) is further supported by the supplier providing specific track information on the "Track and Trace Requirements" about the origin of the primary feedstock. b. The company's SFI Fiber Sourcing system (CE-PROC-001 SFI Fiber Sourcing Procedures) requires the company to conduct field inspections of primary feedstock. The sample intensity of this monitoring system requires 5% of all harvest tracts or a total of twenty four (24) tracts to be inspected annually. This monitoring program verifies the origin of the primary feedstock, BMP compliance, wood utilization, and biomass retention. These compliance checks are recorded on CE-DOC-004 BMP Compliance Checklists. c. The company's SFI Fiber Sourcing system (CE-PROC-001 SFI Fiber Sourcing Procedures) also requires primary feedstock suppliers and their loggers to maintain their SFI SIC trained logger status. As part of this SFI training, loggers receive training on high conversation value areas and the habitats/ecosystems these areas are located. **d.** The company's CE-PROC-003 FSC Controlled Wood / PEFC Due Diligence procedures also record if the harvest tract meets any of the five unacceptable sources of FSC Controlled Wood for primary feedstock (CE-DOC-004 BMP Compliance Checklist). These procedures also require company personnel to audit secondary feedstock suppliers annually (CE-DOC-014 Secondary Supplier Audit Checklist) to verify their supply base is within the company's district of origin, to determine if the supplier has had any BMP or regulatory violation and to determine if the supplier has received any wood from high conservation value areas.

	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	Greenwood has appropriate control systems and procedures to ensure residue removals are minimized in harming the ecosystem. CE-POL-001 Fiber Procurement Policy describes the company's guidelines for biomass retention for suppliers. These company guidelines are consistent with Forest Guild and various State Biomass Retention Guidelines and BMPs address wood and residue utilization. Master Wood Products Purchase Agreements have clauses requiring adherence to state BMPs. CE-DOC-004 BMP Compliance Checklist is used to record biomass retention and wood utilization. Lastly, the Company has distributed "Forest Biomass Retention and Harvesting Guidelines for the Southeast" from the Forest Guild to its suppliers to be used as a tool to ensure biomass removal minimizes the harm to ecosystems.
Means of Verification	State BMPs, Master Wood Products Purchase Agreement , BMP compliance checks
Evidence Reviewed	a. State BMP Manuals • GA: http://www.gfc.state.ga.us/resources/publications/BMPManualGA0609.pdf • NC: http://ncforestservice.gov/water_quality/bmp_manual.htm • SC: http://www.state.sc.us/forest/refbmp.htm b. CE-PROC-001 SFI Fiber Sourcing Procedures c. Master Wood Products Purchase Agreements d. CE-DOC-005 BMP Compliance Checklist e. Results of Georgia's 2015 Silvicultural Best Management Practices Implementation and Compliance Survey f. North Carolina Forestry BMP Implementation Survey Results 2006-2008 (Feb 2011) g. South Carolina BMP Compliance Survey 2011-2012 h. "Forest Biomass Retention and Harvesting Guidelines for the Southeast" (Forest Guild):http://www.forestguild.org/publications/research/2012/FG_Biomass_Guidelines_SE.pdf i. SC Best Practices Manual: Forest Biomass Harvestign Recommendations (Dec 2012) j. Copy of email distributing Forest Guild guidelines
Risk Rating	☒ **Low Risk** ☐ **Specified Risk** ☒ **Unspecified Risk at RA**
Comment or Mitigation Measure	Company policy (CE-POL-001 Fiber Procurement Policy) sets guidelines for woody biomass retention. These guidelines have been communicated with suppliers along with a copy of the Forest Guild's "Forest Biomass Retention and Harvesting Guidelines for the Southeast". Biomass retention is verified through the completion of CE-DOC-004 BMP Compliance Checklist as part of the Company's verification program.

	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 and Federal laws, such as the Clean Water Act, are in place to protect the waters of the United States. Access to these laws is available to Greenwood personnel. State Forestry Commissions, working with state Environmental Protection Divisions are charged with the enforcement of these state and federal laws. In addition, state forestry BMPs have been developed to provide guidance in water quality protection. The state forestry

	agencies also conduct BMP compliance checks throughout the year and publicly report their findings. Greenwood policy and procedures are place to provide support and guidance on how Company employees and suppliers will meet BMPs in the harvest of fiber without having negative impacts to water quality. Master Wood Products Purchase Agreements have clauses requiring adherence to state BMPs. Procedures are in place to monitor BMP compliance on tracts delivering fiber directly from the forest.
Means of Verification	State and Federal laws, State BMPs, Master Wood Products Purchase Agreements , BMP compliance checks
Evidence Reviewed	k. State BMP Manuals • GA: http://www.gfc.state.ga.us/resources/publications/BMPManualGA0609.pdf • NC: http://ncforestservice.gov/water_quality/bmp_manual.htm • SC: http://www.state.sc.us/forest/refbmp.htm 1. CE-POL-003 Fiber Procurement Policy 2. CE-PROC-001 SFI Fiber Sourcing Procedures 3. Master Wood Products Purchase Agreements 4. CE-DOC-005 BMP Compliance Checklist 5. Results of Georgia's 2015 Silvicultural Best Management Practices Implementation and Compliance Survey 6. North Carolina Forestry BMP Implementation Survey Results 2006-2008 (Feb 2011) 7. South Carolina BMP Compliance Survey 2011-2012
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**

	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	While Greenwood does not conduct forest management activities (prescribed burning) that directly impacts air quality, the Company actively promotes the use of prescribed burning to forest landowners as a sustainable forestry activity through its SFI Fiber Sourcing certification. Greenwood actively educates forest landowners about sustainable forestry by providing educational materials developed for landowners. Greenwood is located in a rural area in SC and purchases fiber from rural areas located in GA, NC and SC. Most of the Company's supply basin is located in areas outside of priority airsheds. State forest assessment reports state forest activities such as prescribed burning have mixed impacts on the forests. While smoke from prescribed burning can lower air quality temporarily, the lack of burning has a direct negative impact of longleaf pine and other fire tolerant species within the Company's supply basin.
Means of Verification	Employee interviews, state Forest Action Plans
Evidence Reviewed	1. CE-PROC-001 SFI Fiber Sourcing Procedures 2. Georgia Statewide Assessment of Forest Resources(2010) 3. North Carolina's Forest Resources Assessment: A statewide analysis of the past, current and projected future conditions of North Carolina's forest resources (2010) 4. South Carolina's Statewide Forest Resource Assessment and Strategy (2010)
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**

	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	While Greenwood does not conduct forest management activities which use forest chemicals, the Company actively promotes the use of Integrated Pest Management to forest landowners as a sustainable forestry activity through its SFI Sourcing certification. The Company has created a market for thinning material which reduces the risk of forest pests. The Company actively educates forest landowners about sustainable forestry by providing educational materials developed for landowners. State BMP guidelines outline the proper use of pesticides and that restricted use pesticides be applied by certified applicators. The Company actively participates on the SC SFI State Implementation Committee (SIC) as part of its SFI Sourcing certification. Participation on this SIC enables Greenwood personnel to interact with University research extension personnel as well as foresters who are actively managing the state's forests. As a result of these interactions, Company personnel keep informed of current forest management trends.
Means of Verification	Employee interviews, SFI Annual Progress Report
Evidence Reviewed	1. Federal Insecticide, Fungicide and Rodenticide Act (FIFRA) 2. Resource Conservation and Recovery Act (RCRA) 3. Worker Protection Standard (WPS) 4. Georgia Hazardous Waste Management Act 5. North Carolina Pesticide Law 6. South Carolina Pesticide Control Act 7. Spill Reporting by State (https://normanswei.files.wordpress.com/2010/11/spill-reporting-table-by-states.pdf) 8. CE-PROC-001 SFI Fiber Sourcing Procedures 9. SC SIC Meeting Minutes 10. State BMP Manuals a. GA: http://www.gfc.state.ga.us/resources/publications/BMPManualGA0609.pdf b. NC: http://ncforestservice.gov/water_quality/bmp_manual.htm c. SC: http://www.state.sc.us/forest/refbmp.htm
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **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).
Finding	State and Federal laws, such as the CERCLA, are in place to protect from oil spills and hazardous substance releases. Access to these laws is available to Company personnel. Company procedures require suppliers to maintain SFI training which includes modules addressing proper waste disposal. Master Wood Products Purchase Agreements have

	clauses requiring adherence to federal, state and local laws and state BMPs. Company BMP compliance checks also record the existence of trash or oil spills on forest lands.
Means of Verification	State and Federal law, State BMPs, Master Wood Products Purchase Agreements , Master Logger Training records, BMP compliance checks
Evidence Reviewed	1. Federal law a. CERCLA - 42 US Code Chapter 103: http://www.epa.gov/agriculture/lcla.html 2. State BMP Manuals 11. GA: http://www.gfc.state.ga.us/resources/publications/BMPManualGA0609.pdf 12. NC: http://ncforestservice.gov/water_quality/bmp_manual.htm 13. SC: http://www.state.sc.us/forest/refbmp.htm 3. State Master Logger lists • GA: http://ga-mth.forestry.uga.edu/ • NC: https://www.ncforestry.org/prologgers/ • SC: http://www.scforestry.org/top 4. CE-POL-003 Fiber Procurement Policy 5. CE-PROC-001 SFI Fiber Sourcing Procedures 6. Master Wood Products Purchase Agreements 7. CE-DOC-005 BMP Compliance Checklist
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **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.
Finding	Harvest levels for the supply base in GA, NC and SC do not exceed growth according to USDA Forest Service forest inventory data. Forest Service removals, growth and mortality records for 2013 show a positive average rate of growth to removals (and mortality) at 1.27 for all species with softwood being 1.23 and hardwood being 1.34 respectively.
Means of Verification	USDA Forest Service FIA data
Evidence Reviewed	1. USDA Forest Service Forest Inventory Analysis Data (Reports 26.2, 40.2 & 33.2) http://apps.fs.fed.us/fido/standardrpt.html 2. Forests of Georgia, 2013 – USDA Resource Update FS-38 (Mar 2015) 3. Forests of North Carolina, 2013 – USDA Resource Update FS-47 (May 2015) 4. Forests of South Carolina, 2014 – USDA Resource Update FS-53 (July 2015)
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**

	Indicator
2.3.2	Adequate training is provided for all personnel, including employees and contractors (CPET S6d).
Finding	Company personnel have received training on SBP using presentations from the SBP website and training sessions from their consultant. Select company personnel have also received training on Chain of Custody and SFI Fiber Sourcing. Company policy requires all professional wood producers delivering wood to complete SFI Implementation Committee approved logger training to achieve SFI Logger Education "trained" status. Company Master Wood Products Purchase Agreements have clauses requiring suppliers and loggers to be in good standing and in compliance with state SIC logger training continuing education programs.
Means of Verification	Master Logger Training records
Evidence Reviewed	1. SBP Framework Key Concepts presentation 2. State Master Logger lists • GA: http://ga-mth.forestry.uga.edu/ • NC: https://www.ncforestry.org/prologgers/ • SC: http://www.scforestry.org/top 3. CE-POL-003 Fiber Procurement Policy 4. CE-PROC-001 SFI Fiber Sourcing Procedures 5. Training records
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**

	Indicator
2.3.3	Analysis shows that feedstock harvesting and biomass production positively contribute to the local economy, including employment.
Finding	In addition to the projected seventy (70) direct jobs and over four hundred (400) temporary jobs associated with the construction of the pellet mill, Greenwood has created another market for wood fiber. This additional market only adds to a forest products industry that is a leading industry and employer in GA, NC and SC. According to recent economic studies, forestry is a $16.9 billion industry in GA (2013), a $10.7 billion industry in NC (2015) and $18.6 billion industry in SC (2015). Forestry and its related jobs accounted for over 50,000 direct jobs and supported a total of 133,353 employees in GA. In NC forestry contributed 40,028 direct jobs in 2014. In SC forestry accounted for 90,320 jobs.
Means of Verification	Economic studies, Employee interviews
Evidence Reviewed	1. Economic Benefits of the Forest Industry in Georgia: 2013 2. Economic Impact: Analysis of SC's Forestry Sector (2015) 3. AFPA - NC – State Industry Economic Impact (Jan 2015)
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **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).
Finding	Greenwood's Risk Assessments assess the health, vitality and other services provided by the forest ecosystems within the supply area. These risk assessments have identified key ecosystems and habitats present within the supply area. The risk assessments also have determined there is low risk and unspecified risk with mitigation in areas of high conservation value. Company policy and procedures are place to provide support and guidance on how Company employees and suppliers will meet BMPs in the harvest of fiber for the mill thus verifying the health and vitality of the forest ecosystems. Master Wood Products Purchase Agreements have clauses requiring adherence to state BMPs. Procedures are in place to monitor BMP compliance on tracts delivering fiber directly from the forest. The Company actively educates forest landowners about sustainable forestry through various outreach activities.
Means of Verification	Risk assessments, Master Wood Products Purchase Agreements, Company policy and procedures, BMP Compliance checklists
Evidence Reviewed	1. CE-DOC-008 FSC Controlled Wood Risk Assessment 2. CE-DOC-008a PEFC Due Diligence Risk assessment 3. CE-POL-003 Fiber Procurement Policy 4. CE-PROC-001 SFI Fiber Sourcing Procedures 5. CE-DOC-005 BMP Compliance Checklist 6. Master Wood Products Purchase Agreements 7. Records of outreach activities
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **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).
Finding	While Greenwood does not conduct forest management activities that manage fires, pests and diseases, the Company actively promotes the use of prescribed burning and other integrated pest management activities to forest landowners as a sustainable forestry activity through its SFI Sourcing certification. The Company has created a market for thinning material which reduces the risk of forest pests. The Company actively educates forest landowners about sustainable forestry by providing educational materials developed for landowners. Greenwood will also work with state forestry agencies, as needed, to address issues of forest health through its membership on the GA and SC SICs. The GA Forestry Commission in its 2012 Annual Report stated wildfires burned 27,162 acres for the year. GFC stated 2012 was a relatively moderate year in both fires and acres. GFC foresters incorporated insect, disease, or invasive species advise into 797 management cases involving 53,128 acres for the year. In NC for Fiscal Year 2013-2014, the state had 4,593 wildfires burning 13,327 acres. A total of 422 structures were either destroyed or damaged by fire as well. SC in 2014 had tree damage due to ice storms on 3.9 million acres throughout the state.

Means of Verification	State forestry agency reports
Evidence Reviewed	1. CE-PROC-001 SFI Fiber Sourcing Procedures 2. SC and GA SIC Committee Meeting Minutes 3. GFC 2012 Annual Report 4. NC 2015 Biennial Report 5. SC Forestry Commission FY 2014 Annual Report
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **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).
Finding	There are appropriate control systems and procedures to ensure that legality of ownership and land use can be demonstrated for the Supply Base. Illegal harvesting in the supply base is prohibited by state laws. Evidence indicates that major violations are prosecuted and legal liability is enforced. There is no evidence suggesting that illegal logging is a wide scale problem in the United States (US). Commonly used terms for violations in US are timber theft, tree poaching and unlawful logging. Thefts do occur, however the share of illegal felling in hardwoods is much smaller than 1% according to a study conducted by American Hardwood Export Council. It is logical to conclude that similarly illegal logging is not a major problem for softwoods in US. Further, legality of ownership and land use is enforced through Company procedures and contractual agreements by suppliers.
Means of Verification	State laws, Company policy, regional risk assessments, contract provisions with suppliers.
Evidence Reviewed	8. CE-POL-003 Fiber Procurement Policy 9. CE-PROC-001 SFI Fiber Sourcing Procedures 10. CE-PROC-002 Chain of Custody Procedures 11. CE-DOC-008 FSC Controlled Wood Risk Assessment 12. CE-DOC-008a PEFC Due Diligence Risk Assessment 13. Master Wood Products Purchase Agreement 14. State laws addressing illegal logging and wood theft are as follows: *Georgia Laws* House Bill - HB 790 Signed by Governor: April 29, 2014 Effective Date: July 1, 2014 Provides additional enforcement authority to Georgia Forestry Commission investigators In cases involving the unauthorized cutting or cutting and carrying away of timber from the property of another damages shall be awarded in accordance with GA. CODE ANN. § 51-12-50.

	Amends GA. CODE ANN. § 51-12-50 whereas damages shall be: (1) Treble the fair market value of the trees cut as they stood; (2) Treble the diminished fair market value of any trees incidentally harmed; (3) Costs of reasonable reforestation activities related to the plaintiff's injury; and (4) Attorney fees and expenses of litigation. When defendant is a willful trespasser, plaintiff may receive punitive damages. Amends GA. CODE ANN. § 12-6-23 relating to wood load ticket required for wood removal, so as to require purchasers to provide the proper tickets to sellers of timber within 20 days GA Codes Title 12 Forest Resources and other Plant Life Article 1 – Forestry Resources GA. CODE § 12-6-23 - Wood load ticket required for wood removal; form; exceptions GA. CODE § 12-6-24 - Notice of timber harvesting operations County Laws in Georgia can be found online at: http://warnell.forestry.uga.edu/warnell/service/library/index.php3?docID=272&docHistory[]=11 *North Carolina Laws* N.C. GEN. STAT. § 1-539 "awards double damages for a timber trespass that occurs *without the consent and permission of the bona fide owner or an act of arson* if a defendant willfully and intentionally set on fire, or cause to be set on fire" timber on the land of another." N.C. GEN STAT. § 14-128 "considers anyone committing a *willful* timber trespass guilty of a Class 1 misdemeanor, provided the offender is not an officer, agent, or employee of the Department of Transportation who committed the act within a right-of-way or easement of the Department of Transportation." N.C. GEN. STAT. § 1-487 "requires that when a title to timberland is contested, either party is not to harvest timber until ownership is determined by court action." *South Carolina Laws* S.C. CODE ANN. 1976 § 16-11-580 "if the value of stolen forest products is $5,000 or more, a defendant is fined at the discretion of the court, or imprisoned for not more than ten years." This code also allows for seizure and forfeiture of all property used in the timber theft. S.C. CODE ANN. 1976 § 16-13-177 "imposes the forfeiture of property used in a timber trespass if more than $5,000 of timber is taken."
Risk Rating	✗ **Low Risk** ☐ **Specified Risk** ☐ **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).
Finding	There are appropriate control systems and procedures to verify that legal, customary and traditional tenure and use rights of indigenous people and local communities related to the forest are identified, documented and respected for the Supply Base. According to the Company's SBP Risk Assessment FSC's Global Forestry Registry the United States can be shown as LOW RISK. They go on to say that "International assessments of violation of traditional or civil rights do not identify the US as problematic. In addition, the US has equitable processes in place to resolve disputes. Native Americans are protected by federal law rather than state law according to the Nonintercourse Act of 1790. The Indian Removal Act of 1830 was intended to promote the voluntary removal of Native Americans out of the US Territory peacefully through treaties and land sales. There are two (2) recognized Native American tribes located within the company's supply area. These tribes have been contacted via the company's stakeholder letter engagement process to seek input of concerns or comments. To date no feedback has been received.
Means of Verification	Risk Assessments, Stakeholder Letters
Evidence Reviewed	1. CE-DOC-008 FSC Controlled Wood Risk Assessment 2. CE-DOC-008a PEFC Due Diligence Risk Assessment 3. Stakeholder letter to the Catawba Indian Nation 4. Stakeholder Letter to the Eastern Band of the Cherokee Indians
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **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.
Finding	Greenwood policy and procedures are place to provide support and guidance on how Company employees and suppliers meet BMPs in the harvest of fiber for the mill thus verifying the 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. Master Wood Products Purchase Agreements have clauses requiring adherence to state BMPs. Procedures are in place to monitor BMP compliance on tracts delivering fiber directly from the forest. Greenwood will be reaching out to local and regional stakeholders who may have specific needs from the forestlands within their community. Feedback from these stakeholder consultations will be addressed as needed.
Means of Verification	Company policy and procedures, Master Wood Products Purchase Agreement , BMP Compliance Checklists, Stakeholder consultation feedback and follow-up
Evidence Reviewed	1. CE-POL-003 Fiber Procurement Policy 2. CE-PROC-001 SFI Fiber Sourcing Procedures 3. Master Wood Products Purchase Agreement

	4. CE-DOC-005 BMP Compliance Checklist 5. CE-DOC-015 SBP Stakeholder List 6. CE-DOC-016 SBP Stakeholder Letter Template
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **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.
Finding	Greenwood has complaint mechanisms in place as part of its chain of custody and controlled wood / due diligence procedures. Both procedures provide guidance on when and how the Company respond to grievances and complaints.
Means of Verification	Company procedures
Evidence Reviewed	1. CE-PROC-002 Chain of Custody Procedures 2. CE-PROC-003 FSC Controlled Wood / PEFC Due Diligence Procedures 3. CE-PROC-004 SBP Procedures 4. CE-DOC-009 Controlled Wood / Due Diligence System Complaints Report 5. CE-DOC-010 Controlled Wood / Due Diligence System Complaints Log
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **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.
Finding	Company's Master Wood Product Purchase Agreement contains a "Code of Conduct" for which suppliers will be accountable. Greenwood recognizes the right to collective bargaining and the Freedom of Association. The Company is pursuing FSC and PEFC Chain of Custody certified which requires the company to comply with social laws. Further, Federal laws in the United States codified in both the National Labor Relations Act of 1935 and OSHA protect workers' rights to collective bargaining. GA, NC and SC are Right to Work states.
Means of Verification	Employee interviews, FSC & PEFC Chain of Custody, Federal Laws
Evidence Reviewed	1. Master Wood Product Purchase Agreement, Exhibit B – "Code of Conduct" 2. CE-PROC-002 Chain of Custody Procedures 3. CE-PROC-004 SBP Procedures 4. National Labor Relations Act: http://www.nlrb.gov/resources/national-labor-relations-act 5. 29 CFR 2200.22: https://www.law.cornell.edu/cfr/text/29/2200.22
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **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.
Finding	Company's Master Wood Product Purchase Agreement contains a "Code of Conduct" for which suppliers will be accountable. The United States Federal Constitution 13th Amendment provides "Neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction" Further, benefiting from compulsory labor in the United States is a federal crime punishable by up to 20 years in prison. The Company also has policies on worker's rights, discrimination, etc.
Means of Verification	Company employment policies, Employee interviews, Employee Handbook
Evidence Reviewed	1. Employment Posters 2. Employee Handbook 3. Amendment XIII of the United States Constitution: https://www.law.cornell.edu/constitution/amendmentxiii 4. 18 US Code 1589: https://www.law.cornell.edu/uscode/text/18/1589 5. Master Wood Product Purchase Agreement, Exhibit B – "Code of Conduct"
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **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.
Finding	Company's Master Wood Product Purchase Agreement contains a "Code of Conduct" for which suppliers will be accountable. State and Federal laws, such as the Equal Employment Opportunity and OSHA, are in place to prohibit child labor.
Means of Verification	Review of Company employment policies, Employee interviews, Employee Handbook
Evidence Reviewed	1. Employment Posters 2. Employee Handbook 3. US Federal Child Labor Laws: http://www.dol.gov/whd/childlabor.htm 4. GA Child Labor Law: http://www.dol.state.ga.us/em/child_labor.htm 5. NC Child Labor Law: http://www.nclabor.com/wh/fact%20sheets/joint_state_fed.htm 6. SC ChildLabor Law: http://www.llr.state.sc.us/Labor/index.asp?file=wages/childlabor.htm 7. Master Wood Product Purchase Agreement, Exhibit B – "Code of Conduct"
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **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.
Finding	Company's Master Wood Product Purchase Agreement contains a "Code of Conduct" for which suppliers will be accountable. State and Federal laws, such as the Equal Employment Opportunity and OSHA, are in place to provide rights to workers.
Means of Verification	Employee interviews, Federal laws, Employee Handbook
Evidence Reviewed	1. Employment Posters 2. Employee Handbook 3. 2 US Code 1311: https://www.law.cornell.edu/uscode/text/2/1311 4. Equal Pay Act of 1963: http://www.eeoc.gov/laws/statutes/epa.cfm 5. Master Wood Product Purchase Agreement, Exhibit B – "Code of Conduct"
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **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.
Finding	Company's Master Wood Product Purchase Agreement contains a "Code of Conduct" for which suppliers will be accountable. State and Federal laws, such as the Equal Employment Opportunity and OSHA, are in place to ensure pay and employment conditions are fair.
Means of Verification	Employee interviews, Employee Handbook
Evidence Reviewed	1. Employment Posters 2. Employee Handbook 3. Master Wood Product Purchase Agreement, Exhibit B – "Code of Conduct"
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **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).
Finding	State and Federal laws, such as OSHA to ensure worker health and safety in the work place. The Company also has policies on workers health and safety. The Company has a health and safety program that is managed by dedicated personnel. This program includes the use of personal protective equipment and safety meetings.
Means of Verification	Training records, Employee interviews

Evidence Reviewed	1. Safety Training records 2. Safety Inspections 3. Safety Manual
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **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.
Finding	USDA Forest Service FIA data on carbon storage for the Company's supply area was determined to be 2.28 billion short tons in 2007. FIA data was not available for the stated year of 2008 in NC. In 2014 the supply area was determined to have 2.38 billion short tons of carbon stock. This accounts for over a 4.81% increase in 7 years.
Means of Verification	USDA Forest Service FIA data
Evidence Reviewed	1. Carbon Reports from Forest Data Inventory Online from the USDA Forest Service website (FIDO Carbon Reports 47.1, 48.1, 50.1, 51.1, 52.1, 53.2, 54.2).
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **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.
Finding	USDA Forest Service FIA data on carbon storage for the Company's supply area was determined to be 2.28 billion short tons in 2007. FIA data was not available for the stated year of 2008 in NC. In 2014 the supply area was determined to have 2.38 billion short tons of carbon stock. This accounts for over a 4.81% increase in 7 years.
Means of Verification	USDA Forest Service FIA data
Evidence Reviewed	1. Carbon Reports from Forest Data Inventory Online from the USDA Forest Service website (FIDO Carbon Reports 47.1, 48.1, 50.1, 51.1, 52.1, 53.2, 54.2).
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**

	Indicator
2.10.1	Genetically modified trees are not used.
Finding	The Company completed CE-DOC-008 FSC Controlled Wood Risk Assessment which assessed the level of risk GMO trees are available for operational use. The Risk Assessment states there are no operational GMO forests or stands in the United States.

Means of Verification	Review of citations within Risk Assessment
Evidence Reviewed	1. CE-DOC-008 FSC Controlled Wood Risk Assessment
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**