

# Supply Base Report: Westervelt Renewable Energy, LLC

## Third Surveillance Audit & Scope Change Audit

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## Completed in Accordance with the Supply Base Report Template Version 1.2

*For further information on the SBP Framework and to view the full set of documentation see  
[www.sbp-cert.org](http://www.sbp-cert.org)*

### *Document history*

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# 1 Overview

Producer name:	Westervelt Renewable Energy, LLC
Producer location:	1400 Jack Warner Pkwy, N.E., Tuscaloosa, AL 35404 (office) 6777 Highway 17 South, Aliceville, AL 35442 (production)
Geographic position:	Latitude: 33° 4'24.28" N, Longitude: 88° 14'30.37" W
Primary contact:	Mike Williams 1400 Jack Warner Pkwy, N.E., Tuscaloosa, AL, 35404 (P) 205-562-5670 (F) 205-562-5310 <a href="mailto:mwilliams@westervelt.com">mwilliams@westervelt.com</a>
Company website:	<a href="http://www.westerveltenergy.com">http://www.westerveltenergy.com</a>
Date report finalised:	01/Mar/2018
Close of last CB audit:	06/Apr/2017 Second Surveillance (NSF) 13/Nov/2017 Certificate Transfer (SCS) Scope Expansion Pending (submitted 19/Nov/2017 to SCS)
Name of CB:	SCS Global Services
Translations from English:	N/A
SBP Standard(s) used:	Standard #1 Version 1.0 March 2015 Standard #2 Version 1.0 March 2015 Standard #4 Version 1.0 March 2015 Standard #5 Version 1.0 March 2015
Weblink to Standard(s) used:	<a href="http://www.sbp-cert.org.org/documents">http://www.sbp-cert.org.org/documents</a>
SBP Endorsed Regional Risk Assessment:	Not applicable
Weblink to SBE on Company website:	<a href="http://www.westerveltenergy.com/sustainability">http://www.westerveltenergy.com/sustainability</a>

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

## 2 Description of the Supply Base

### 2.1 General description

#### **Location**

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

#### **Supply Base<sup>1</sup>**

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

Westervelt<sup>2</sup> purchases secondary residuals from Westervelt's sawmill and from third-party generators of residual materials. Primary feedstock is sourced directly from Westervelt owned or managed lands, private (family & institutional) landowners, and a de minimis amount from state lands. A gradual increase in the availability of residual material is underway throughout the region and coincides with increased housing starts.

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

Westervelt utilizes secondary residues from softwood and hardwood species in addition to round wood softwood. Secondary residues include sawmill shavings, sawdust, and chips while round wood includes tops, limbs, non-merchantable wood from final harvest tracts, and forest thinnings. Although the primary

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<sup>1</sup> Throughout this document, references to sourcing and use of hardwood residues as well as softwood species originating beyond the states of Alabama and Mississippi are predicated on approval of Westervelt's scope expansion which was submitted to SCS Global Services 10/November/2017 and is currently pending approval.

<sup>2</sup> Westervelt Renewable Energy is the SBP certificate holder (Biomass Producer) and the production location is Aliceville, Alabama. Westervelt Lumber is a saw mill located in Moundville, Alabama which generates secondary residues which can be used as feedstock at the Aliceville pellet production facility. Westervelt Forest Resources is responsible for the company's forest lands in Mississippi, Alabama, Georgia, South Carolina, and Virginia, and forest thinnings from company forests can be used as feedstock at the Aliceville pellet production facility. All three groups are owned by the Westervelt Company and all maintain administrative offices at The Westervelt Company Headquarters in Tuscaloosa, Alabama.

input is secondary residues, the plant has the ability to utilize round wood. The facility does not utilize saw logs nor do we use any construction, demolition, treated, or post-consumer derived feedstock. When round wood is sourced, residue bark generated on-site is utilized as furnace fuel for the dryer and is supplemented by external bark purchases as needed. External bark is sourced from sawmills and chip mills from a variety of wood species.

### **Protected Species**

Westervelt does not utilize feedstock from any Convention on International Trade in Endangered Species of Wild Flora and Fauna ("CITES") listed species. The International Union for Conservation of Nature™ ("IUCN") identifies Longleaf Pine (*Pinus palustris*) as endangered and Westervelt notes the presence of this species in our supply area. We are not opposed to the use of Longleaf pine provided the land from which the fiber originates is ultimately returned to Longleaf or the species which was present prior to the planting of Longleaf, and we support the mission of the Longleaf Alliance in encouraging markets for the sustainable consumption of this species in order to perpetuate its existence. For further information please refer to Westervelt Renewable Energy, LLC Statement on Longleaf Pine dated March 1, 2018.

### **Harvest & Delivery**

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

### **Sustainability**

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

Approximately 0%-19% of feedstock inputs are from Certified Forests recognized by SBP as compliant feedstock; 0%-19% of sawdust was from a certified forest; 0%-19% of sawmill residues (not including sawdust) were from a certified forest; 100% of all feedstock inputs meet requirements for controlled wood; 100% of all round wood sourced meets SFI Fiber Sourcing requirements; 0% of inputs were from non-compliant feedstock; 0% of inputs were primary feedstock from a primary forest; 0% of inputs were from post-consumer tertiary wood; 0-19% of inputs were from pre-consumer tertiary residue wood.

Existing certifications applicable to the areas within the scope of the Supply Base Evaluation and Risk Assessment include: PEFC ST 2002:2013 Chain of Custody Forest Based Products; FSC Mixed and FSC Controlled Wood Chain of Custody; FSC-US Forest Management Standard (v1.0)<sup>3</sup>; Sustainable Forest Initiative Forest Management\* and Fiber Sourcing (SFI 2015-2019); and SFI Chain of Custody Standard.

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<sup>3</sup> Applies to certain Westervelt owned lands in the region and not to third party-owned lands

## 2.2 Actions taken to promote certification amongst feedstock supplier

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

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

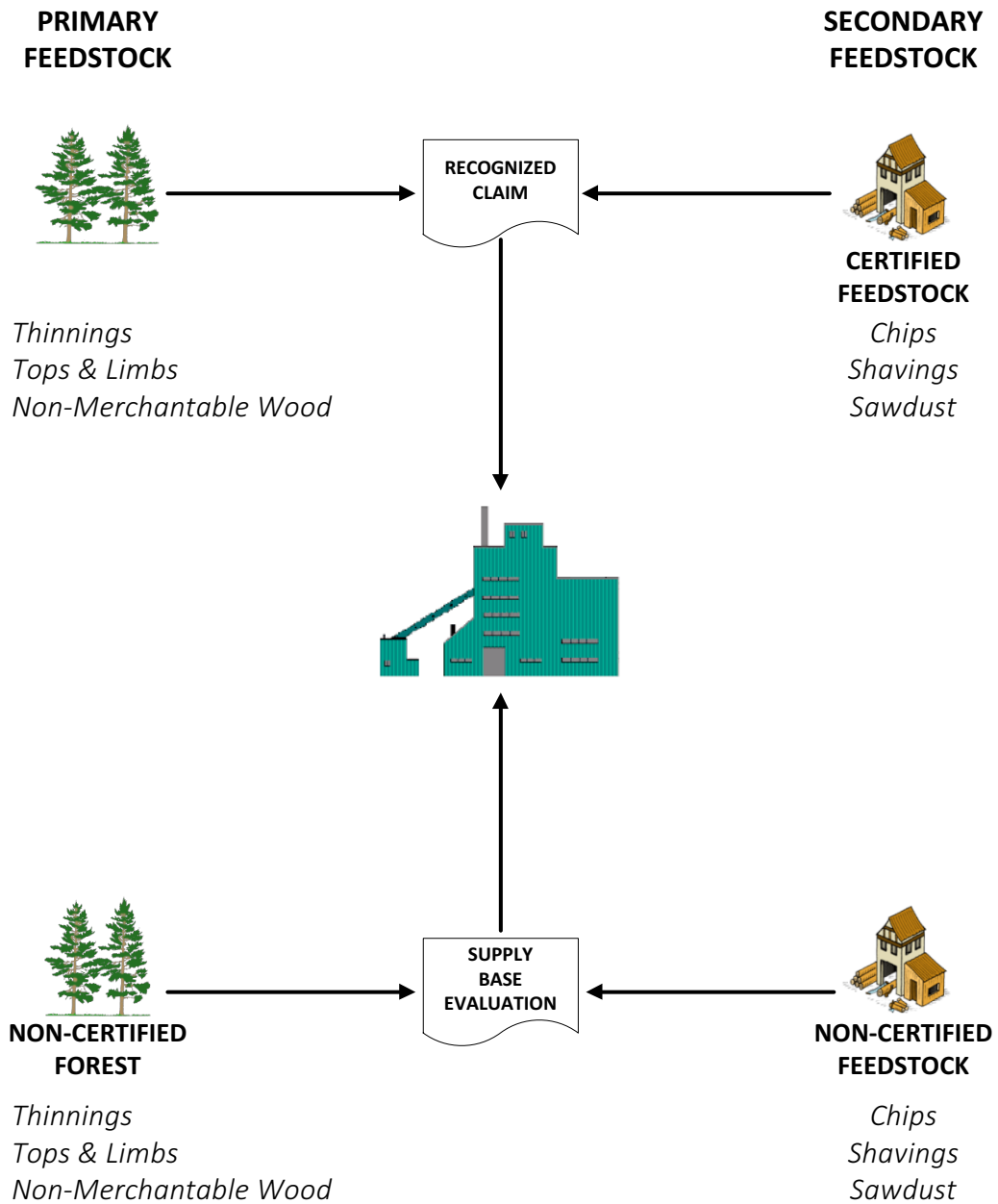
## 2.3 Final harvest sampling programme

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

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

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





## 2.5 Quantification of the Supply Base

### Supply Base<sup>4</sup>

**a. Supply Base Area:** 183,951,715 (ac) 74,442,684 (ha) (total including all forest types)

**b. Tenure by type:**

- Private	151,235,223 (ac)	61,202,777 (ha)	85.0 (%)	estimated
- Public	26,716,492 (ac)	10,811,790 (ha)	15.0 (%)	estimated
- Community Concession	- (ac)	- (ha)	(%)	de minimis

**c. Forest by Type:** 183,951,715 (ac) 74,442,684 (ha) Temperate

**d. Forest Management by Type:**

- Plantation	44,471,887 (ac)	17,997,150 (ha)	
- Managed Natural	125,531,845 (ac)	50,800,980 (ha)	estimated
- Natural	13,947,983 (ac)	5,644,553 (ha)	estimated at 10% of Managed Natural

**e. Certified Forest by Scheme:**

	ATFS (ac)	ATFS (ha)	SFI (ac)	SFI (ha)	FSC (ac)	FSC (ha)
- Alabama	2,762,304	1,117,866	2,944,878	1,191,751	636,682	257,656
- Mississippi	1,320,647	534,447	2,104,972	851,853	284,073	114,960
- Louisiana	1,052,129	425,782	2,962,742	1,198,980	634,287	256,687
- Arkansas	559,518	226,429	3,199,995	1,294,993	1,225,031	495,753
- Tennessee	340,879	137,949	475,216	192,313	180,232	72,937
- North Carolina	406,418	164,472	1,097,424	444,112	155,701	63,010
- South Carolina	1,112,169	450,079	1,126,774	455,990	275,259	111,393
- Georgia	1,924,197	778,696	2,419,141	978,992	100,526	40,681
- Florida	1,082,355	438,014	1,879,588	760,643	89,945	36,399
- Texas	788,625	319,145	2,391,417	967,773	171,304	69,324
- Missouri	127,563	51,623	-	-	3,901	1,579
	11,476,804	4,644,502	20,602,147	8,337,400	3,756,941	1,520,381

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

## Feedstock<sup>5</sup>

- f. Total volume of feedstock: 0-200,000 green metric tons
- g. Volume of primary feedstock: 0-200,000 green metric tons
- h. List percentage of primary feedstock (g), by the following categories.  
  
Subdivide by SBP-approved Forest Management Schemes.
  - Large forest holdings certified to an SBP-approved Forest Management Schemes: 0%-19%
  - Large forest holdings not certified to an SBP-approved Forest Management Schemes: 80%-100%
  - Small forest holdings certified to an SBP-approved Forest Management Schemes: 0%-19%
  - Small forest holdings not certified to an SBP-approved Forest Management Schemes: 00%-19%
- i. List all species in primary feedstock, including scientific name:
  - Loblolly Pine (Pinus taeda)
  - Shortleaf Pine (Pinus echinata)
  - Slash Pine (Pinus elliotti)
  - Virginia Pine (Pinus Virginiana)
  - Longleaf Pine (Pinus palustris)
- j. Volume of primary feedstock from primary forest: None
- k. List percentage of primary feedstock from primary forest (i), by the following categories.  
  
Subdivide by SBP-approved Forest Management Schemes.
  - *Primary feedstock* from primary forest certified to an SBP-approved Forest Management Schemes: 0%-19%
  - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Schemes: 0%-19%
- l. Volume of secondary feedstock: 80%-100% residues
- m. Volume of tertiary feedstock: 0%-19%

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

### 3 Requirement for a Supply Base Evaluation

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

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

## 4 Supply Base Evaluation

### 4.1 Scope

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

### 4.2 Justification

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

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

### 4.3 Results of Risk Assessment

The Risk Assessment considered all of the Standard Operating Procedures (SOPs) previously implemented by Westervelt. The SOPs constitute existing control or mitigation measures approved and certified by independent Certification Bodies to meet the rigorous requirements of the FSC, SFI, and PEFC Standards. The finding of Low Risk of the Supply Base Evaluation & Risk Assessment is consistent with the findings of the FSC Controlled Wood and PEFC Due Diligence System & Risk Assessment. For additional information regarding HSC and sourcing risk please refer to Annex I – Exhibit B Supplemental Information High Conservation Value (HCV) & Sourcing Risk, a copy of which is available upon request.

## 4.4 Results of Supplier Verification Programme

By virtue of the finding of Low Risk to the SBP Standard #1 Indicators, the Low Risk finding of the FSC Controlled Wood Risk Assessment and the Low Risk finding of the PEFC Due Diligence System & Risk Assessment; a Supplier Verification Program (SVP) was not required. Therefore, this Section is not applicable (NA).

## 4.5 Conclusion<sup>6</sup>

The Supply Base Evaluation & Risk Assessment concluded Low Risk for all SBP Indicators based upon the Standard Operating Procedures (SOPs) of Westervelt. The Supply Base Evaluation drew on a multi-year history and record of conformance to Forest Management, Chain of Custody, and Controlled Wood and certifications from FSC, SFI, and PEFC. It is also important to note that Westervelt's FSC FM Risk Assessment was reviewed in conjunction with this review of the SBP Risk Assessment, and all indicators remain Low Risk. In addition, Westervelt's processes are compliant with FSC –STD-40-005 V3-1 Requirements for Sourcing FSC Controlled Wood.

Westervelt requires the use of trained loggers (as recognized by SFI) for all delivered materials. All contracts with suppliers and landowners require compliance with laws and regulations as well as State Best Management Practices. Feedback from the Stakeholder Consultation process was positive and reinforced the finding of an overabundance of wood fiber in the age classes of trees utilized by the Westervelt facility. All inputs are from thinnings and residual waste material that would otherwise be left in the field, along with industry residual chips and sawdust from primary manufacturing facilities. For additional information regarding contracts please refer to Annex I – Exhibit D Supplemental Information Wood Purchase Agreement Overview.

BMP implementation studies conducted in the Southeast U.S. show that the mean implementation rate is 92% which is above the mean national implementation rate of 91%<sup>7</sup>. For additional information regarding BMPs please refer to Annex I – Exhibit C Supplemental Information Forestry Best Management Practices, a copy of which is available upon request.

Approximately 0%-19% of the feedstocks are from Certified Forests, recognized as SBP-compliant Primary Feedstocks. All non-certified sources are Low Risk for all Standard # 1 Indicators. Thus, all inputs originating within the supply base are considered SBP-compliant Feedstocks.

Approximately 0%-19% of the round wood feedstocks are from Certified Forests, recognized as SBP-compliant Primary Feedstocks. All non-certified sources are Low Risk for all Standard # 1 Indicators. Thus, all inputs originating within the supply base are considered SBP-compliant feedstocks.

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

<sup>7</sup> Cristan, R.; Aust, W.M.; Bolding, M.C.; Barrett, S.M.; Munsell, J.F. (2016). *Status of state forestry best management practices for the south-eastern United States*. Asheville, NC: U.S. Department of Agriculture Forest Service, Southern Research Station.

## 5 Supply Base Evaluation Process

After evaluating the required competencies to achieve objectives of the SBE, Westervelt selected and appointed an evaluation team to review and update SBP Program and Procedures, including conducting the Supply Base Evaluation & Risk Assessment. Team members and their qualifications are:

### Michael Ferrucci

Ferrucci is a Partner in INTERFOREST, LLC, and a Partner in Ferrucci & Walicki, LLC, a land management company that has served private land owners in Southern New England for over 15 years. Its clients include private citizens, land trusts, towns and cities, corporations, private water companies and non-profit organizations. He has a B.S. degree in Forestry from the University of Maine, Orono, and a Master of Forestry degree from the Yale School of Forestry and Environmental Studies. His primary expertise is in management of watershed forests to provide timber, drinking water and the protection of other values; in forest inventory and timber appraisal; hardwood forest silviculture and marketing; and the ecology and silviculture of natural forests of the northeastern United States. He is a member of the Forest Practices Advisory Board of the State of Connecticut, past Chairman and Executive Committee member of the Connecticut Tree Farm Committee, and a frequent speaker on logging and water quality in wetlands. He also lectures on Private Sector Forestry, Leadership and Forest Resources Management at the Yale School of Forestry and Environmental Studies. He has overseas experience in Angola.

### Clint Woods

Woods is the Fiber Procurement Manager for Westervelt Renewable Energy, LLC and formerly Chain of Custody and Controlled Wood Coordinator for The Westervelt Company. He has a BS in Forest Management from Mississippi State University, is a Registered Forester, Professional Logging Manager, and is experienced in developing FSC Chain of Custody and Controlled Wood Procedures. He has over 15 years of procurement experience in the Westervelt supply base area.

### Mike Williams

Williams is Project Director, Business Development at The Westervelt Company. He has a BS from Morehead State University, completed the Advanced Management Program at Duke University, holds a Certificate of Process Mastery from Hammer & Company, and is a certified Six Sigma Black Belt. He has over 30 years of forest products industry experience with expertise in project development, strategy & planning, process management, procurement, quality systems & analysis, and supply chain logistics. He also has biomass project development experience, participated in the SBP working group during development of the standard, and is a member of the SBP Stakeholder Consultation Committee.

### Jonathan Lowery

Lowery is Forest Sustainability & Policy Manager for the Forest Resources Division of the Westervelt Company and has over 15 years of experience in forest inventory and scheduling. He has a BS in Forestry from Mississippi State and is a Registered Professional Forester. He is responsible for the company's certifications in SFI, FSC, PEFC forest management standards.

## 6 Stakeholder Consultation

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

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

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

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

### 6.1 Response to stakeholder comments

Tim L. Gothard, Alabama Wildlife Federation Executive Director

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

Response:

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

No other feedback was received.

## 7 Overview of Initial Assessment of Risk

A review of the Risk Assessment addressing the requirements in Standard #1 resulted in a continued finding of Low Risk for all indicators. Westervelt's Standard Operating Procedures (SOPs) which supports its SFI, PEFC, and FSC sustainable forestry programs is instrumental in recognizing and addressing the potential for 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

Based on a finding of Low Risk for all indicators a Supplier Verification Programme is not required.

### 8.2 Site visits

Not applicable

### 8.3 Conclusions from the Supplier Verification Programme

Not applicable

## 9 Mitigation Measures

### 9.1 Mitigation measures

As evidenced by a finding of Low Risk for all indicators, Westervelt Standard Operating Procedures (SOPs) addressing sustainability and legality have been functioning for many years under the organization's SFI, PEFC, and FSC certification programs and have proven to be effective. These processes are verified annually through independently conducted re-certification and/or surveillance audits in addition to verification through the company's internal audit process.

### 9.2 Monitoring and outcomes

Westervelt implements a comprehensive sampling and monitoring program to ensure compliance for all biomass feedstocks.

#### **Round Wood**

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

Westervelt's wood procurement staff audits 100% of purchases from company owned lands and a minimum of 10% of the tracts from non-company owned sources. Compliance verification measures include completion of a questionnaire for each tract, a review of BMPs, confirmation that conversion to non-forest uses does not

occur, verification of the use of certified/trained loggers, etc. For non-company owned lands a letter is sent to each supplier after harvesting is complete to identify potential Corrective Actions and/or to reinforce the use of good practices. For company-owned lands compliance information is reported internally and is formally reported in Forest Resources Environmental Management System committee meetings.

### **Secondary Residuals**

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

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

A contract is required with each non-company owned supplier of shavings, sawdust, and chips (secondary residues) and identifies allowable wood species, and specifically addresses legality, civil rights, high conservation value areas, conversion to non-forest use, the non-use of genetically modified trees, etc. Furthermore, the supplier is responsible for documenting the county of origin for all biomass and other relevant information that must be made available to Westervelt and the CB upon request. Westervelt's procurement staff visits and evaluates each biomass supplier prior to entering into a contract, and audits 100% of secondary residue suppliers each year. Driver and contract identification cards issued by Westervelt must be scanned upon at delivery for each load of material received. Westervelt does not accept random deliveries of biomass from unknown sources or locations.

## 10 Detailed Findings for Indicators

Detailed findings for each Indicator are given in Annex 1.

## 11 Review of Report

### 11.1 Peer review


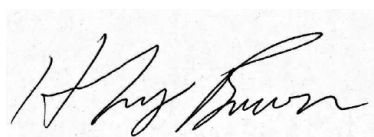
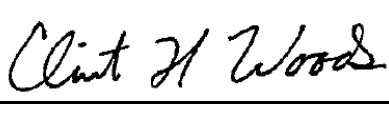
A Readiness Review for the initial certification audit was conducted with the accredited Certification Body (NSF) and witnessed by a SBP representative. Over 45 letters were sent to potential stakeholders. The accredited Certification Body assigned two auditors to conduct an independent audit of the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

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

## 11.2 Public or additional reviews

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

## 12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:		<b>Project Director</b>	<b>6/April/2018</b>
	<b>Mike Williams</b>		
	<b>Name</b>	<b>Title</b>	<b>Date</b>
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:		<b>President, Westervelt Renewable Energy, LLC</b>	<b>6/April/2018</b>
	<b>Joseph P Patton</b>		
	<b>Name</b>	<b>Title</b>	<b>Date</b>
Report approved by:		<b>Plant Manager</b>	<b>6/April/2018</b>
	<b>Troy Brown</b>		
	<b>Name</b>	<b>Title</b>	<b>Date</b>
Report approved by:		<b>Procurement Manager</b>	<b>6/April/2018</b>
	<b>Clint Woods</b>		
	<b>Name</b>	<b>Title</b>	<b>Date</b>

		Title	Date
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## 13 Updates

### 13.1 Significant changes in the Supply Base

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

The supply base area allows for inclusion of supply basins for suppliers and sub-suppliers and is in response to a growing supply of secondary biomass fiber which cannot otherwise not be utilized. Significant saw mill expansion is generating additional secondary residues in a region where there is already an excess supply of this material. In some instances, saw mills are sending this material to landfills for disposal or while others temporarily curtail production until the material is absorbed by other markets.

### 13.2 Effectiveness of previous mitigation measures

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

### 13.3 New risk ratings and mitigation measures

All previously identified mitigation measures remain effective based on internal and external reviews and all indicators continue to be Low Risk. No additional measures are deemed necessary.

## 13.4 Actual figures for feedstock over the previous 12 months

Note: Westervelt temporarily suspended production October 23, 2016 through September 10, 2017 as the result of a catastrophic event. The figures below represent calendar year 2017 results.

### Feedstock <sup>8</sup>

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

<sup>8</sup> Banding is used in place of specific volumes due to commercial sensitivity as historical, current, or forecasted volumes could be used by third parties to gain competitive advantage.

Projected figures for feedstock over the next 12 months

The following estimates are made for calendar year 2018.

## Feedstock <sup>9</sup>

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

Subdivide by SBP-approved Forest Management Schemes.

- Large forest holdings certified to an SBP-approved Forest Management Schemes: 0%-19%
- Large forest holdings not certified to an SBP-approved Forest Management Schemes: 80%-100%
- Small forest holdings certified to an SBP-approved Forest Management Schemes: 0%-19%
- Small forest holdings not certified to an SBP-approved Forest Management Schemes: 0%-19%

- i. List all species in primary feedstock, including scientific name:

Southern Yellow Pine is the predominant species which includes Loblolly Pine (*Pinus taeda*), Shortleaf Pine (*Pinus echinata*), Slash Pine (*Pinus elliotti*), Virginia Pine (*Pinus Virginiana*), and de minimis volumes of Longleaf Pine (*Pinus palustris*)<sup>10</sup>. Traces of mixed southern hardwoods including various varieties of oak, hickory, ash, maple, and others may appear if in-woods chipping is utilized <sup>11</sup>.

- j. Volume of primary feedstock from primary forest: 0.0 metric tonnes

- k. List percentage of primary feedstock from primary forest (i), by the following categories.

Subdivide by SBP-approved Forest Management Schemes.

- Primary feedstock from primary forest certified to an SBP-approved Forest Management Schemes: 0.0%
- Primary feedstock from primary forest not certified to an SBP-approved Forest Management Schemes: 0.0%

- l. Volume of secondary feedstock: 80%-100% residues

- m. Volume of tertiary feedstock: 0%-19%

<sup>9</sup> Banding, where used, is in place of specific volumes due to commercial sensitivity as historical, current, or forecasted volumes could be used by third parties to gain competitive advantage. These volumes are estimated and subject to change depending on material availability and capacity utilization of the production facility.

<sup>10</sup> See Section 2.1, Protected Species, page three, for discussion on CITES and/or IUCN species

<sup>11</sup> A full list of hardwood species is available upon request

# Annex 1: Detailed Findings for Supply Base Evaluation Indicators

21/March/2018

The following documents are appended to this Annex:

Exhibit A: Supply Base Area Map

Exhibit B: Annex 1 - Supplemental Information High Conservation Value (HCV) & Sourcing Risk

Exhibit C: Annex 1 - Supplemental Information Forestry Best Management Practices (BMPs)

Exhibit D: Annex 1 - Supplemental Information Wood Purchase Agreement

1.1.1	The Biomass Producer's Supply Base is defined and mapped.
Finding	<p>Westervelt sources primary softwood round wood and secondary softwood residual wood from within the states of Alabama and Mississippi. Westervelt does not source any round wood from other states. Upon scope expansion approval, Westervelt will also source hardwood residual wood from Alabama and Mississippi where the source of the wood may originate from nine additional states which are depicted in Exhibit A Supply Base Area Map.</p> <p>The majority of wood fiber sourced by Westervelt originates from the conifer forests or hardwood forests of the States of Alabama and Mississippi. Suppliers of residuals may source from these states as well as from states listed in the description of the supply areas. Electronic and hardcopy maps of the Wood Procurement Areas are maintained.</p> <p>For primary sources purchased by Westervelt each tract and ownership of origin of wood material is recorded on electronic maps and/or in tract files, available upon request. For these primary sources Westervelt maintains the legal description including the Section, Township and Range of harvested tracts. For secondary wood we verify the counties from which our suppliers source their wood to ensure it is within the supply base.</p> <p>The Supply Base is defined as part of demonstrating conformance to the following Sustainability Standards:</p> <p>SFI Fiber Sourcing SFI Chain of Custody PEFC Chain of Custody and Due Diligence System FSC Chain of Custody FSC Controlled Wood</p>
Means of Verification	Contracts, maps, electronic receipt records, severance tax payment records. Site visits to select tracts. Visits to all active secondary supplier sites.
Evidence Reviewed	Supply Base map.
Risk Rating	<input checked="" type="checkbox"/> <b>Low Risk</b> <input type="checkbox"/> <b>Specified Risk</b> <input type="checkbox"/> <b>Unspecified Risk at RA</b>

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

	Indicator
1.1.3	The feedstock input profile is described and categorised by the mix of inputs.



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

	Indicator
1.2.1	The Biomass Producer has implemented appropriate control systems and procedures to ensure that legality of ownership and land use can be demonstrated for the Supply Base.
Finding	<p><b>For primary sources purchased by Westervelt:</b> Westervelt requires contracts, wood receipts and other documentation verifying legal ownership of wood.</p>

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

	Indicator
1.3.1	The BP has implemented appropriate control systems and procedures to ensure that feedstock is legally harvested and supplied and is in compliance with EUTR legality requirements.
Finding	<p>Westervelt conducted a comprehensive risk assessment for its wood supply areas and has concluded Low Risk for “Illegally Harvested Wood.”</p> <p>Copies of the FSC/PEFC/SFI Controlled Wood Procedures (WF-DP-02) and Risk Assessment (WF-DP-03) are available for review. A Public Summary of the Risk</p>

Assessment has been made available to FSC and its Global Risk Registry (WF-DP-03).

Additional findings of the Controlled Wood Risk Assessment include:

1. Law enforcement in the Districts of Origin is active and aggressive.
2. There is evidence within the district that demonstrates the legality of harvests and wood purchases that includes robust and effective systems for granting licenses and harvest permits.
3. There is little or no evidence or reporting of illegal harvesting in the district of origin.
4. There is a low perception of corruption related to the granting or issuing of harvesting permits and other areas of law enforcement related to harvesting and wood trade.

The most common U.S. Federal Laws and Regulations are monitored on the following websites:

U.S. Fish & Wildlife Service - <http://www.fws.gov/>  
 U.S. F&WS Endangered Species – <http://endangered.fws.gov/>  
 National Wetlands Inventory Center – <http://wetlands.fws.gov/>  
 U.S. Environmental Protection Agency – <http://www.epa.gov/>  
 U.S. Environmental Protection Agency Region 4 - <https://www.epa.gov/aboutepa/about-epa-region-4-southeast>  
 U.S. EPA/Wetlands – <http://www.epa.gov/OWOW/wetlands/>  
 U.S Army Corps of Engineers – <http://www.usace.army.mil/>  
 Federal Register – <http://www.access.gpo.gov/nara/cfr/cfr-table-search.html>  
 U.S.D.A. Forest Service - <http://www.fs.fed.us/>  
 U.S.D.A. Forest Service – Southern Research Station - <http://www.srs.fs.usda.gov/index.htm>

All states have extensive laws and regulations to ensure compliance, protect water quality provide natural areas for the protection of native biodiversity. For detailed information including specific sites, areas, species, and protection measures related to High Conservation Value supply area please refer to Annex B Supplemental Information High Conservation Value and Sourcing Risk.

We monitor the following resources for water quality requirements:

Alabama: <http://www.adem.state.al.us/programs/water/forestry.cnt>  
 Mississippi: <https://www.mfc.ms.gov/water-quality-forestry-best-management-practices>  
 Missouri: [https://mdc.mo.gov/sites/default/files/downloads/mdc\\_mo\\_watershed.pdf](https://mdc.mo.gov/sites/default/files/downloads/mdc_mo_watershed.pdf)  
 Arkansas: <http://www.aad.arkansas.gov/best-management-practices-water-quality>  
 Texas: <http://texasforestservation.tamu.edu/WaterResourcesandBMPs/>  
 Louisiana: [www.ladef.state.la.us/forestry/management/best-management-practices-and-statistics](http://www.ladef.state.la.us/forestry/management/best-management-practices-and-statistics)  
 Tennessee: <https://www.tn.gov/agriculture/forests/protection/water-quality.html>  
 North Carolina: [http://www.ncforestservation.gov/water\\_quality/fpg\\_bmp\\_differences.htm](http://www.ncforestservation.gov/water_quality/fpg_bmp_differences.htm)  
 South Carolina: <https://www.state.sc.us/forest/fmgt.htm>  
 Georgia: <http://www.gfc.state.ga.us/forest-management/water-quality/>  
 Florida: <https://www.freshfromflorida.com/Divisions-Offices/Florida-Forest-Service/For-Landowners/Management-Planning/How-to-Manage/Water-Quality-Management>

Westervelt personnel also utilized the following resources to verify legality of its sourcing, including:

Illegal Logging and Global Wood Markets, Seneca Creek Assoc. & WRI  
 A Nationwide Survey of Timber Trespass Legislation, Hicks, Timothy, Master of Forestry Thesis March 2005 PSU School of Forest Resources  
 Illegal Logging Portal  
 The Royal Institute of International Affairs: [www.illegal-logging.org](http://www.illegal-logging.org)

	<p>World Bank: See <a href="http://www.worldbank.org/wbi/governance/data">www.worldbank.org/wbi/governance/data</a> for good governance data compiled by the World Bank</p> <p>Environmental Investigation Agency: <a href="http://www.eia-international.org">www.eia-international.org</a></p> <p>Global Witness: <a href="http://www.globalwitness.org">www.globalwitness.org</a></p> <p>UK Government's Department for International Development (DFID)</p> <p>EU FLEGT process: <a href="http://www.euflegt.efi.int/home">http://www.euflegt.efi.int/home</a></p> <p>Transparency international index: <a href="http://www.transparency.org">www.transparency.org</a></p> <p>Corruption perceptions: WWF <a href="http://www.panda.org">www.panda.org</a></p> <p>ELDIS: <a href="http://www.eldis.org">www.eldis.org</a></p> <p>CITES: <a href="http://www.cites.org">www.cites.org</a></p> <p>For additional information regarding Wood Purchase Agreements please refer to Annex D Wood Purchase Agreement Overview.</p>
Means of Verification	<p>Verification that stated species are available in the sourcing area, search for state level records indicating non-compliance, state laws, company policy, risk assessments.</p> <p>WF-DP-01 Chain of Custody Procedures</p> <p>WF-DP-02 Controlled Wood Procedure</p> <p>WF-DP-03 Controlled Wood/Due Diligence System Risk Assessment</p> <p>Annex B Supplemental Information High Conservation Value and Sourcing Risk</p>
Evidence Reviewed	<p>Contracts, declaration forms, Chain of Custody procedures, state records, and BMP audit results.</p> <p>WF-DP-01 Chain of Custody Procedures</p> <p>WF-DP-02 Controlled Wood Procedure</p> <p>WF-DP-03 Controlled Wood/Due Diligence System Risk Assessment</p> <p>Annex B Supplemental Information High Conservation Value and Sourcing Risk</p>
Risk Rating	<p><input checked="" type="checkbox"/> <b>Low Risk</b>                      <input type="checkbox"/> <b>Specified Risk</b>                      <input type="checkbox"/> <b>Unspecified Risk at RA</b></p>

	Indicator
<b>1.4.1</b>	<p>The Biomass Producer has implemented appropriate control systems and procedures to verify that payments for harvest rights and timber, including duties, relevant royalties and taxes related to timber harvesting, are complete and up to date.</p>
Finding	<p><b>For primary sources purchased by Westervelt:</b></p> <p>Wood receipts and payment records demonstrate payment of fees and taxes. These documents are confidential and proprietary, but are available to the CB during annual audits and upon request. Each wood consuming facility is required to collect severance tax for each delivery. These severance taxes are accounted for by county and are submitted to the state collection agency quarterly.</p> <p>Westervelt initiates a Wood Order that is tract-specific which addresses payment of taxes and royalties.</p> <p><b>For all sources purchased by Westervelt:</b></p> <p>Westervelt requires a formal Annual Wood Purchase Agreement with all suppliers containing all legal and contractual requirements. Suppliers sign a contract stating that all taxes have been paid for the fiber.</p> <p>For additional information regarding Wood Purchase Agreements please refer to Annex D Wood Purchase Agreement Overview.</p>
Means of Verification	<p>Severance tax payment records and contracts.</p>

Evidence Reviewed	Contract, severance tax payment records.
Risk Rating	<input checked="" type="checkbox"/> <b>Low Risk</b> <input type="checkbox"/> <b>Specified Risk</b> <input type="checkbox"/> <b>Unspecified Risk at RA</b>

	Indicator
<b>1.5.1</b>	The Biomass Producer has implemented appropriate control systems and procedures to verify that feedstock is supplied in compliance with the requirements of CITES.
Finding	<p>For detailed information including specific sites, areas, species, and protection measures related to High Conservation Value in the supply area please refer to Annex B Supplemental Information High Conservation Value and Sourcing Risk.</p> <p>Westervelt conducted FSC/PEFC/SFI Controlled Wood /Due Diligence System Risk Assessments addressing the requirements of CITES (WF-DP-03). The species of trees that are common to the supply base are included in the Species List (WRE-SBP-DOC-01). No wood originates from outside the states listed in the supply area. No CITES Listed Tree Species are found within the wood and fiber procurement areas/Districts of Origin. See the CITES website: <a href="http://www.unep-wcmc.org/cites-listed-trees_501.html">http://www.unep-wcmc.org/cites-listed-trees_501.html</a> Amendment to the Convention on Trade in Endangered Species of Wild Fauna and Flora (Art.XI) (Bonn, Germany 23 June 1979). Longleaf pine appears in the IUCN Redlist and is addressed by Westervelt Renewable Energy, LLC Statement on Longleaf Pine dated March 1, 2018.</p> <p>For additional information regarding Wood Purchase Agreements please refer to Annex D Wood Purchase Agreement Overview.</p>
Means of Verification	<p>Field inspection, receipt records. Demonstration of relevant knowledge by wood buyers, procurement managers, foresters, suppliers, and loggers to ensure awareness, understanding, and application of requirements.</p> <p>WRE-SBP-DOC-01 Species List WF-DP-03 Controlled Wood/Due Diligence System Risk Assessment Annex B Supplemental Information High Conservation Value and Sourcing Risk</p>
Evidence Reviewed	<p>Policies &amp; procedures, BMP audit results, scale tickets to check species.</p> <p>WRE-SBP-DOC-01 Species List WF-DP-03 Controlled Wood/Due Diligence System Risk Assessment Annex B Supplemental Information High Conservation Value and Sourcing Risk</p>
Risk Rating	<input checked="" type="checkbox"/> <b>Low Risk</b> <input type="checkbox"/> <b>Specified Risk</b> <input type="checkbox"/> <b>Unspecified Risk at RA</b>

	Indicator
<b>1.6.1</b>	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	For detailed information including specific sites, areas, species, and protection measures related to High Conservation Value in the supply area please refer to Annex B Supplemental Information High Conservation Value and Sourcing Risk.

	<p>Westervelt adopted a formal policy addressing traditional and civil rights (Z1-2014 Westervelt Fiber Supply Policy).</p> <p>Westervelt conducted an FSC/PEFC/SFI Controlled Wood/Due Diligence System Risk Assessment addressing the violation of traditional and civil rights issues (WF-DP-03). The findings from the Risk Assessment include:</p> <p style="padding-left: 40px;">“Based upon the risk assessment and evaluation of available information, there is a “low risk” that any wood that is sourced into Westervelt’s facility is in violation of traditional, civil and indigenous peoples’ rights.”</p> <p>We also utilize the following sites to supplement other evidence:</p> <p>American Indian Religious Freedom Act of 1978 (amended 1994)  Indian Child Welfare Act of 1978  Indian Citizenship Act of 1924  Indian Self-Determination and Education Assistance Act of 1975  Native American Languages Act of 1990  Tribal Law and Order Act of 2010  ILO Convention 169  <a href="http://www.un.org/esa/africa/UNNews_Africa/timber.htm">www.un.org/esa/africa/UNNews_Africa/timber.htm</a>  <a href="http://www.globalwitness.org">www.globalwitness.org</a>  <a href="http://www.naturalresources.org/minerals/CD/docs/other/N0262179.pdf">www.naturalresources.org/minerals/CD/docs/other/N0262179.pdf</a>  <a href="http://www.usaid.gov/hum_response/oti/pubs/vol1synth.pdf">www.usaid.gov/hum_response/oti/pubs/vol1synth.pdf</a></p> <p>For additional information regarding Wood Purchase Agreements please refer to Annex D Wood Purchase Agreement Overview.</p>
Means of Verification	<p>Written procedures, Lack of third-party complaints. Demonstration of relevant knowledge by wood buyers, procurement managers, foresters, suppliers, and loggers to ensure awareness, understanding, and application of requirements.</p> <p>Z1-2014 Westervelt Fiber Supply Policy  WF-DP-03 Controlled Wood/Due Diligence System Risk Assessment</p>
Evidence Reviewed	<p>Contracts, audit results, federal and state laws.</p> <p>Z1-2014 Westervelt Fiber Supply Policy  WF-DP-03 Controlled Wood/Due Diligence System Risk Assessment  Annex B Supplemental Information High Conservation Value and Sourcing Risk</p>
Risk Rating	<p><input checked="" type="checkbox"/> <b>Low Risk</b>                      <input type="checkbox"/> <b>Specified Risk</b>                      <input type="checkbox"/> <b>Unspecified Risk at RA</b></p>

	Indicator
2.1.1	The Biomass Producer has implemented appropriate control systems and procedures for verifying that forests and other areas with high conservation values are identified and mapped.
Finding	<p>For detailed information including specific sites, areas, species, and protection measures related to High Conservation Value in the supply area please refer to Annex B Supplemental Information High Conservation Value and Sourcing Risk.</p> <p><b>For primary sources purchased by Westervelt:</b></p>



All protected areas are mapped in the Westervelt's GIS system. These areas are downloaded from the national GAP database which contains state and federally protected parks, reserves, refuges, wilderness areas among other designations. These protected areas are also referenced by the IUCN\* classification. Each tract from which wood is sourced is entered in the system and checked for relationships with protected areas.

Certification to the SFI Fiber Sourcing Standard demonstrates conformance to five related requirements:

Performance Measure 1.1: Promote the conservation of biological diversity through procurement programs.

Indicator 1.1.1: Promote biological diversity using appropriate State Wildlife Action Plans, State Forest Action Plans, conducting landscape assessments, etc.

Indicator 1.1.2: Program to address Forests with Exceptional Conservation Value in harvests of purchased stumpage.

Performance Measure 4.1: Comply with applicable forestry and related environmental laws and regulations.

Performance Measure 5.1: Provide support for forestry research.

Performance Measure 5.3: Broaden the awareness of climate change impacts on forests, wildlife and biological diversity.

Performance Measure 7.2: Support and promote mechanisms for public outreach, education and involvement in sustainable forest management.

\* Please refer to Westervelt Renewable Energy, LLC Statement on Longleaf Pine available upon request.

Westervelt audits a minimum of 10% of its contract wood to verify the effectiveness of BMP implementation, and the findings of the audits are reviewed with suppliers and internally during Westervelt's annual management review. These steps help to ensure that there is low risk of sourcing fiber that may negatively affect the high conservation value of any rivers and streams where Westervelt sources fiber.

**For all sources purchased by Westervelt:**

High Conservation Value Forests are addressed in the FSC/PEFC/SFI Controlled Wood/Due Diligence System Risk Assessment (WF-COC-DP-03).

Westervelt concluded in its FSC/PEFC/SFI Controlled Wood/Due Diligence System Risk Assessment that:

"Based upon the evaluation of the District of Origin that are within the wood and fiber supply area of the manufacturing facilities, Westervelt Renewable Energy, LLC has concluded that there is "low risk" that forest management activities associated with supplying wood and fiber to its facility threatens eco-regionally significant high Environmental and cultural values."

Westervelt uses control measures when sourcing fiber for its facilities that protect the high conservation value of the Southeastern Conifer and Broadleaf Forests and the rare, threatened, and endangered species that may dwell in them. Questionnaires are sent out to wood suppliers for every tract harvested that inquire about the species of pine harvested and the method of harvesting. Training packets are issued to train suppliers on High Conservation Value Forests. The training packet describes the different high conservation value areas in Westervelt's supply base and the RTE species that may dwell in the area. The packet also describes ways that Westervelt expects BMP's to be implemented so as not to harm these ecosystems or the RTE species that may live in them. A decision tree is used in conjunction with the Questionnaire for procurement of fiber coming from a potential High Conservation Forests. A BMP implementation auditing

	<p>program is used to ensure the protection of the Longleaf Pine Forest and the RTE species that may live in them. By taking these steps when sourcing fiber from a potential HCV area there is a low risk of harming the ecosystem and the rare, threatened, or endangered species that may use them.</p> <p>For detailed information related to Best Management Practices implementation in the supply area please refer to Annex C Supplemental Information Best Management Practices. For additional information regarding Wood Purchase Agreements please refer to Annex D Wood Purchase Agreement Overview.</p> <p>We also utilize the following sites to supplement other evidence.</p> <p><a href="http://www.fws.maps.arcgis.com">http://www.fws.maps.arcgis.com</a>  <a href="http://www.hcvnetwork.org/">http://www.hcvnetwork.org/</a>  <a href="http://www.worldwildlife.org/science/ecoregions.cfm">http://www.worldwildlife.org/science/ecoregions.cfm</a>  <a href="https://www.biodiv.org/world/parties.asp">https://www.biodiv.org/world/parties.asp</a>  <a href="https://www.biodiv.org/reports/list.aspx?type=for">https://www.biodiv.org/reports/list.aspx?type=for</a>  <a href="http://www.globalforestregistry.org/map">http://www.globalforestregistry.org/map</a></p>
Means of Verification	<p>GIS maps, veracity of third party GIS reference data, review of company logger questionnaires and training materials.                      WF-DP-03 Controlled Wood/Due Diligence System Risk Assessment                      Annex B Supplemental Information High Conservation Value and Sourcing Risk</p>
Evidence Reviewed	<p>FSC Controlled Wood National Risk Assessment for the US (US NRA draft); National Gap Analysis Protected Areas Data Portal.                      WF-DP-03 Controlled Wood/Due Diligence System Risk Assessment                      Annex B Supplemental Information High Conservation Value and Sourcing Risk</p>
Risk Rating	<p><input checked="" type="checkbox"/> <b>Low Risk</b>                      <input type="checkbox"/> <b>Specified Risk</b>                      <input type="checkbox"/> <b>Unspecified Risk at RA</b></p>

	Indicator
<b>2.1.2</b>	<p>The Biomass Producer has implemented appropriate control systems and procedures to identify and address potential threats to forests and other areas with high conservation values from forest management activities.</p>
Finding	<p>For detailed information including specific sites, areas, species, and protection measures related to High Conservation Value in the supply area please refer to Annex B Supplemental Information High Conservation Value and Sourcing Risk.</p> <p><b>For all sources purchased by Westervelt:</b>                      High Conservation Value Forests are addressed in the FSC/PEFC/SFI Controlled Wood/Due Diligence System Risk Assessment (WF-DP-03). The CB approved Risk Assessment concludes "Low Risk."</p> <p>Westervelt has concluded in its FSC/PEFC/SFI Controlled Wood/Due Diligence System Risk Assessment that:</p> <p style="padding-left: 40px;">“Based upon the evaluation of the District of Origin that are within the wood and fiber supply area of the manufacturing facilities, Westervelt Renewable Energy, LLC has concluded that there is “low risk” that forest management activities</p>



	<p>associated with supplying wood and fiber to its facility threatens eco-regionally significant high Environmental and cultural values."</p> <p>Our contracts require the use of BMP's and our due diligence involves systematic checking for BMP compliance which mitigates this risk. State forestry commissions also monitor BMP compliance.</p> <p>For detailed information related to Best Management Practices implementation in the supply area please refer to Annex C Supplemental Information Best Management Practices.</p> <p>For additional information regarding Wood Purchase Agreements please refer to Annex D Wood Purchase Agreement Overview.</p>
Means of Verification	<p>Maps, field inspection results, risk assessment reports.</p> <p>WF-DP-03 Controlled Wood/Due Diligence System Risk Assessment</p> <p>Annex B Supplemental Information High Conservation Value and Sourcing Risk</p>
Evidence Reviewed	<p>Field inspection results, third party environmental audit results, internal BMP inspections results, maps containing HCV overlays, information packets provided to loggers when operating near HCV areas.</p> <p>WF-DP-03 Controlled Wood/Due Diligence System Risk Assessment</p> <p>Annex B Supplemental Information High Conservation Value and Sourcing Risk</p>
Risk Rating	<p><input checked="" type="checkbox"/> <b>Low Risk</b>                      <input type="checkbox"/> <b>Specified Risk</b>                      <input type="checkbox"/> <b>Unspecified Risk at RA</b></p>

	Indicator
2.1.3	<p>The Biomass Producer has implemented appropriate control systems and procedures for verifying that feedstock is not sourced from forests converted to production plantation forest or non-forest lands after January 2008.</p>
Finding	<p>For detailed information including specific sites, areas, species, and protection measures related to High Conservation Value in the supply area please refer to Annex B Supplemental Information High Conservation Value and Sourcing Risk.</p> <p><b>For all sources purchased by Westervelt:</b> Westervelt has concluded in its FSC/PEFC/SFI Controlled Wood Risk Assessment/Due Diligence System that:</p> <p>“Based upon the analysis of all available information and the evaluation of the Eco-regions from which its wood and fiber originates, Westervelt has determined that there is “low risk” that the organization’s wood procurement contributes to a significant rate of loss of “natural forests and other natural wooded ecosystems” (WF-COC-DP-02).</p> <p>Westervelt uses the definition of "plantations" as contained in the FSC U.S. Forest Management Standard for purposes of its FSC and other certification programs. Plantation Principle # 10 is not applicable to Westervelt. Our policy is to not accept primary or secondary wood from intensively managed plantations involving exotic species, clones and heavy use of forest chemicals.</p>

	<p>For detailed information related to Best Management Practices implementation in the supply area please refer to Annex C Supplemental Information Best Management Practices.</p> <p>Westervelt's FSC and PEFC Chain of Custody Procedures (WF-DP-01) contain the process by which conversion of forests to non-forest land uses can be documented and avoided.</p> <p>We do not accept wood from tracts undergoing planned conversion to other land uses (Z1-2014 Westervelt Fiber Supply Policy). No forested tracts have knowingly been converted and we routinely utilize the following resources to check for conversion.</p> <p><a href="http://www.srs.fs.usda.gov/futures/summaryreport">http://www.srs.fs.usda.gov/futures/summaryreport</a>  Global Forest Watch <a href="http://www.globalforestwatch.org/map">http://www.globalforestwatch.org/map</a>  National Land Cover Dataset, evergreen  FAO's Definitions Related to Planted Forests</p> <p>Westervelt has reviewed the following state-wide Forest Resource Assessments:  Alabama: <a href="http://www.forestry.alabama.gov/AlabamaForestActionPlan.aspx?bv=2&amp;s=3">www.forestry.alabama.gov/AlabamaForestActionPlan.aspx?bv=2&amp;s=3</a>  Mississippi: <a href="https://www.mfc.ms.gov/forest-action-plan">https://www.mfc.ms.gov/forest-action-plan</a>  Missouri: <a href="https://stateforesters.org/state/missouri">https://stateforesters.org/state/missouri</a>  Arkansas: <a href="https://stateforesters.org/forest-action-plans/arkansas">https://stateforesters.org/forest-action-plans/arkansas</a>  Texas: <a href="https://stateforesters.org/texas-forest-action-plan-2015">https://stateforesters.org/texas-forest-action-plan-2015</a>  Louisiana: <a href="https://stateforesters.org/forest-action-plans/louisiana">https://stateforesters.org/forest-action-plans/louisiana</a>  Tennessee: <a href="https://www.tn.gov/agriculture/forests/protection/ag-forests-action-plan.html">https://www.tn.gov/agriculture/forests/protection/ag-forests-action-plan.html</a>  North Carolina: <a href="https://stateforesters.org/state/north-carolina">https://stateforesters.org/state/north-carolina</a>  South Carolina: <a href="https://stateforesters.org/forest-action-plans/south-carolina">https://stateforesters.org/forest-action-plans/south-carolina</a>  Georgia: <a href="http://www.gfc.state.ga.us/about-us/strategic-plan/ForestActionPlanBrochure.pdf">www.gfc.state.ga.us/about-us/strategic-plan/ForestActionPlanBrochure.pdf</a>  Florida: <a href="https://stateforesters.org/forest-action-plans/florida">https://stateforesters.org/forest-action-plans/florida</a></p> <p>Westervelt does not accept fiber in areas of active or pending conversion. For information regarding Wood Purchase Agreements please refer to Annex D Wood Purchase Agreement Overview.</p>
Means of Verification	<p>Landowner/logger questionnaires, site visits to previously harvested tracts.  Z1-2014 Westervelt Fiber Supply Policy  WF-DP-01 Chain of Custody Procedures  WF-DP-02 Controlled Wood Procedure  Global Forest Watch <a href="http://www.globalforestwatch.org/map">http://www.globalforestwatch.org/map</a></p>
Evidence Reviewed	<p>Supplier audits.  Z1-2014 Westervelt Fiber Supply Policy  WF-DP-01 Chain of Custody Procedures  WF-DP-02 Controlled Wood Procedure  Global Forest Watch <a href="http://www.globalforestwatch.org/map">http://www.globalforestwatch.org/map</a></p>
Risk Rating	<p><input checked="" type="checkbox"/> <b>Low Risk</b>                      <input type="checkbox"/> <b>Specified Risk</b>                      <input type="checkbox"/> <b>Unspecified Risk at RA</b></p>

	Indicator
<b>2.2.1</b>	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.
<b>Finding</b>	<p>For detailed information including specific sites, areas, species, and protection measures related to High Conservation Value in the supply area please refer to Annex B Supplemental Information High Conservation Value and Sourcing Risk.</p> <p><b>For primary sources purchased by Westervelt:</b> The SFI Fiber Sourcing Standard certification provides evidence of logger training, use and promotion of forestry “Best Management Practices” and monitoring of the use of these procurement practices.</p> <p>For detailed information related to Best Management Practices implementation in the supply area please refer to Annex C Supplemental Information Best Management Practices.</p> <p>SFI Indicator 2.1.4 requires Program Participants to define their fiber sourcing policies in writing and make them available to wood producers.</p> <p>SFI Performance Measure 2.2 requires that Westervelt annually conduct and use BMP monitoring information to maintain high rates of conformance to best management practices and to identify areas for improved performance.</p> <p>SFI Indicator 7.1.5 requires Program Participants to encourage forest landowners to participate in forest management certification programs.</p> <p><b>For all sources purchased by Westervelt:</b> Each State Forestry Agency/Commission conducts periodic BMP implementation monitoring.</p> <p>For detailed information related to Best Management Practices implementation in the supply area please refer to Annex C Supplemental Information Best Management Practices.</p> <p>High levels of logger training and BMP compliance provide sufficient objective evidence of Low Risk. The FSC/PEFC/SFI Controlled Wood Procedures requires periodic monitoring (WF-DP-02).</p> <p>The common and widespread modern forestry practices of the entire supply area are an important part of Westervelt’s control system. The supply area was devised in part to encompass regions with consistently-strong, modern forestry practices. These include the large and successful investment by industry in logger training, outreach by government and industry foresters to promote and support sustainable forestry practices including the protection of sensitive, high-risk, and special sites, and the widespread and effective adoption of forestry Best Management Practices (BMPs).</p> <p>For additional information regarding Wood Purchase Agreements please refer to Annex D Wood Purchase Agreement Overview.</p>
<b>Means of Verification</b>	<p>Contracts, best management practices, harvest site audits, state BMP audit results.</p> <p>WF-DP-02 Controlled Wood Procedure</p> <p>Annex B Supplemental Information High Conservation Value and Sourcing Risk</p> <p>Annex C Supplemental Information Best Management Practices</p>

Evidence Reviewed	Contracts, field inspection results, third party environmental audit results, BMP inspections results, maps containing HCV overlays, information packets provided to loggers when operating near HCV areas. Annex B Supplemental Information High Conservation Value and Sourcing Risk Annex C Supplemental Information Best Management Practices
Risk Rating	<input checked="" type="checkbox"/> <b>Low Risk</b> <input type="checkbox"/> <b>Specified Risk</b> <input type="checkbox"/> <b>Unspecified Risk at RA</b>

	Indicator
<b>2.2.2</b>	The Biomass Producer has implemented appropriate control systems and procedures for verifying that feedstock is sourced from forests where management maintains or improves soil quality (CPET S5b).
Finding	<p>For detailed information including specific sites, areas, species, and protection measures related to High Conservation Value in the supply area please refer to Annex B Supplemental Information High Conservation Value and Sourcing Risk.</p> <p><b>For all sources purchased by Westervelt:</b> See requirement 2.2.1 above.</p> <p>SFI Performance Measure 2.1 requires Program Participants to clearly define and implement policies to ensure that fiber sourcing activities do not compromise adherence to the principles of sustainable forestry.</p> <p>Virtually all wood in the supply area is harvested by trained loggers; Westervelt requires the use of trained loggers in contracts and other agreements.</p> <p>For additional information regarding Wood Purchase Agreements please refer to Annex D Wood Purchase Agreement Overview. Indicator 2.1.2 requires written agreements for the purchase of raw material which includes provisions requiring use of BMPs. Compliance with BMPs is required in contracts with loggers and suppliers.</p> <p>Best Management Practices required by SFI address the protection of soils from erosion, compaction and disturbance. For detailed information related to Best Management Practices implementation in the supply area please refer to Annex C Supplemental Information Best Management Practices.</p> <p>For detailed information related to Best Management Practices implementation in the supply area please refer to Annex C Supplemental Information Best Management Practices.</p> <p>We also utilize the following resources to check compliance:</p> <p><a href="http://www.stateforesters.org/news-events/blog/southern-group-state-foresters-releases-2012-implementation-forestry-best">http://www.stateforesters.org/news-events/blog/southern-group-state-foresters-releases-2012-implementation-forestry-best</a> <a href="http://www.ncasi.org/publications/detail.aspx?id=3204">http://www.ncasi.org/publications/detail.aspx?id=3204</a></p> <p>The common and widespread modern forestry practices of the entire supply area are an important part of Westervelt's control system. The supply area was devised in part to encompass regions with consistently-strong, modern forestry practices. These include the large and successful investment by industry in logger training, outreach by government</p>

	<p>and industry foresters to promote and support sustainable forestry practices including the protection of sensitive, high-risk, and special sites, and the widespread and effective adoption of forestry Best Management Practices (BMPs).</p> <p>For additional information regarding Wood Purchase Agreements please refer to Annex D Wood Purchase Agreement Overview.</p>
Means of Verification	<p>State BMP results, supply agreements, company monitoring records.</p> <p>Annex B Supplemental Information High Conservation Value and Sourcing Risk</p> <p>Annex C Supplemental Information Best Management Practices</p>
Evidence Reviewed	<p>Contracts, internal policies &amp; procedures, field audits.</p> <p>Annex B Supplemental Information High Conservation Value and Sourcing Risk</p> <p>Annex C Supplemental Information Best Management Practices</p>
Risk Rating	<p><input checked="" type="checkbox"/> <b>Low Risk</b>                      <input type="checkbox"/> <b>Specified Risk</b>                      <input type="checkbox"/> <b>Unspecified Risk at RA</b></p>

	Indicator
<b>2.2.3</b>	<p>The Biomass Producer has implemented appropriate control systems and procedures to ensure that key ecosystems and habitats are conserved or set aside in their natural state (CPET S8b).</p>
Finding	<p>For detailed information including specific sites, areas, species, and protection measures related to High Conservation Value in the supply area please refer to Annex B Supplemental Information High Conservation Value and Sourcing Risk.</p> <p>The SFI Fiber Sourcing Standard requires procurement organizations to address the conservation of biodiversity (SFI 1.1.1) and a Program to protect Forests with Exceptional Conservation Value on purchased stumpage (SFI 1.1.2). These Programs are contained in the Westervelt Sustainable Forestry Management System.</p> <p><b>For all sources purchased by Westervelt:</b> The FSC/SFI/PEFC Chain of Custody Program contains a Controlled Wood Procedure (WF-DP-02) and Supplier Correspondence Procedure (WF-DP-05) addressing conservation of High Conservation Value Forests.</p> <p>The US Protected Area Database contains information about protected lands that was published in April 2009: (<a href="http://protectedlands.net/padus/">http://protectedlands.net/padus/</a>). This "GAP" database is used in the procurement process to map and check the location of each tract supplying wood to the facility and make sure it is not protected. Correct tract location is verified for the tracts sampled in the Due Diligence System.</p> <p>We adhere to state and federal Endangered Species Protection Programs.</p> <p>Examples of Legislation and Programs: Clean Water Act (section 404 for wetland protection) requires permit for permanent fill placed into wetlands, Standards Grants Program, Forest Resource Development Program (FRDP), The Landowner Incentive Program (LIP), North American Wetland Conservation Act Grants (NAWCA), The Conservation Reserve Program (CRP), Environmental Quality Incentives Program (EQIP), Healthy Forest Reserve, The Wetlands Reserve Program (WRP), The Wildlife Habitat Incentives Program (WHIP), Mississippi Partners for Fish and Wildlife Program (MPFW), The Army Compatible Use Buffer Program (ACUB), USFWS Safe Harbor program, Convention on Nature Protection.</p>

	<p>The common and widespread modern forestry practices of the entire supply area are an important part of Westervelt's control system. The supply area was devised in part to encompass regions with consistently-strong, modern forestry practices. These include the large and successful investment by industry in logger training, outreach by government and industry foresters to promote and support sustainable forestry practices including the protection of sensitive, high-risk, and special sites, and the widespread and effective adoption of forestry Best Management Practices (BMPs). The Controlled Wood Risk Assessment describes the results of reviews to ensure biodiversity protections for such sites (refer to Section 3. Wood harvested from forests in which high conservation values are threatened by management activities").</p> <p>For detailed information related to Best Management Practices implementation in the supply area please refer to Annex C Supplemental Information Best Management Practices.</p> <p>For detailed information including specific sites, areas, species, and protection measures related to High Conservation Value in the supply area please refer to Annex B Supplemental Information High Conservation Value and Sourcing Risk.</p> <p>For additional information regarding Wood Purchase Agreements please refer to Annex D Wood Purchase Agreement Overview.</p>
Means of Verification	<p>Maps, company procedures.</p> <p>Annex B Supplemental Information High Conservation Value and Sourcing Risk</p> <p>Annex C Supplemental Information Best Management Practices</p>
Evidence Reviewed	<p>State BMP results, BMP audit results, contracts, internal policies &amp; procedures.</p> <p>Annex B Supplemental Information High Conservation Value and Sourcing Risk</p> <p>Annex C Supplemental Information Best Management Practices</p>
Risk Rating	<p><input checked="" type="checkbox"/> <b>Low Risk</b>                      <input type="checkbox"/> <b>Specified Risk</b>                      <input type="checkbox"/> <b>Unspecified Risk at RA</b></p>

	Indicator
<b>2.2.4</b>	The Biomass Producer has implemented appropriate control systems and procedures to ensure that biodiversity is protected (CPET S5b).
Finding	<p>For detailed information including specific sites, areas, species, and protection measures related to High Conservation Value in the supply area please refer to Annex B Supplemental Information High Conservation Value and Sourcing Risk.</p> <p>The SFI Fiber Sourcing Standard requires procurement organizations to address the conservation of biodiversity (SFI 1.1.1) and a Program to protect Forests with Exceptional Conservation Value on purchased stumpage (SFI 1.1.2). These Programs are contained in the Sustainable Forestry Management System.</p> <p>The FSC/SFI/PEFC Chain of Custody Program contains a Controlled Wood Procedure (WF-COC-DP-02) and Supplier Correspondence Procedure (WF-DP-05) addressing conservation of High Conservation Value Forests.</p> <p>Westervelt sends HCV training packets to all suppliers detailing the areas where there are biodiversity hotspots. Summaries of Westervelt conducted tract inspections are provided to loggers in an effort to promote improvement of practices. For detailed information including specific sites, areas, species, and protection measures related to High Conservation Value in</p>



	<p>the supply area please refer to Annex B Supplemental Information High Conservation Value and Sourcing Risk.</p> <p>Westervelt cooperates in implementing the State Wildlife Action Plans focusing on wildlife species and habitats that have declined and need concerted effort by Federal and State agencies, conservation organizations, and the private sector.</p> <p>We also refer to the following resources:</p> <p>Forest Resource Development Program (FRDP), The Landowner Incentive Program (LIP), North American Wetland Conservation Act Grants (NAWCA), The Conservation Reserve Program (CRP), Environmental Quality Incentives Program (EQIP), , Healthy Forest Reserve, The Wetlands Reserve Program (WRP), The Wildlife Habitat Incentives Program (WHIP), The Army Compatible Use Buffer Program (ACUB), USFWS Safe Harbor program, Convention on Nature Protection and Resource Conservation &amp; Recovery Act (RCRA) (1976, 1984), Comprehensive Environmental Response, Compensation and Liability Act (CERCLA, commonly known as "Superfund") (1980, 1986) and Migratory Bird Treaty Act (1918, 2006), Convention on Nature Protection and Wild Life Preservation in the Western Hemisphere (Washington, DC, 1940), Convention on Wetlands of International Importance Especially as Waterfowl Habitat (Ramsar, Iran, 2 Feb 1971), Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) (Washington DC, 1973), International Plant Protection Convention (IPPC) (1979 Revised Text) (Rome, Italy, 1979), Convention on the Conservation of Migratory Species of Wild Animals (Bonn, Germany, 23 Jun 1979)</p> <p>The common and widespread modern forestry practices of the entire supply area are an important part of Westervelt's control system. The supply area was devised in part to encompass regions with consistently-strong, modern forestry practices. These include the large and successful investment by industry in logger training, outreach by government and industry foresters to promote and support sustainable forestry practices including the protection of sensitive, high-risk, and special sites, and the widespread and effective adoption of forestry Best Management Practices (BMPs). The Controlled Wood Risk Assessment describes the results of reviews to ensure biodiversity protection (refer to Section 3. Wood harvested from forests in which high conservation values are threatened by management activities").</p> <p>For detailed information related to Best Management Practices implementation in the supply area please refer to Annex C Supplemental Information Best Management Practices.</p> <p>For additional information regarding Wood Purchase Agreements please refer to Annex D Wood Purchase Agreement Overview.</p>
Means of Verification	<p>State BMP results, supply agreements, BMP inspection results.</p> <p>Annex B Supplemental Information High Conservation Value and Sourcing Risk</p> <p>Annex C Supplemental Information Best Management Practices</p>
Evidence Reviewed	<p>State BMP results, internal BMP audit results, SFI Fiber Sourcing, contracts, third party environmental audits.</p> <p>Annex B Supplemental Information High Conservation Value and Sourcing Risk</p> <p>Annex C Supplemental Information Best Management Practices</p>
Risk Rating	<p><input checked="" type="checkbox"/> <b>Low Risk</b>                      <input type="checkbox"/> <b>Specified Risk</b>                      <input type="checkbox"/> <b>Unspecified Risk at RA</b></p>

	Indicator
<b>2.2.5</b>	The Biomass Producer has implemented appropriate control systems and procedures for verifying that the process of residue removal minimises harm to ecosystems.

Finding	<p>For detailed information including specific sites, areas, species, and protection measures related to High Conservation Value in the supply area please refer to Annex B Supplemental Information High Conservation Value and Sourcing Risk.</p> <p><b>For primary sources purchased by Westervelt:</b> The SFI Fiber Sourcing Standard addresses minimizing impacts to ecosystems. Performance Measure 2.1 requires Program Participants to clearly define and implement policies to ensure that facility inventories and fiber sourcing activities do not compromise adherence to the principles of sustainable forestry.</p> <p>SFI Indicator 2.1.2 requires written agreements for the purchase of raw material sourced directly from the forest including provisions requiring the use of best management practices.</p> <p>Biomass Harvesting BMP's for the SE US (developed by the Forest Guild) are used by Westervelt's harvesting operations. Branches and foliage are normally left or redistributed across the tract.</p> <p>SFI Performance Measure 2.2 requires BMP Monitoring across the wood and fiber supply area.</p> <p>For detailed information related to Best Management Practices implementation in the supply area please refer to Annex C Supplemental Information Best Management Practices.</p> <p>For additional information regarding Wood Purchase Agreements please refer to Annex D Wood Purchase Agreement Overview.</p> <p>We also refer to the following resources for supplemental information:</p> <p>Institute compendium of biomass harvesting research Soil and Water Resources Conservation Act (RCA) Clean Water Act Web Soil Survey USDA National Report on Sustainable Forests—2010 Pg II-121</p> <p><b>For all sources purchased by Westervelt:</b> The common and widespread modern forestry practices of the entire supply area are an important part of Westervelt's control system. The supply area was devised in part to encompass regions with consistently-strong, modern forestry practices. These include the large and successful investment by industry in logger training, outreach by government and industry foresters to promote and support sustainable forestry practices including the protection of sensitive, high-risk, and special sites, and the widespread and effective adoption of forestry Best Management Practices (BMPs). The Controlled Wood Risk Assessment describes the results of reviews to ensure biodiversity protection (refer to Section 3. Wood harvested from forests in which high conservation values are threatened by management activities").</p>
Means of Verification	<p>State BMP results, supply agreements, BMP inspection results. Annex B Supplemental Information High Conservation Value and Sourcing Risk Annex C Supplemental Information Best Management Practices</p>
Evidence Reviewed	<p>State BMP results, internal BMP audit results, SFI Fiber Sourcing, contracts, third party environmental audits. Annex B Supplemental Information High Conservation Value and Sourcing Risk Annex C Supplemental Information Best Management Practices</p>
Risk Rating	<p><input checked="" type="checkbox"/> <b>Low Risk</b>                      <input type="checkbox"/> <b>Specified Risk</b>                      <input type="checkbox"/> <b>Unspecified Risk at RA</b></p>



	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	<p>For detailed information including specific sites, areas, species, and protection measures related to High Conservation Value in the supply area please refer to Annex B Supplemental Information High Conservation Value and Sourcing Risk.</p> <p><b>For all sources purchased by Westervelt:</b> State BMP programs described under requirement 2.2.1 adequately address the protection of water quality.</p> <p>All of the states included in the Westervelt Supply Base have active and aggressive programs for the protection of water quality.</p> <p>For detailed information related to Best Management Practices implementation in the supply area please refer to Annex C Supplemental Information Best Management Practices.</p> <p>The SFI Standard certification includes a review of “available regulatory action information” (SFI Performance Measure 4.1).</p> <p>The common and widespread modern forestry practices of the entire supply area are an important part of Westervelt’s control system. The supply area was devised in part to encompass regions with consistently-strong, modern forestry practices. These include the large and successful investment by industry in logger training, outreach by government and industry foresters to promote and support sustainable forestry practices including the protection of sensitive, high-risk, and special sites, and the widespread and effective adoption of forestry Best Management Practices (BMPs).</p> <p>For detailed information related to Best Management Practices implementation in the supply area please refer to Annex C Supplemental Information Best Management Practices.</p> <p>For additional information regarding Wood Purchase Agreements please refer to Annex D Wood Purchase Agreement Overview.</p>
Means of Verification	State BMP results, supply agreements, BMP inspection results. Annex B Supplemental Information High Conservation Value and Sourcing Risk Annex C Supplemental Information Best Management Practices
Evidence Reviewed	Contract, internal BMP audits, third party environmental audits, internal policies & procedures. Annex B Supplemental Information High Conservation Value and Sourcing Risk Annex C Supplemental Information Best Management Practices
Risk Rating	<input checked="" type="checkbox"/> <b>Low Risk</b> <input type="checkbox"/> <b>Specified Risk</b> <input type="checkbox"/> <b>Unspecified Risk at RA</b>

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

	Indicator
<b>2.2.8</b>	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).
<b>Finding</b>	<p><b>For all sources purchased by Westervelt:</b> Chemicals applied commercially are strictly regulated, with trained, licensed applicators.</p>

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

	Indicator
<b>2.2.9</b>	The Biomass Producer has implemented appropriate control systems and procedures for verifying that methods of waste disposal minimise negative impacts on forest ecosystems (CPET S5d).
Finding	<p><b>For primary sources purchased by Westervelt:</b> Westervelt monitors removal of trash and other garbage through its BMP Monitoring Reports required by the SFI Standard, Performance Measure 2.2.</p>

	<p><b>For all sources purchased by Westervelt:</b>                      State BMPs require the removal of garbage.                      Solid Waste Disposal Act                      Resource Conservation and Recovery Act of 1976 (RCRA)                      Departments of Environmental Quality by jurisdiction  <a href="https://stateforesters.org/action-issues-and-policy/state-forestry-BMPs-map">https://stateforesters.org/action-issues-and-policy/state-forestry-BMPs-map</a> (all states)</p> <p>Westervelt requires supplier to follow BMPs. For detailed information related to Best Management Practices implementation in the supply area please refer to Annex C Supplemental Information Best Management Practices. For additional information regarding Wood Purchase Agreements please refer to Annex D Wood Purchase Agreement Overview.</p>
Means of Verification	Supply agreements, BMPs, monitoring results. Annex C Supplemental Information Best Management Practices
Evidence Reviewed	Contracts, internal policies & procedures, internal BMP audits, third party environmental audits. Annex C Supplemental Information Best Management Practices
Risk Rating	<input checked="" type="checkbox"/> <b>Low Risk</b> <input type="checkbox"/> <b>Specified Risk</b> <input type="checkbox"/> <b>Unspecified Risk at RA</b>

	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	<b>For all sources purchased by Westervelt:</b> Westervelt's procurement of wood material contributes to reducing environmental impacts and enhancing the productivity of forests. Markets for low valued wood products allow for more efficient site preparation and reforestation.																													
	Harvesting impacts are affected by BMP implementation and HCV awareness and related practices. For detailed information related to Best Management Practices implementation in the supply area please refer to Annex C Supplemental Information Best Management Practices. For detailed information including specific sites, areas, species, and protection measures related to High Conservation Value in the supply area please refer to Annex B Supplemental Information High Conservation Value and Sourcing Risk.																													
	Forest Inventory and Analysis (FIA) figures for Westervelt's timber supply areas as a whole indicate that the growth of the forests exceeds removals.																													
	Growth-to-drain for select states within the supply base is show in the following table:																													
	<table><tr><th colspan="5">USFS FIA Data</th></tr><tr><th colspan="5">&gt;= 5" DBH Live Trees on Forest Land</th></tr><tr><th>State</th><th>Counties</th><th>Growth</th><th>Removals</th><th>Ratio</th></tr><tr><td>AL</td><td>All</td><td>2,032,471,887</td><td>1,271,811,772</td><td>1.60</td></tr><tr><td>MS</td><td>All</td><td>1,909,683,921</td><td>989,836,420</td><td>1.93</td></tr><tr><td>MO</td><td>All</td><td>355,718,558</td><td>177,436,208</td><td>2.00</td></tr></table>	USFS FIA Data					>= 5" DBH Live Trees on Forest Land					State	Counties	Growth	Removals	Ratio	AL	All	2,032,471,887	1,271,811,772	1.60	MS	All	1,909,683,921	989,836,420	1.93	MO	All	355,718,558	177,436,208
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	AR	All	1,149,891,055	693,963,866	1.66
	TX	East	614,416,741	571,933,909	1.07
	LA	All	1,053,292,023	733,217,158	1.44
	TN	All	701,261,293	408,679,751	1.72
	NC	All	1,650,715,959	898,868,563	1.84
	SC	All	1,306,833,899	868,192,671	1.51
	GA	All	1,988,906,880	1,374,740,587	1.45
	FL	All	962,501,033	532,990,909	1.81
	Total		13,725,693,249	8,521,671,814	1.61
	<p>Fact Sheets for states in the supply area were also referenced:</p> <p>Forests of South Carolina, 2015 was published in 2016: <a href="https://srs.fs.usda.gov/pubs/53251">https://srs.fs.usda.gov/pubs/53251</a></p> <ul style="list-style-type: none"> <li>The most recent report on FIA's <u>North Carolina Forestry Inventory</u> reports on trends from 2007 to 2013: <a href="https://www.srs.fs.usda.gov/pubs/rb/rb_srs205.pdf">https://www.srs.fs.usda.gov/pubs/rb/rb_srs205.pdf</a></li> <li>Forest Facts – Alabama Forestry Commission <a href="http://www.forestry.alabama.gov/forest_facts.aspx">www.forestry.alabama.gov/forest_facts.aspx</a></li> <li>Mississippi State and Private Forestry Fact Sheet <a href="https://stateforesters.org/mississippi-state-and-private-forestry-fact-sheet">https://stateforesters.org/mississippi-state-and-private-forestry-fact-sheet</a></li> <li>The Forests of Georgia, 2015 was published in 2016: <a href="https://srs.fs.usda.gov/pubs/53252">https://srs.fs.usda.gov/pubs/53252</a></li> <li>Forests of Tennessee, 2012 was published in 2014: <a href="https://www.treesearch.fs.fed.us/pubs/47296">https://www.treesearch.fs.fed.us/pubs/47296</a></li> <li>Forests of east Texas, 2015 was published in 2016: <a href="https://www.srs.fs.usda.gov/pubs/ru/ru_srs107.pdf">https://www.srs.fs.usda.gov/pubs/ru/ru_srs107.pdf</a></li> <li>Information on Louisiana's forests can be found at <a href="https://srsfia2.fs.fed.us/states/louisiana.shtml">https://srsfia2.fs.fed.us/states/louisiana.shtml</a></li> <li>Information on Missouri's forests can be found at: <a href="https://www.fs.fed.us/nrs/pubs/ru/ru_fs76.pdf">https://www.fs.fed.us/nrs/pubs/ru/ru_fs76.pdf</a></li> <li>Forests of Florida, 2015 was published in 2016: <a href="https://srsfia2.fs.fed.us/states/fl/RU-FS-137(FL).pdf">https://srsfia2.fs.fed.us/states/fl/RU-FS-137(FL).pdf</a></li> <li>Forests of Arkansas, 2013 was published in 2014: <a href="https://www.fs.usda.gov/treesearch/pubs/46071">https://www.fs.usda.gov/treesearch/pubs/46071</a></li> </ul>				
Means of Verification	Public data, harvesting and growth records. FIA data. Annex C Supplemental Information Best Management Practices				
Evidence Reviewed	Company growth & harvest model, FIA growth-to-drain-data. Annex C Supplemental Information Best Management Practices				
Risk Rating	<input checked="" type="checkbox"/> <b>Low Risk</b> <input type="checkbox"/> <b>Specified Risk</b> <input type="checkbox"/> <b>Unspecified Risk at RA</b>				

	Indicator
2.3.2	Adequate training is provided for all personnel, including employees and contractors (CPET S6d).
Finding	<b>For primary sources purchased by Westervelt:</b> Westervelt conducts in-depth internal SFI training for all responsible staff.

	<p>Westervelt requires logging contractors to be SFI trained to be eligible to work for the Company (Z1-2014 Westervelt Fiber Supply Policy). 100% of logging contractors are considered Qualified Logging Professionals.</p> <p>SFI Performance Measure 6.1 requires a written statement of commitment to the SFI Standard and written contracts for the use of qualified logging professionals which includes continuous education for all Professional Logging Managers (AL) and Master Loggers (MS).</p> <p>Westervelt encourages its indirect Wood Producers to encourage their contractors to attend SFI Training (Sustainable Forestry Management System).</p> <p>Training records for Forestry and Wood Procurement staff are maintained and are available upon request.</p> <p>Harvesting impacts are affected by BMP implementation and HCV awareness and related practices. For detailed information related to Best Management Practices implementation in the supply area please refer to Annex C Supplemental Information Best Management Practices. For detailed information including specific sites, areas, species, and protection measures related to High Conservation Value in the supply area please refer to Annex B Supplemental Information High Conservation Value and Sourcing Risk.</p> <p><b>For all sources purchased by Westervelt:</b> The common and widespread modern forestry practices of the entire supply area are an important part of Westervelt's control system. The supply area was devised in part to encompass regions with consistently-strong, modern forestry practices. These include the large and successful investment by industry in logger training through SFI Implementation Committees in each of the states within Westervelt's supply area.</p> <p>For additional information regarding Wood Purchase Agreements please refer to Annex D Wood Purchase Agreement Overview.</p>
Means of Verification	<p>Attendance records from EMS meeting, verification of company training events, verification of training provided to third parties.</p> <p>Z1-2014 Westervelt Fiber Supply Policy Annex B Supplemental Information High Conservation Value and Sourcing Risk Annex C Supplemental Information Best Management Practices</p>
Evidence Reviewed	<p>Online logger training database, company training records of internal and external personnel, contract, internal policies &amp; procedures, field audits, BMP results.</p> <p>Z1-2014 Westervelt Fiber Supply Policy Annex B Supplemental Information High Conservation Value and Sourcing Risk Annex C Supplemental Information Best Management Practices</p>
Risk Rating	<p><input checked="" type="checkbox"/> <b>Low Risk</b>                      <input type="checkbox"/> <b>Specified Risk</b>                      <input type="checkbox"/> <b>Unspecified Risk at RA</b></p>

	Indicator
2.3.3	Analysis shows that feedstock harvesting and biomass production positively contribute to the local economy, including employment.
Finding	<p><b>For all sources purchased by Westervelt:</b> Harvesting for low valued biomass fuel makes a significant contribution to employment by loggers, harvesters and processors and income to landowners. Local harvesting contractors</p>



are always used. Improved utilization results in other economic benefits to landowners in reducing site preparation costs and making reforestation more affordable.

The economic contribution of forestry to Southeast U.S. economy is substantial:

Alabama: [www.aces.edu/pubs/docs/A/ANR-1456/ANR-1456.pdf](http://www.aces.edu/pubs/docs/A/ANR-1456/ANR-1456.pdf)

Mississippi: <http://msucare.com/forestry/economics/important.html>

Missouri: [www.agriculture.mo.gov/economicimpact/](http://www.agriculture.mo.gov/economicimpact/)

Arkansas: [www.arkforests.org/?page=economicimpact](http://www.arkforests.org/?page=economicimpact)

Texas: [www.tfsfrd.tamu.edu/economicimpacts/](http://www.tfsfrd.tamu.edu/economicimpacts/)

Louisiana: <https://digitalcommons.lsu.edu/cgi/viewcontent.cgi?article=1586&context=agexp>

Tennessee:

<http://web.utk.edu/~mtaylo29/pages/Economic%20Impact%20of%20Tennessee%20Timber%20Sales.htm>

North Carolina: <https://forestry.ces.ncsu.edu/economic-impact-data/>

South Carolina: [www.forestryimpacts.net/reports/south-carolina](http://www.forestryimpacts.net/reports/south-carolina)

Georgia: [www.forestryimpacts.net/reports/georgia](http://www.forestryimpacts.net/reports/georgia)

Florida: [www.forestryimpacts.net/reports/florida](http://www.forestryimpacts.net/reports/florida)

The following table shows the economic impact of forestry-related businesses by state and region as published by Forest2Market in a report commissioned by NAFO in 2014.

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

Means of Verification	State forestry economic impact data; third party study data, severance tax records.
Evidence Reviewed	Severance tax payment records, employment data, state forestry economic impact data, third party study data, F2M Economic data.
Risk Rating	<input checked="" type="checkbox"/> <b>Low Risk</b> <input type="checkbox"/> <b>Specified Risk</b> <input type="checkbox"/> <b>Unspecified Risk at RA</b>

	Indicator
<b>2.4.1</b>	<p>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).</p>
<b>Finding</b>	<p>Strong demand for wood products provides landowners an incentive to keep their lands in forest production.</p> <p>Westervelt participates in the SFI Implementation Committees that contribute to the health and vitality of the forest resource as required by the SFI Fiber Sourcing Standard. The SICs produce information for distribution to forest landowners about sustainable forestry (Sustainable Forestry Management System).</p> <p>Forest Inventory and Analysis (FIA) figures for Westervelt's timber supply areas as a whole indicate that the growth of the wood forest exceeds removals by a wide margin. Please refer to information on forest trends based on F2M analyses presented above under requirement 2.3.1.</p> <p>Westervelt has reviewed state-wide Forest Resource Assessments and supports the State Action Plans addressing forest health:          Alabama: <a href="http://www.forestry.alabama.gov/AlabamaForestActionPlan.aspx?bv=2&amp;s=3">www.forestry.alabama.gov/AlabamaForestActionPlan.aspx?bv=2&amp;s=3</a>          Mississippi: <a href="https://www.mfc.ms.gov/forest-action-plan">https://www.mfc.ms.gov/forest-action-plan</a>          Missouri: <a href="https://stateforesters.org/state/missouri">https://stateforesters.org/state/missouri</a>          Arkansas: <a href="https://stateforesters.org/forest-action-plans/arkansas">https://stateforesters.org/forest-action-plans/arkansas</a>          Texas: <a href="https://stateforesters.org/texas-forest-action-plan-2015">https://stateforesters.org/texas-forest-action-plan-2015</a>          Louisiana: <a href="https://stateforesters.org/forest-action-plans/louisiana">https://stateforesters.org/forest-action-plans/louisiana</a>          Tennessee: <a href="https://www.tn.gov/agriculture/forests/protection/ag-forests-action-plan.html">https://www.tn.gov/agriculture/forests/protection/ag-forests-action-plan.html</a>          North Carolina: <a href="https://stateforesters.org/state/north-carolina">https://stateforesters.org/state/north-carolina</a>          South Carolina: <a href="https://stateforesters.org/forest-action-plans/south-carolina">https://stateforesters.org/forest-action-plans/south-carolina</a>          Georgia: <a href="http://www.gfc.state.ga.us/about-us/strategic-plan/ForestActionPlanBrochure.pdf">www.gfc.state.ga.us/about-us/strategic-plan/ForestActionPlanBrochure.pdf</a>          Florida: <a href="https://stateforesters.org/forest-action-plans/florida">https://stateforesters.org/forest-action-plans/florida</a></p> <p>We also utilize the following resources as supplemental references:          The Southern Forest Futures Project, USDA          Longleaf Restoration Program sponsored by The Longleaf Alliance</p> <p>Wood Purchase agreements require the use of BMPs. For additional information regarding Wood Purchase Agreements please refer to Annex D Wood Purchase Agreement Overview. For detailed information related to Best Management Practices implementation in the supply area please refer to Annex C Supplemental Information Best Management Practices.</p>



Means of Verification	Supply contracts, regional BMP results, state forestry websites, USFS websites. Annex B Supplemental Information High Conservation Value and Sourcing Risk Annex C Supplemental Information Best Management Practices
Evidence Reviewed	Forestry Commission data, FIA data, BMP results. Annex B Supplemental Information High Conservation Value and Sourcing Risk Annex C Supplemental Information Best Management Practices
Risk Rating	<input checked="" type="checkbox"/> <b>Low Risk</b> <input type="checkbox"/> <b>Specified Risk</b> <input type="checkbox"/> <b>Unspecified Risk at RA</b>

	Indicator
<b>2.4.2</b>	The Biomass Producer has implemented appropriate control systems and procedures for verifying that natural processes, such as fires, pests and diseases are managed appropriately (CPET S7b).
Finding	<p>Increased wood utilization directly results in a reduction in fires, pests and diseases.</p> <p><b>For Primary sources purchased by Westervelt:</b> Westervelt works with the Alabama and Mississippi Forestry Commissions to monitor and manage to prevent forest fires, pest and diseases.</p> <p><b>For all sources purchased by Westervelt:</b> In all areas where it owns forest lands (Alabama, Mississippi, Georgia, and South Carolina), Westervelt works with Forestry Associations whose missions are to ensure the sustainable management of each state's forest resources.</p> <p>In all areas within the supply basin we encourage fire, disease, and pest management and rely heavily on state resources such as State Forest Action Plans: Alabama: <a href="http://www.forestry.alabama.gov/AlabamaForestActionPlan.aspx?bv=2&amp;s=3">www.forestry.alabama.gov/AlabamaForestActionPlan.aspx?bv=2&amp;s=3</a> Mississippi: <a href="https://www.mfc.ms.gov/forest-action-plan">https://www.mfc.ms.gov/forest-action-plan</a> Missouri: <a href="https://stateforesters.org/state/missouri">https://stateforesters.org/state/missouri</a> Arkansas: <a href="https://stateforesters.org/forest-action-plans/arkansas">https://stateforesters.org/forest-action-plans/arkansas</a> Texas: <a href="https://stateforesters.org/texas-forest-action-plan-2015">https://stateforesters.org/texas-forest-action-plan-2015</a> Louisiana: <a href="https://stateforesters.org/forest-action-plans/louisiana">https://stateforesters.org/forest-action-plans/louisiana</a> Tennessee: <a href="https://www.tn.gov/agriculture/forests/protection/ag-forests-action-plan.html">https://www.tn.gov/agriculture/forests/protection/ag-forests-action-plan.html</a> North Carolina: <a href="https://stateforesters.org/state/north-carolina">https://stateforesters.org/state/north-carolina</a> South Carolina: <a href="https://stateforesters.org/forest-action-plans/south-carolina">https://stateforesters.org/forest-action-plans/south-carolina</a> Georgia: <a href="http://www.gfc.state.ga.us/about-us/strategic-plan/ForestActionPlanBrochure.pdf">www.gfc.state.ga.us/about-us/strategic-plan/ForestActionPlanBrochure.pdf</a> Florida: <a href="https://stateforesters.org/forest-action-plans/florida">https://stateforesters.org/forest-action-plans/florida</a></p> <p>It is also important to note that forestry commissions in the U.S. South fly over timberlands during peak southern pine beetle season to look for infestation. Catch boxes are distributed in areas with high risk for pine beetle outbreak and are monitored for infestation. Forestry commissions are often able to provide burn services on a fee basis to forest owners and there are also a cost share management programs available to help offset related costs.</p> <p>Prescribed fire is regulated by State Forestry Commissions and we refer to the following resources for current regulations: Alabama: <a href="http://www.forestry.state.al.us/BurnPermitLaw.aspx?bv=1&amp;s=1">http://www.forestry.state.al.us/BurnPermitLaw.aspx?bv=1&amp;s=1</a> Mississippi: <a href="http://www.fwrc.msstate.edu/pubs/burning.pdf">http://www.fwrc.msstate.edu/pubs/burning.pdf</a> Georgia: <a href="http://www.gfc.state.ga.us/forest-management/prescribed-fire/">http://www.gfc.state.ga.us/forest-management/prescribed-fire/</a> South Carolina: <a href="http://www.state.sc.us/forest/fire.htm">http://www.state.sc.us/forest/fire.htm</a> Tennessee: <a href="https://www.tn.gov/agriculture/article/ag-forests-wildfire">https://www.tn.gov/agriculture/article/ag-forests-wildfire</a> Florida: <a href="http://www.freshfromflorida.com/Divisions-Offices/Florida-Forest-">http://www.freshfromflorida.com/Divisions-Offices/Florida-Forest-</a></p>

	<p>Service/Wildfire/Prescribed- Fire  Missouri: <a href="https://mdc.mo.gov/property/fire-management/prescribed-fire">https://mdc.mo.gov/property/fire-management/prescribed-fire</a>  Arkansas: <a href="http://www.arkfireinfo.org/index.php?do:showPBurns">http://www.arkfireinfo.org/index.php?do:showPBurns</a>  Texas: <a href="https://tpwd.texas.gov/landwater/land/habitats/post_oak/habitat_management/fire/">https://tpwd.texas.gov/landwater/land/habitats/post_oak/habitat_management/fire/</a>  North Carolina: <a href="http://ncforestservice.gov/burn_permits/burn_permits_main.htm">http://ncforestservice.gov/burn_permits/burn_permits_main.htm</a>  Louisiana: <a href="http://www.ldaf.state.la.us/forestry/protection">www.ldaf.state.la.us/forestry/protection</a></p> <p>Pest management programs are administered by State Forestry Agencies/Commissions:  Alabama: <a href="http://www.forestry.alabama.gov/">www.forestry.alabama.gov/</a>  Mississippi: <a href="http://www.mfc.ms.gov/forest-health.php">http://www.mfc.ms.gov/forest-health.php</a>  Missouri: <a href="https://mdc.mo.gov/trees-plants/forest-care">https://mdc.mo.gov/trees-plants/forest-care</a>  Arkansas: <a href="http://www.aad.arkansas.gov/commercial-pest-control">www.aad.arkansas.gov/commercial-pest-control</a>  Texas: <a href="http://www.texasforestservice.tamu.edu/Insects/">www.texasforestservice.tamu.edu/Insects/</a>  Louisiana: <a href="http://www.ldaf.state.la.us/forestrypractices-and-sta">www.ldaf.state.la.us/forestrypractices-and-sta</a>  Tennessee: <a href="https://www.tn.gov/agriculture/forests/">https://www.tn.gov/agriculture/forests/</a>  North Carolina: <a href="http://www.ncforestservice.gov/forest_health/forest_insects.htm">www.ncforestservice.gov/forest_health/forest_insects.htm</a>  South Carolina: <a href="https://www.state.sc.us/forest/id.htm">https://www.state.sc.us/forest/id.htm</a>  Georgia: <a href="http://www.gfc.state.ga.us/forest-management/forest-health/">http://www.gfc.state.ga.us/forest-management/forest-health/</a>  Florida: <a href="https://www.freshfromflorida.com/Divisions-Offices/Plant-Industry/Pests-Diseases">https://www.freshfromflorida.com/Divisions-Offices/Plant-Industry/Pests-Diseases</a></p> <p>We also refer to the following supplemental resources:  Interagency Fire Prevention Strategy, 2000 Southern Wildfire  Prevention Strategy State of America's Forest Report, SAF  Southern Forest Futures Report, USDA  NRCS Integrated Pest Management program  <a href="http://bugwood.org/pestcontrol/pfpm.html">http://bugwood.org/pestcontrol/pfpm.html</a> (The Bugwood Network)</p> <p>The common and widespread modern forestry practices of the entire supply area are an important part of Westervelt's control system. The supply area was devised in part to encompass regions with consistently-strong, modern forestry practices. These include the large and successful investment by industry in logger training, outreach by government and industry foresters to promote and support sustainable forestry practices including the protection of sensitive, high-risk, and special sites, and the widespread and effective adoption of forestry Best Management Practices (BMPs).</p> <p>For detailed information related to Best Management Practices implementation in the supply area please refer to Annex C Supplemental Information Best Management Practices.</p>
Means of Verification	<p>Monitoring results, regional data.  Annex B Supplemental Information High Conservation Value and Sourcing Risk  Annex C Supplemental Information Best Management Practices</p>
Evidence Reviewed	<p>Supply contracts, regional BMP results, state forestry websites, USFS websites, internal BMP audits, third party environmental audits.  Annex B Supplemental Information High Conservation Value and Sourcing Risk  Annex C Supplemental Information Best Management Practices</p>
Risk Rating	<p><input checked="" type="checkbox"/> <b>Low Risk</b>                      <input type="checkbox"/> <b>Specified Risk</b>                      <input type="checkbox"/> <b>Unspecified Risk at RA</b></p>

	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	<p><b>For primary sources purchased by Westervelt:</b> Westervelt's SFI Fiber Supply Policy and Procedures address security, legality and vandalism (Z1-2014 Westervelt Fiber Supply Policy).</p> <p><b>For all sources purchased by Westervelt:</b></p> <p>State forestry commissions have law enforcement divisions that address illegal trespass, timber theft and forest arson.</p> <p>Westervelt conducted an FSC/PEFC/SFI Controlled Wood/Due Diligence System risk assessment for all of its procurement areas/Districts of Origin (WF-DP-03).</p> <p>SFI Fiber Sourcing Standard, Performance Measure 4.1 requires Program Participants to comply with applicable laws and regulations and take steps to avoid illegal logging. Indicator 4.1.4 requires an assessment of the risk of sourcing material from illegal logging and Indicator 4.1.5 requires a program to address any significant risks identified under 4.1.4.</p> <p>The Certification Body (CB) has independently reviewed the Westervelt Risk Assessment finding that all sources of supply are "Low/Negligible Risk" for Legality and the other controversial/uncontrolled categories of the FSC and PEFC Standards.</p> <p>The World Bank has awarded the U.S. a Global Governance Index rating that exceeds 90% for Regulatory Quality. See the Global Governance Index for the United States: (<a href="http://info.worldbank.org/governance/wgi/sc_chart.asp">http://info.worldbank.org/governance/wgi/sc_chart.asp</a>)</p> <p>The "Assessment of Lawful Harvesting &amp; Sustainability of US Hardwood Exports" (AHEC Legality Study at <a href="http://www.ahec-europe.org/">http://www.ahec-europe.org/</a> concluded the following:</p> <p>"We come to the conclusion that wood procured in the study area can be considered Low Risk to threat to legality. This conclusion is based on the determination that there is no reported systematic illegal logging, as we interpret the term, reported in the study area</p> <p>For detailed information including specific sites, areas, species, and protection measures related to High Conservation Value in the supply area please refer to Annex B Supplemental Information High Conservation Value and Sourcing Risk.</p> <p>We utilize the following resources to assist with ensuring compliance: Illegal Logging and Global Wood Markets, Seneca Creek Assoc. &amp; WRI A Nationwide Survey of Timber Trespass Legislation, Hicks, Timothy, Master of Forestry Thesis March 2005 PSU School of Forest Resources Assessment of Lawful Harvesting &amp; Sustainability of US Hardwood Exports, AHEC <a href="https://www.illegal-logging.info/regions/usa">https://www.illegal-logging.info/regions/usa</a> (Illegal Logging Portal) State Forestry Laws: <i>Defenders of Wildlife, October 2000</i> which provides a listing of all applicable State laws for forestry within each State</p>
Means of Verification	<p>Maps, BP records, state records.</p> <p>Annex B Supplemental Information High Conservation Value and Sourcing Risk</p> <p>Annex C Supplemental Information Best Management Practices</p> <p>WF-DP-03 Controlled Wood/Due Diligence System Risk Assessment</p>

	Z1-2014 Westervelt Fiber Supply Policy
Evidence Reviewed	Internal audits, state Forestry Commission data. Annex B Supplemental Information High Conservation Value and Sourcing Risk Annex C Supplemental Information Best Management Practices WF-DP-03 Controlled Wood/Due Diligence System Risk Assessment Z1-2014 Westervelt Fiber Supply Policy
Risk Rating	<input checked="" type="checkbox"/> <b>Low Risk</b> <input type="checkbox"/> <b>Specified Risk</b> <input type="checkbox"/> <b>Unspecified Risk at RA</b>

	Indicator
<b>2.5.1</b>	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).
<b>Finding</b>	<p><b>For all sources purchased by Westervelt:</b> SFI/FSC/PEFC Chain of Custody Certificates provide sufficient objective evidence of conformance to the Indicator. There are no identified indigenous peoples with legal use rights within the wood and fiber supply areas (WF-DP-02 &amp; WP-DP-03).</p> <p>The Westervelt Controlled Wood/Due Diligence System Risk Assessment concludes that: “There are recognized and equitable processes in place to resolve conflicts of substantial magnitude pertaining to traditional rights including use rights, cultural interests or traditional cultural identity in the district concerned.”</p> <p>We also refer to the following resources:  Major Uses of Land in the US Economic Research Service Forestry and African American Land Retention US Endowment for Forestry and Communities Announcement of U.S. Support for the United Nations Declaration on the Rights of Indigenous Peoples State of America's Forest, SAF National Historic Preservation Act of 1966 (today embodied in 16 U.S.C. 461 et seq.) National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.)</p> <p>Westervelt's FSC Risk Assessment addresses rights of tribal and indigenous peoples in the supply area and no known violations of ILO 169 were observed.</p> <p>For detailed information including specific sites, areas, species, and protection measures related to High Conservation Value in the supply area please refer to Annex B Supplemental Information High Conservation Value and Sourcing Risk.</p> <p>For additional information regarding Wood Purchase Agreements please refer to Annex D Wood Purchase Agreement Overview.</p>
<b>Means of Verification</b>	Company records. WF-DP-02 Controlled Wood Procedure WF-DP-03 Controlled Wood/Due Diligence System Risk Assessment Annex B Supplemental Information High Conservation Value and Sourcing Risk

Evidence Reviewed	Federal & state law, internal policies & procedures, field audits, stakeholder consultation, Westervelt's FSC Risk Assessment. WF-DP-02 Controlled Wood Procedure WF-DP-03 Controlled Wood/Due Diligence System Risk Assessment
Risk Rating	<input checked="" type="checkbox"/> <b>Low Risk</b> <input type="checkbox"/> <b>Specified Risk</b> <input type="checkbox"/> <b>Unspecified Risk at RA</b>

	Indicator
<b>2.5.2</b>	The Biomass Producer has implemented appropriate control systems and procedures for verifying that production of feedstock does not endanger food, water supply or subsistence means of communities, where the use of this specific feedstock or water is essential for the fulfilment of basic needs.
Finding	<p><b>For all sources purchased by Westervelt:</b> SFI/FSC/PEFC Certificates provide objective evidence of conformance to the Indicator. No subsistence level communities are present across the supply base where the use of the wood feedstock is essential to fulfil basic needs.</p> <p>State BMPs monitoring show very high levels compliance. For detailed information related to Best Management Practices implementation in the supply area please refer to Annex C Supplemental Information Best Management Practices.</p> <p>BMP's are required under Westervelt's Wood Purchase Agreements. For additional information regarding Wood Purchase Agreements please refer to Annex D Wood Purchase Agreement Overview.</p>
Means of Verification	BMP records; Wood Purchase Agreements, BMP audits, third party audits. Annex B Supplemental Information High Conservation Value and Sourcing Risk Annex C Supplemental Information Best Management Practices
Evidence Reviewed	Federal & state law, field audits, stakeholder outreach, third party environmental audits, BMP audits. Annex B Supplemental Information High Conservation Value and Sourcing Risk Annex C Supplemental Information Best Management Practices
Risk Rating	<input checked="" type="checkbox"/> <b>Low Risk</b> <input type="checkbox"/> <b>Specified Risk</b> <input type="checkbox"/> <b>Unspecified Risk at RA</b>

	Indicator
<b>2.6.1</b>	The Biomass Producer has implemented appropriate control systems and procedures for verifying that appropriate mechanisms are in place for resolving grievances and disputes, including those relating to tenure and use rights, to forest management practices and to work conditions.
Finding	<p><b>For all sources purchased by Westervelt:</b> SFI/FSC/PEFC Chain of Custody and Controlled Wood Certificates provide objective evidence of conformance related to having systems in place to resolve grievances and disputes.</p>

	<p>Westervelt supports the SFI Implementation Committee efforts to address concerns about apparent nonconforming practices (SFI 7.3.1).</p> <p>Westervelt has a formal process for receiving and responding to public inquiries, particularly those that potentially relate to practices that appear to be inconsistent with the SFI requirements (SFI 7.3.2).</p> <p>Westervelt has a formal Complaints Procedure for addressing public concerns (WF-DP-11).</p> <p>The Controlled Wood Procedure (WF-DP-02) contains a public complaints procedure addressing mechanisms for resolving disputes.</p> <p>Workers may file a complaint to have OSHA inspect their workplace if they believe that their employer is not following OSHA standards or that there are serious hazards. Employees can file a complaint with OSHA by calling 1-800-321-OSHA (6742), online via eCompliant Form, or by printing the complaint form and mailing or faxing it to your local OSHA area office. Complaints that are signed by an employee are more likely to result in an inspection.</p> <p>The US Department of Labor enforces US labor law.</p> <p>AHEC indicates that: "Forest employment in the US is regulated under federal and state laws and codes, which prohibit child labor and are consistent with the ILO Fundamental Principles and Rights at work."</p> <p>The use of land is limited by the National Historic Preservation Act of 1966 (16 U.S.C. 461) and the National Environmental Policy Act of 1969 (42 U.S.C. 4321).</p>
Means of Verification	Company procedures, SFI Implementation Committee feedback.
Evidence Reviewed	<p>WF-DP-01 Chain of Custody Procedure</p> <p>WF-DP-02 Controlled Wood Procedure</p> <p>WRE-SBP-DP11 Substantiated Complaints Procedure</p> <p>Database indicates no complaints received.</p>
Risk Rating	<input checked="" type="checkbox"/> <b>Low Risk</b> <input type="checkbox"/> <b>Specified Risk</b> <input type="checkbox"/> <b>Unspecified Risk at RA</b>

	Indicator
<b>2.7.1</b>	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	<p><b>For all sources purchased by Westervelt:</b> SFI/FSC/PEFC Certificates provide objective evidence of conformance addressing Freedom of Association.</p> <p>The FSC Self-Declaration Policy addresses the ILO Principles (WF-DOC-02). The FSC ILO Policy recognizes the pre-eminence of U.S. and State laws and regulations in meeting the intent of the ILO Core Conventions.</p> <p>U.S. law clearly specifies rights to collective bargaining and freedom of association. Supply Contracts specify compliance with applicable U.S. and state labor laws and regulations.</p>



	<p>We are bound by the National Labor Relations Act, the Fair Labor Standards Act, 18 US Code 1589 (Forced Labor), and Westervelt's EEO Policy.</p> <p>Westervelt's Wood Purchase Agreement specifies contract conditions. For additional information regarding Wood Purchase Agreements please refer to Annex D Wood Purchase Agreement Overview.</p>
Means of Verification	SFI/PEFS/FSC Chain of Custody, Equal Opportunity Employment Act, National Labor Relations Act, ITUC Survey of Trade Union Rights Violations
Evidence Reviewed	<p>The ITUC SCI IGB Survey of violations of Trade Union Rights does not indicate violations in the forest industry in our supply base. <a href="https://survey.ituc-csi.org/USA.html#tabs-3">https://survey.ituc-csi.org/USA.html#tabs-3</a></p> <p>National Labor Relations Act: <a href="http://www.nlr.gov/resources/national-labor-relations-act">http://www.nlr.gov/resources/national-labor-relations-act</a> 29 CFR 2200.22(b): <a href="https://www.law.cornell.edu/cfr/text/29/2200.22">https://www.law.cornell.edu/cfr/text/29/2200.22</a></p>
Risk Rating	<input checked="" type="checkbox"/> <b>Low Risk</b> <input type="checkbox"/> <b>Specified Risk</b> <input type="checkbox"/> <b>Unspecified Risk at RA</b>

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

	18 US Code 1589: <a href="https://www.law.cornell.edu/uscode/text/18/1589">https://www.law.cornell.edu/uscode/text/18/1589</a> Check for notification(s) of violation of federal law during annual audits
Risk Rating	<input checked="" type="checkbox"/> <b>Low Risk</b> <input type="checkbox"/> <b>Specified Risk</b> <input type="checkbox"/> <b>Unspecified Risk at RA</b>

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



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

	Indicator
2.7.5	The Biomass Producer has implemented appropriate control systems and procedures for verifying that feedstock is supplied using labour where the pay and employment conditions are fair and meet, or exceed, minimum requirements.
Finding	<p><b>For all sources purchased by Westervelt:</b> Westervelt contracts with dealers and brokers to harvest wood for use in wood fuels.</p>

	<p>Contractors are asked to attest to the fact that pay and employment conditions meet or exceed minimum requirements.</p> <p>The Wood Purchase Agreement specifies contract conditions. For additional information regarding Wood Purchase Agreements please refer to Annex D Wood Purchase Agreement Overview.</p> <p>Annex B Supplemental Information High Conservation Value and Sourcing Risk addresses rights, taxes &amp; fees, harvesting activities, third parties' rights, trade &amp; transport, and diligence &amp; due care. Further detail is provided in the Westervelt FSC Controlled Wood Risk Assessment.</p> <p>State and Federal laws, such as the Equal Employment Opportunity and OSHA are in place to ensure fair pay and employment conditions.</p>
Means of Verification	<p>Postings of Labor Law poster</p> <p>Employment Handbook</p> <p>Company Policies</p>
Evidence Reviewed	<p>Postings of Labor Law poster</p> <p>Employment Handbook</p> <p>Company Policies</p>
Risk Rating	<p><input checked="" type="checkbox"/> <b>Low Risk</b>                      <input type="checkbox"/> <b>Specified Risk</b>                      <input type="checkbox"/> <b>Unspecified Risk at RA</b></p>

	Indicator
<b>2.8.1</b>	<p>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).</p>
Finding	<p><b>For all sources purchased by Westervelt:</b></p> <p>Westervelt's Annual Purchase Agreement provisions address worker compensation insurance coverage.</p> <p>SFI/FSC/PEFC Certificates provide objective evidence of conformance with health and safety laws and regulations.</p> <p>Westervelt Wood Purchase Agreements address OSHA regulations related to health and safety. For additional information regarding Wood Purchase Agreements please refer to Annex D Wood Purchase Agreement Overview.</p> <p>We also refer to the OSHA Logging Safety website:</p> <p><a href="https://www.osha.gov/SLTC/logging/">https://www.osha.gov/SLTC/logging/</a> OSHA 1910.266 &amp; eTOOL</p> <p>The common and widespread modern forestry practices of the entire supply area are an important part of Westervelt's control system. The supply area was devised in part to encompass regions with consistently-strong, modern forestry practices. These include the large and successful investment by industry in logger training through the Sustainable Forestry Initiative® program, which includes logger training.</p>
Means of Verification	<p>Review of purchase agreements; existing certifications; government websites; harvest site visits, OSHA logs, safety audits, third party audits, safety manuals, safety training records.</p>

Evidence Reviewed	OSHA logs, safety audits, third party audits, safety manuals, safety training records.		
Risk Rating	<input checked="" type="checkbox"/> <b>Low Risk</b>	<input type="checkbox"/> <b>Specified Risk</b>	<input type="checkbox"/> <b>Unspecified Risk at RA</b>

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

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

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

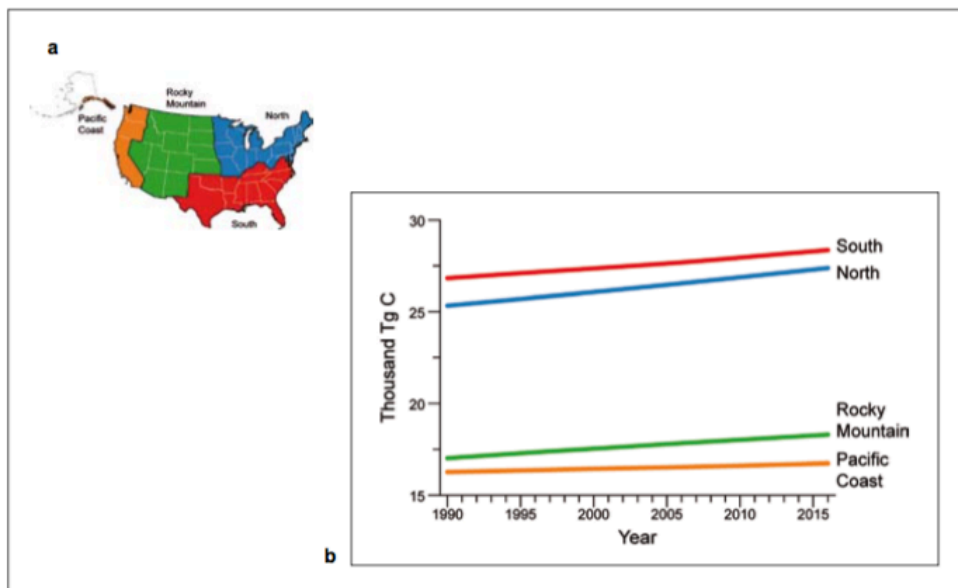


Figure 9.—Regional disaggregation of forest carbon analysis, 1990-2016: (a) regional delineations, (b) U.S. forest carbon stocks, and (c) annual forest carbon flux delineated by forests remaining forest (net forest carbon accretion) and land use change (net carbon transfer into forest land use) by region.

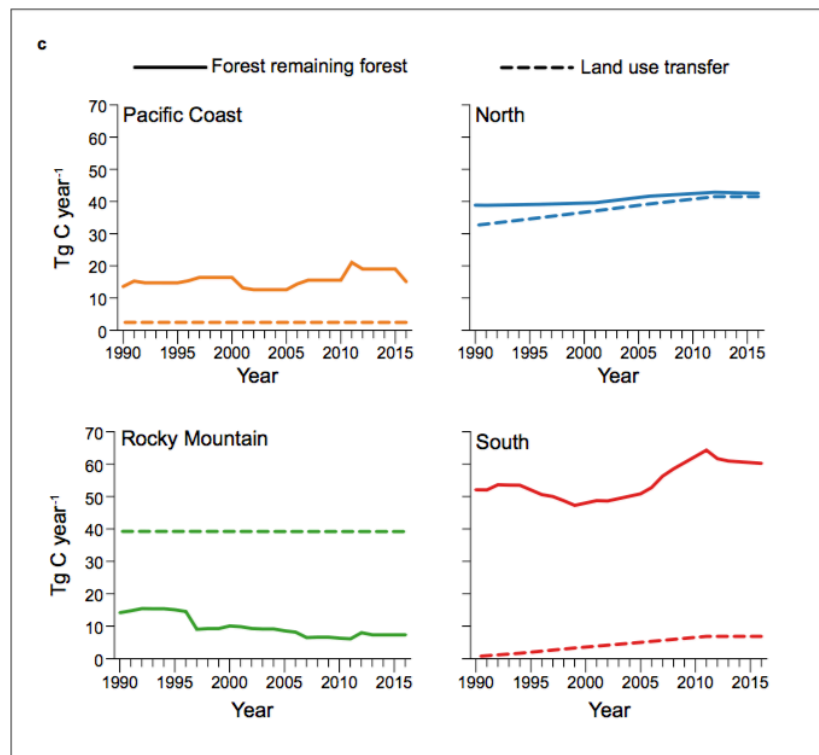


Figure 9 (continued).—Regional disaggregation of forest carbon analysis, 1990-2016: (a) regional delineations, (b) U.S. forest carbon stocks, and (c) annual forest carbon flux delineated by forests remaining forest (net forest carbon accretion) and land use change (net carbon transfer into forest land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

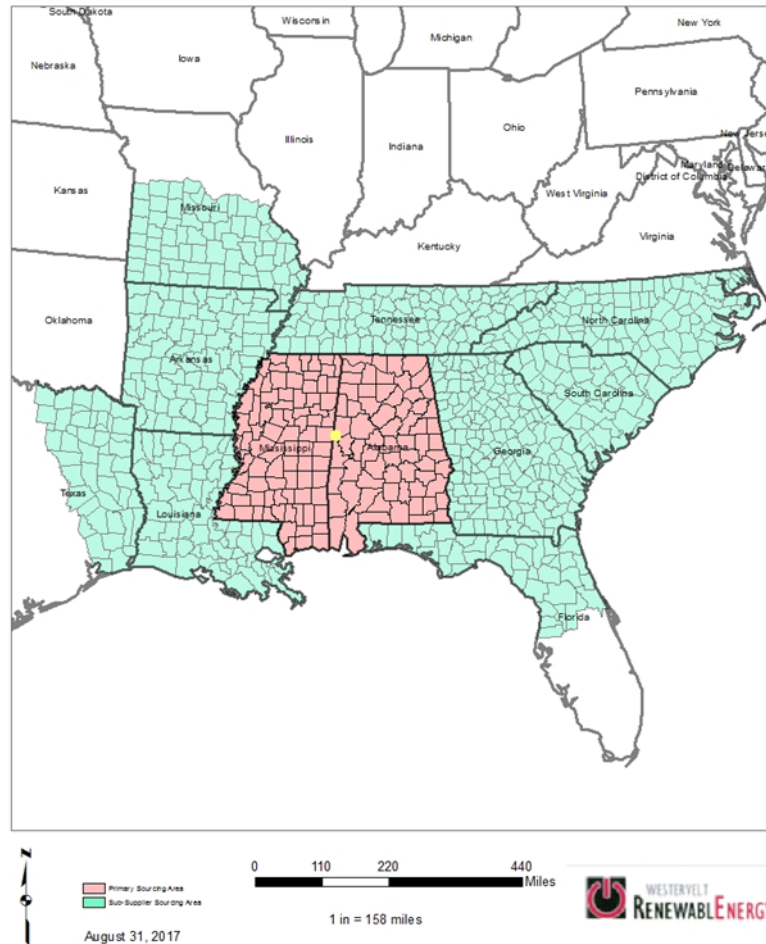
Source:

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

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

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

### Exhibit A Supply Base Area Map





## **Annex I - Exhibit B Supplemental Information High Conservation Value (HCV) & Sourcing Risk**

Westervelt is a recognized leader in ecological restoration and endangered species protection. Within the supply base Westervelt created the following mitigation and conservation banks and provides environmental mitigation and habitat planning services to landowners, businesses, government agencies, and land trusts. In addition to focusing on wetland restoration, wetland banks also provide habitat to numerous animal and plant species. Endangered species banks focus primarily on habitat protection and species preservation for a single endangered species although additional species are often present. Fourteen additional banks are located in California and Nebraska, outside of the supply basin. As mitigation banks are completed, they are typically placed in a conservation easement under the auspices of various NGOs with funding for ongoing monitoring and care provided by an endowment established by Westervelt. Agencies such as the US Army Corps of Engineers and the US Fish & Wildlife Service provide oversight and approvals during bank development.

### Florida

*St. Mark's Mitigation Bank (wetland)*

*Pensacola Bay Mitigation Bank (wetland)*

### Mississippi

*Chickasawhay Conservation Bank (gopher tortoise conservation bank)*

### Alabama

*Alabama River Mitigation Bank (stream & wetland)*

*Big Sandy Mitigation Bank (stream & wetland)*

*Canoe Creek Mitigation Bank (stream & wetland)*

*Locust Fork Mitigation Bank (stream & wetland)*

*Yellowleaf Mitigation Bank (stream & wetland)*

### **Raw Material Sourcing**

Westervelt sources primary soft wood round wood and secondary soft wood residual wood from within the states of Alabama and Mississippi. Westervelt does not source any round wood from other states. Upon scope expansion approval, Westervelt will also source hard wood residual wood from Alabama and Mississippi where the source of the wood may originate from nine additional states which are depicted in Exhibit A Supply Base Area Map.

Effective Best Management Practices (BMPs) are key to mitigation in or near HCV areas and help minimize sourcing risk. Additional information regarding BMP's throughout the supply area can be found in Exhibit C Supplemental Information Forestry Best Management Practices. Additional information regarding Westervelt's Wood Purchase Agreements can be found in responses to various Annex I indicators.

Westervelt utilizes the following resources to identify and monitor high conservation value areas within the supply base.

### **RAMSAR SITES**

A Ramsar site is a wetlands site designated of international importance under the Ramsar Convention, coming into force in 1975. Five of the six listed sites in our supply area are located in Arkansas, Texas, Louisiana, South Carolina and a sixth site is located within the states of Georgia and Florida. All sites are protected by federal and/or state laws and NGO involvement. These sites are identified on Westervelt's HCV Area Alert which is provided to wood suppliers.

### **GREENPEACE INTACT FOREST LANDSCAPES**

An Intact Forest Landscape is a seamless mosaic of forest and naturally treeless ecosystems within the zone of current forest extent, which exhibit no remotely detected signs of human activity or habitat fragmentation

and is large enough to maintain all native biological diversity, including viable populations of wide-ranging species. The only listed area in our supply area is the Okefenokee National Wildlife Refuge, which is present in Georgia and Florida, is protected by federal law, and is also listed as a Ramsar Wetlands Site. In addition to being part of the National Wildlife Refuge System, it is also part of the National Wilderness Preservation System. This area is highly protected and no activity of any type is allowed, other than access by visitors. Because of the protections we consider this Low Risk. This site is identified on Westervelt's HCV Area Alert which is provided to wood suppliers.

#### **WWF GLOBAL 200**

The Global 200 is a list of the ecoregions identified by WWF as priorities for conservation. Site #75 is the Southeast Coniferous and Broadleaf Forest which spans several states including Mississippi, Alabama, Tennessee, Georgia, Florida, South Carolina in Westervelt's supply area.

A report titled *Assessment of Lawful Harvesting & Sustainability of US Hardwood Exports* prepared by Seneca Creek Associates, LLC for the American Hardwood Export Council (AHEC) identifies and focuses on legality and sustainability in the major hardwood producing regions of the US which is concentrated in states along and east of the Mississippi River with some additional production in the Pacific Northwest. In aggregate, the 33 states in the report account for 96% of US hardwood production.

The report addressed illegal sources, timber ownership rights, timber theft, legal framework, rule of law, and an effective environmental, labor, public welfare regulatory environment and a low level of corruption with all findings being Low Risk. The report also noted a high level of confidence regarding adherence to national and state laws in the hardwood sector. Further, the report addressed the non-certified portion of wood from the five risk categories in the FSC Controlled Wood Standard, concluding that hardwood procured from anywhere in the hardwood states could be considered low risk for all five categories. There is also a determination of Low Risk for controversial sources as defined in the PEFC CoC program.

The report also addressed the frameworks and effectiveness of programs related to timber theft and sustainable forest management. The evidence is believed to comply with CPET Category "B" criteria as evidence from "programmes and initiatives other than recognized certification schemes" and further indicates all states in the US hardwood-producing region can be considered low risk for illegal and non-sustainable hardwood sourcing. The report also finds that, given the safety-net of national and state regulations and programs that address unlawful conduct and faulty forest practices, the need for traceability, independent chain of custody and/or controlled wood certification to demonstrate legality should not be a consideration for US sourcing of hardwood products.

Although the AHEC report specifically addresses hardwood, its findings relative to legality and sustainability are also relevant to softwood. Risks in the Southeast Coniferous and Broadleaf Forest are dealt with through the AHEC report and conditions have not changed. This area is identified on Westervelt's HCV Area Alert which is provided to wood suppliers.

#### **CONSERVATION INTERNATIONAL HOTSPOTS**

To qualify as a biodiversity hotspot, a region must meet two strict criteria which are a). a minimum of 1,500 vascular plants as endemics and b). must have 30% or less of its original nature vegetation. There are no listings for the Westervelt supply area.

#### **WRI GLOBAL FOREST WATCH FRONTIER FORESTS**

The World Resources Institute coined the phrase 'frontier forests' to describe large, ecologically intact, and relatively undisturbed natural forests. According to the Data Basin tool from the Conservation Biology Institute, there are no Global Forest Watch Frontier Forests in the Westervelt supply area.

#### **FSC CONTROLLED WOOD NATIONAL RISK ASSESSMENT (second draft)**

The Forest Stewardship Council is undertaking a Controlled Wood National Risk Assessment for the US (US NRA), which is currently in second draft form. The purpose of the risk assessment is to determine the risk of an organization obtaining material from unacceptable wood sources when sourcing controlled wood. This document is subject to change by FSC during the consultation process.

It is important to note that all wood sourced by Westervelt is considered FSC Controlled Wood, and while this designation alone does not constitute Low Risk, it is complimentary to evidence provided by other sources.

The US NRA utilizes the following risk designations:

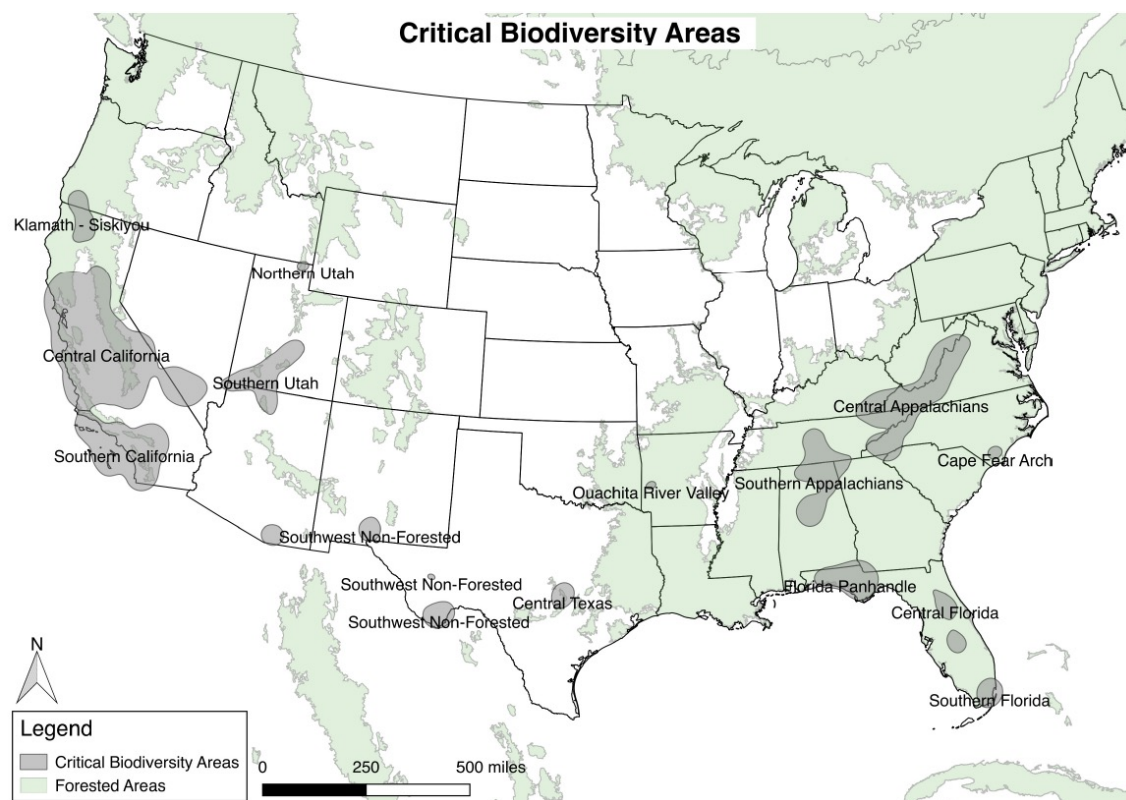
Category 1 – Illegally harvested wood: *Low Risk*

Category 2 – Wood harvested in violation of traditional and human rights: *Low Risk*

Category 3 – Wood from forests in which high conservation values are threatened by management activities: *Specified Risk in some areas*

Category 4 – Wood from forests being converted to plantations or non-forest use: *Specified Risk in some areas*

Category 5 – Wood from forests in which genetically modified trees are planted: *Low Risk*



The following sites/areas/ranges are located in the Westervelt supply area and are identified by US NRA as Specified Risk. Because of the protections provided we consider these to be Low Risk for Westervelt.

#### Mesophytic Cove Sites

Applicable to Mississippi, Alabama, Tennessee, Georgia, South Carolina, and North Carolina. Mesophytic cove sites are diverse, closed-canopy hardwood forests occurring on mesic, sheltered sites (coves). These sites provide habitat for rare animal species with limited ranges like the cerulean warbler and crevice salamander. The major threat to mesophytic coves is conversion to non-forest uses or other forest types (e.g. white pine). Westervelt does not accept fiber from land that is undergoing or pending conversion to non-timberland or pine plantations as defined by FSC. Harm to this area is mitigated by requiring the use of trained professional loggers, implementation of BMPs, and adherence to state and federal laws. This area is listed on Westervelt's HCV Alert which is provided to suppliers.

#### Central Appalachians Critical Biodiversity Area

Applicable to Tennessee and North Carolina. Central Appalachians landscape is home to important plant and animal species, it purifies drinking water for millions of Americans, and filters air for the people that live

around the HCV Area. The forests, wild rivers and mountains support natural diversity that few temperate places on Earth can rival. The issues that threaten this the most are energy development, urban sprawl, invasive species, and climate change. The Central Appalachians are home to abundant energy resources including coal, natural gas, wind and other renewables. The US Forest Service is the single largest forest manager in the Central Appalachians; and state lands make up large portions of high priority areas. The Nature Conservancy is working in partnership with state and federal entities to restore America's forests across the region and protect these open spaces for future generations. The Nature Conservancy is focusing its efforts on policy initiatives that will reduce the spread of invasive species. Westervelt supports the Nature Conservancy. Westervelt is also committed to not sourcing fiber from converted forests and only uses trained professional logging managers and master loggers who are educated on the importance of this high conservation area. These steps insure that there is low risk that the Central Appalachian Critical Biodiversity Area will be negatively impacted by Westervelt. This area is listed on Westervelt's HCV Alert which is provided to suppliers.

### Ouachita River Valley Critical Biodiversity Area

Applicable to Arkansas. The Ouachita River headwater is a hot spot for biodiversity. Poorly implemented BMP's and Forest Management Practices could jeopardize the integrity of the biodiversity. Westervelt recommends extra wide SMZ's on tributaries where ever possible to ensure protection of the water quality and the animals and plants that utilize this ecosystem. Any stream crossing in this watershed should be avoided to protect the biodiversity of this area. Arkansas' high BMP implementation rate helps mitigate the risk to this HCV Area. Logger training through an approved SFI recognized education program will educate loggers that may log in this area. This area is listed on Westervelt's HCV Alert which is provided to suppliers.

### Cape Fear Arch Critical Biodiversity Area

Applicable to North Carolina and South Carolina. The Cape Fear Arch is a region of particularly high biological diversity and supports nationally significant occurrences of animal and plant communities. the Arch is recognized as having the greatest biological diversity along the Atlantic Coast north of Florida. Red-cockaded woodpeckers are known to utilize the arch and nest in cavities of living pine trees. They are dependent on pine woodlands and savannas that have pine trees large enough to provide nesting habitat. They require mature open woodlands usually greater than 60 years old, with abundant herbaceous ground cover. Native Longleaf Pine Savannas, once one of the most widespread forest types in the US, has been reduced to 3% of its original range. Associated with particularly high animal and plant diversity, including RTE species, longleaf pine savanna is responsible in part for the high biodiversity associated with Central Alabama, Florida Panhandle, and Cape Fear Arch critical biodiversity areas. Longleaf pine savanna is also directly associated with the Red Cockaded Woodpecker and Gopher Tortoise species. "Native" in this instance refers to longleaf pine stands that have been restored in areas that have not been historically maintained in longleaf pine. Stands such as this do not apply under this section. Native does not imply a particular regeneration method; these stands may be either planted or naturally regenerated. Biodiversity values are driven in part by the understory plant community. Biodiversity values are potentially harmed via conversion of longleaf to other pine types, and the use of herbicides or other management techniques that inhibit native understory communities. Westervelt promotes the replanting of Longleaf Pine in areas that are predominantly Longleaf Pine. If a landowner chooses not to regenerate with the natural species or replant Longleaf Pine Westervelt will not purchase the fiber. Harm to the Cape Fear Arch Critical Biodiversity Area is mitigated by requiring the use of trained professional loggers, implementation of BMPs, and adherence to state and federal laws. This area is listed on Westervelt's HCV Alert which is provided to suppliers.

### Southern Appalachians Critical Biodiversity Area

Applicable to Alabama, Tennessee, and Georgia. Fish, mussels, snails, crayfish, and amphibians are abundant in this area. The Cahaba River Watershed, which extends onto Westervelt property, is one of the focal points of the area. Sedimentation from forestry is a threat to biodiversity ion this area. Harm to the following areas is mitigated by requiring the use of trained professional loggers, implementation of BMPs, and adherence to state and federal laws. If the logger harms these areas, they will be held accountable by state, and federal law and their contract is subject to cancelation by Westervelt. These areas are listed on Westervelt's HCV Alert which is provided to suppliers.

Cahaba River Watershed: Biodiversity areas in the southern Appalachians are largely driven by exceptional aquatic biodiversity. The Cahaba River Watershed is the center of the biodiversity



hotspot, which includes, fish, mussels, snails, crayfish, and amphibians. The biodiversity area includes other smaller watercourses as well. This biodiversity is potentially threatened by sedimentation from roads. When operating near the Cahaba River Watershed logging crews are advised to use extra caution when constructing logging roads, loading areas and skid trails, and operating near stream side management zones. Westervelt asks loggers to focus on erosion control to prevent impacts to streams leading to the Cahaba River.

Bibb County Glades: (i.e. rock outcrops), exposed limestone glades, and sandstone glades in Central Alabama have high density of rare plants. Loggers are required to use extra caution when constructing logging roads, loading areas and skid trails, and loading areas. These biodiversity areas are potentially harmed by logging and other management activities that may not recognize the value associated with these glades. A rock outcrop may look like an easy area to set up a skid trail or loading area because there are no trees in this area, but it could be a glade with rare, threatened, and endangered species living within it.

Montane Longleaf Pine: This habitat occurs in steep rolling topography, historically maintained by fire, mostly outside of, or on the edge of the Coastal Plain. Biodiversity values are driven in part by the understory plant community. Biodiversity values are potentially harmed via conversion of longleaf to other pine types, and the use of herbicides or other management techniques that inhibit native understory communities. Westervelt promotes the replanting of Longleaf Pine in areas that are predominantly Longleaf Pine. If a landowner chooses not to regenerate with the natural species or replant Longleaf Pine Westervelt will not purchase the fiber.

#### Ivory-billed Woodpecker Range

Applicable to Arkansas. This species is critically endangered and possibly extinct. It is protected under federal law and it is illegal to disturb its habitat. Ivory-billed Woodpeckers used extensive stands of large trees and often foraged in areas where many trees had been recently killed by flooding, fire, and other disturbances. They originally occurred in upland pine forests, but by 1891 they nested mainly in bald cypress swamps and foraged in the drier margins where the swamps met upland pine forests. Harm to this species is mitigated by requiring the use of trained professional loggers, implementation of BMPs, and adherence to state and federal laws. Westervelt also promotes leaving retention trees on logging sites for wildlife. This area is listed on Westervelt's HCV Alert which is provided to suppliers.

#### Patch-nosed Salamander Range

Applicable to Georgia and South Carolina. This species is endemic to the US and is its second-smallest salamander. It is protected under federal law and it is illegal to disturb its habitat. This species can be found in small streams associated with steep-walled ravines (C. Camp pers. comm. January 2011), either within or along the banks of the non-flooded part of the streambed (Camp *et al.* 2009). Individuals were found under rocks and in loose leaf litter; however, it is thought that they might occupy more terrestrial microhabitats under suitably moist conditions. The clutch size appears to vary between 6-14 eggs (Camp *et al.* 2009), and the species has a multi-year aquatic larval development (C. Camp pers. comm. January 2011). The risk of harming this species is low through the use of logging BMP's. It is recommended to use extra wide SMZ's in this area and avoid any stream crossing where this Salamander is known to inhabit. The high BMP implementation rate in Georgia and South Carolina provides assurance that there is low risk of harm to this species and the ecosystem it utilizes. This is listed on Westervelt's HCV Alert which is provided to suppliers.

#### Dusky Gopher Frog Range

Applicable to Mississippi. Also known as the Mississippi Gopher Frog, this species is one of the top 100 most endangered species and is protected under federal law and it is illegal to disturb its habitat. By 2003 it was only known from Glen's Pond in Desoto National Forest in Harrison County, Mississippi (USFWS 2000h; Young and Crother 2001). However, very recently individuals have been seen at two other sites: one calling male was seen at McCoy's Pond 50 miles east of Glen's Pond, and 50 tadpoles were collected from Mike's Pond, 20 miles west of Glen's Pond (Zippel 2005). The range has been significantly reduced as a result of habitat destruction, fragmentation, and modification. Pre-settlement longleaf pine forests were the dominant forest type of the south-eastern coastal plain. Through the Long Leaf Alliance initiative to reestablish Longleaf pine stands, habitat loss is decreased and Long leaf pine forested acres is on the rise. A majority of the habitat is in the Desoto National Forest which protects the habitat of the frog. Harm to this species is

mitigated by requiring the use of trained professional loggers, implementation of BMPs, and adherence to state and federal laws. Furthermore, Westervelt does not source fiber from tracts being converted to non-native species. This is listed on Westervelt's HCV Alert which is provided to suppliers.

### Cheoah Bald Salamander Range

Applicable to North Carolina. This species only occurs in high elevations on a single mountain in North Carolina. Clear cutting strongly depletes local populations of other members of the *Plethodon jordani* complex (Petranka, Eldridge and Haley 1993); the time required for recovery is debatable, but is at least a few decades (Ash 1997; Petranka 1999; Ash and Pollock 1999). Conservation actions taken to protect this species help mitigate risk to its habitat. Part of the range of this species is within the Nantahala Game Lands, which offer some measure of protection because the forest is typically left intact. There is also an effort to declare much of the range as Wilderness, which, if successful, would further protect the species. The species does not appear on any state or federal list of endangered species and education and conservation efforts have kept the population of this Salamander in a stable condition according to the IUCN. Harm to this species is mitigated by requiring the use of trained professional loggers, implementation of BMPs, and adherence to state and federal laws. This is listed on Westervelt's HCV Alert which is provided to suppliers.

### Areas for Specified Risk for Conversion

Applicable to Texas, Louisiana, Mississippi, Florida, Georgia, South Carolina, and North Carolina. Urbanization, not forests, is the single biggest threat to forests. Furthermore, healthy demand for forest products mitigates forest loss. (Historical Perspective on the Demand and Relationship between Demand and Forest Productivity in the US South. Forest2Market. July 26, 2017). Westervelt does not accept fiber from land that is undergoing or pending conversion to non-timberland or pine plantations as defined by FSC. This is listed on Westervelt's HCV Alert which is provided to suppliers.

### Native Longleaf Pine Systems

Applicable to Texas, Louisiana, Mississippi, Alabama, Georgia, Florida, South Carolina, and North Carolina. This species is far less common than it once was, and efforts are underway to promote longleaf pine coverage in its native habitat. The intent of listing species to the Red List is not to promote prohibition of their use but rather to heighten priority setting for conservation of the species' (IUCN Standards and Petitions Subcommittee. 2014. Guidelines for Using the IUCN Red List Categories and Criteria. Version 11. Prepared by the Standards and Petitions Subcommittee.) Longleaf pine is addressed by Westervelt Renewable Energy, LLC Statement on Longleaf Pine dated March 1, 2018. This is listed on Westervelt's HCV Alert which is provided to suppliers.

### Late Successional Bottomland Hardwood Areas

Applicable to Texas, Louisiana, Missouri, Mississippi, Alabama, Georgia, Florida, South Carolina, and North Carolina. Stand conditions of late successional bottomland hardwoods are extremely diverse and variable, and can be affected by minor changes in hydrology. Woody species diversity is comparable to the most diverse upland forests in the US. Several species groupings are considered bottomland hardwoods including mixed hardwoods and cypress-tupelo. Much of the original bottomland hardwood in the US has been cleared for agriculture, particularly so in the Mississippi valley. Late successional in this instance refers to bottomland hardwoods that are at least 80 years old and have the complex structural characteristics and species composition associated with late successional stands. If logging in this type of forest it is imperative that the landowner does not change the hydrology of the land by ditching the property or doing any other application that may jeopardize the diversity of this forest coming back in the native species. Westervelt does not accept fiber from land that is undergoing or pending conversion to non-timberland or pine plantations as defined by FSC. Harm to this area is mitigated by requiring the use of trained professional loggers, implementation of BMPs, and adherence to state and federal laws. It is also against federal, state, and local law to drain wetlands and affect the hydrology where a large portion of this HCV area is located.

### Florida Panhandle Critical Biodiversity Area

Applicable to Florida. This area includes Longleaf Pine habitats, Steephead Ravines, and the Apalachicola Bay & River System.

*Longleaf Pine:* In addition to being a threatened species, Longleaf Pine provides optimal habitat for a number of species including the Gopher Tortoise which is protected by the Forestry Wildlife Best Management Practices for State Imperiled Species and the Red-Cockaded Woodpecker which is protected under the U.S. Endangered Species Act. Longleaf Pine Systems, are described in more detail above. This ecosystem is only a portion of its original range due to urbanization and the withholding of fire from the area. Further loss of this habitat could harm the species which depend on this ecosystem. Several restoration projects are underway throughout the region, and the Longleaf Alliance is a leader in restoration and management of this species. They also promote the use of this species to encourage it to be replanted. In addition to laws protecting species, BMPs are a key source of protection in this area. Please refer to Exhibit B for further information regarding BMP implementation and results by state. Based on the mitigation measures identified this area can be considered Low Risk.

*Steephead Ravines:* Unique to Florida, this area is home to a disproportionate number of imperiled species. This area includes the 6,000 acre Apalachicola Bluffs and Ravines Preserve which is considered to be one of the rarest habitats and is protected by the Nature Conservancy. BMPs are the primary source of protection and because of the extreme slope of the ravines SMZs are typically measured from the break rather than the edge of the ravines and harvesting in these areas is impractical. Please refer to Exhibit B for further information regarding BMP implementation and results by state. Based on the mitigation measures identified this area can be considered Low Risk.

*Apalachicola Bay/River System:* Reptiles, amphibians and mussels are typical of the species found in this area. Sedimentation from forest activities is a potential threat and is mitigated through implementation of BMPs. Please refer to Exhibit B for further information regarding BMP implementation. Based on the mitigation measures identified this area can be considered Low Risk.

#### Central Florida Critical Biodiversity Area

Applicable to Florida. Central Florida is a biodiversity hotspot and has suffered a great loss of habitat. This habitat can be mainly attributed to the highest rate of human population growth within the Southern coastal plain. The Florida Forever conservation fund focuses on the conservation of habitat in Central Florida. Urban Sprawl is the greatest contributor to habitat loss. Westervelt does not accept fiber from land that is undergoing or pending conversion to non-timberland or pine plantations as defined by FSC. Harm to this area is mitigated by requiring the use of trained professional loggers, implementation of BMPs, and adherence to state and federal laws.



**Westervelt Renewable Energy  
High Conservation Value (HCV) Alert**

Site Name	State	Comment
Cache-Lower White Rivers	AR	RAMSAR Listed Wetlands Site
Caddo Lake	TX	RAMSAR Listed Wetlands Site
Catahoula Lake	LA	RAMSAR Listed Wetlands Site
Congaree National Park	SC	RAMSAR Listed Wetlands Site
Francis Beidler Forest	SC	RAMSAR Listed Wetlands Site
Okefenokee National Wildlife Refuge	GA, FL	RAMSAR Listed Wetlands Site
Okefenokee National Wildlife Refuge	GA, FL	Greenpeace Intact Forest Landscapes
Southeast Coniferous & Broadleaf Forest	Various	WWF Global 200 (site #75)
Mesophytic Cove Sites	FL	FSC US NRA Draft - High Biological Diversity
Central Appalachians Critical Biodiversity Area	TN, NC	FSC US NRA Draft - High Biological Diversity
Ouachita River Valley Critical Biodiversity Area	AR	FSC US NRA Draft - High Biological Diversity
Cape Fear Arch Critical Biodiversity Area	NC	FSC US NRA Draft - High Biological Diversity
Southern Appalachians Critical Biodiversity Area	AL, GA, TN	FSC US NRA Draft - High Biological Diversity
Cahaba River Watershed	AL	FSC US NRA Draft - High Biological Diversity
Bibb County Glades	AL	FSC US NRA Draft - High Biological Diversity
Montaine Long Leaf Pine	AL, GA,	FSC US NRA Draft - High Biological Diversity
Ivory-billed Woodpecker Range	AR	FSC US NRA Draft - High Biological Diversity
Patch-nosed Salamander Range	GA, SC	FSC US NRA Draft - High Biological Diversity
Dusky Gopher Frog Range	MS	FSC US NRA Draft - High Biological Diversity
Cheoah Bald Salamander Range	NC	FSC US NRA Draft - High Biological Diversity
Areas for Specified Risk for Conversion	TX, LA, MS, GA, FL, SC, NC	FSC US NRA Draft - High Biological Diversity
Native Longleaf Pine Systems	TX, LA, MS, AL, GA, FL, SC, NC	FSC US NRA Draft - High Biological Diversity
Late Successional Bottomland Hardwood Areas	TX, LA, MO, MS, AL, GA, FL, SC, NC	FSC US NRA Draft - High Biological Diversity
Florida Panhandle Critical Biodiversity Area	FL	FSC US NRA Draft - High Biological Diversity
Longleaf Pine	FL	FSC US NRA Draft - High Biological Diversity
Steephead Ravines	FL	FSC US NRA Draft - High Biological Diversity
Apalachicola Bay/River System	FL	FSC US NRA Draft - High Biological Diversity
Central Florida Critical Biodiversity Area	FL	FSC US NRA Draft - High Biological Diversity

**Please see next page for information relative to sourcing risk.**

**Laws applicable to sourcing risk are as follows:**

TWC's Sustainable Forestry Policy specifies a commitment to achieving compliance with applicable environmental, forestry and social laws and regulations and other internationally binding agreements. The Company policy is communicated throughout the organization and to contractors and is available on the Company's web site.

The Company has a system in place to ensure that such laws and regulations are implemented and achieved.

The system to achieve regulatory compliance includes:

- 1) A commitment to achieve continuing regulatory compliance;
- 2) Contract provisions requiring contractors to comply with applicable laws;
- 3) Training of staff and contractors;
- 4) Best Management Practices (BMPs) and regulatory compliance monitoring;
- 5) Taking corrective and preventive action; and
- 6) Annual management review and continual improvement.

If a regulatory non-compliance issue were to be uncovered by company staff, contractors or regulatory agency personnel, TWC is committed to taking prompt corrective action to mitigate any environmental impacts. Regulatory compliance is specified in all contracts with loggers and others operating for TWC within the company's supply area. TWC associates will work closely with state, federal and other agencies to take immediate corrective action.

**Please see next page for specific laws relative to our FSC Controlled Wood Risk Assessment.**

## FSC-US – Minimum List of Applicable Laws for Use with Controlled Wood Risk Assessments

This list was developed by FSC-US in coordination with other FSC stakeholders in the United States. It is a *minimum list of applicable laws* at the national level in the US, and is not intended to be a comprehensive list of all laws pertaining to forest management in the United States. This list may be used in order to satisfy the requirements of ADVICE-40-005-19 until a more complete list is posted on the Global Forest Registry.

1. Legal rights to harvest		
1.1 Land tenure and management rights	Legislation covering land tenure rights, including customary rights as well as management rights that includes the use of legal methods to obtain tenure rights and management rights. It also covers legal business registration and tax registration, including relevant legal required licenses.	Land use laws (state & local level)
1.2 Concession licenses	Legislation regulating procedures for the issuing of forest concession licenses, including use of legal methods to obtain concession license. Especially bribery, corruption and nepotism are well-known issues in connection with concession licenses.	<p>State Forest Practice Acts (state level)</p> <p>For US Forest Service: FSH 2409.18, Ch. 50 § 53</p> <p>State lands have similar regulations to the USFS law (above) based at the state level</p>

## Focusing on sustainable sourcing solutions

1.3 Management and harvesting planning	Any legal requirements for management planning, including conducting forest inventories, having a forest management plan and related planning and monitoring, as well as approval of these by competent authorities.	National Forest Management Policy Act of 1976 (US Forest Service lands)  Federal business practices law  Business & forest practices laws (state level)
1.4 Harvesting permits	Legislation regulating the issuing of harvesting permits, licenses or other legal document required for specific harvesting operations. It includes the use of legal methods to obtain the permit. Corruption is a well-known issue in connection with the issuing of harvesting permits.	For US Forest Service: FSH 2409.18, Ch. 50 § 53  Harvest permits for private land regulated at the state level
<b>2. Taxes and fees</b>		
2.1 Payment of royalties and harvesting fees	Legislation covering payment of all legally required forest harvesting specific fees such as royalties, stumpage fees and other volume based fees. It also includes payments of the fees based on correct classification of quantities, qualities and species. Incorrect classification of forest products is a well-known issue often combined with bribery of officials in charge of controlling the classification.	Federal and state tax policies
2.2 Value added taxes and other sales taxes	Legislation covering different types of sales taxes which apply to the material being sold, including selling material as growing forest (standing stock sales).	Sales taxes administered at the State level. Most US states leverage sales taxes

## Focusing on sustainable sourcing solutions

2.3 Income and profit taxes	Legislation covering income and profit taxes related to the profit derived from sale of forest products and harvesting activities. This category is also related to income from the sale of timber and does not include other taxes generally applicable for companies or related to salary payments.	Internal Revenue Code: federal policy on income taxes, capital gains taxes, inheritance taxes, reforestation tax credits, and other relevant taxes
<b>3. Timber harvesting activities</b>		
3.1 Timber harvesting regulations	Any legal requirements for harvesting techniques and technology including selective cutting, shelter wood regenerations, clear felling, transport of timber from felling site and seasonal limitations etc. Typically this includes regulations on the size of felling areas, minimum age and/or diameter for felling activities and elements that shall be preserved during felling etc. Establishment of skidding or hauling trails, road construction, drainage systems and bridges etc. shall also be considered as well as planning and monitoring of harvesting activities. Any legally binding codes for harvesting practices shall be considered.	<p>Forest Principles (UNCED) (Rio de Janeiro, Brazil, June 1992)</p> <p>International Tropical Timber Agreement (Geneva, Switzerland, 1994)</p> <p>Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA)/Federal Environmental Pesticide Control Act (FEPCA) (1947, 1972)</p> <p>Federal Plant Pest Act (1957)</p> <p>Forest practices acts (state level) based on Clean Water Act (1964)</p> <p>Pollution Prevention Act (1990)</p> <p>Federal Insecticide Act (1910)</p> <p>Plant Quarantine Act (1912)</p>

## Focusing on sustainable sourcing solutions

		<p>Clean Water Act (Section 404 wetland protection)</p> <p>Fire practices laws (state level)</p>
3.2 Protected sites and species	Covers legislation related to protected areas as well as protected, rare or endangered species, including their habitats and potential habitats.	<p>Convention on Nature Protection and Wild Life Preservation in the Western Hemisphere (Washington, DC, 1940)</p> <p>Convention on Wetlands of International Importance Especially as Waterfowl Habitat (Ramsar, Iran, 2 Feb 1971)</p> <p>Convention Concerning the Protection of the World Cultural and Natural Heritage; (Paris, France, 16 Nov 1972)</p> <p>International Plant Protection Convention (IPPC) (1979 Revised Text) (Rome, Italy, 1979)</p> <p>Endangered Species Act (1973, 1978, 1979, 1982)</p> <p>Clean Water Act (CWA) of 1972</p> <p>Clean Air Act (CAA) of 1963</p> <p>Resource Conservation &amp; Recovery Act (RCRA) (1976, 1984).</p> <p>Comprehensive Environmental Response, Compensation and Liability Act (CERCLA, commonly known as "Superfund") (1980, 1986)</p> <p>Convention on Biological Diversity (UNCED) (Rio de Janeiro, Brazil, 5 Jun 1992)</p> <p>Framework Convention on Climate Change, (UNCED) (Rio de Janeiro, Brazil,</p>

		<p>1992)</p> <p>Rio Declaration on Environment and Development (UNCED) (Rio de Janeiro, Brazil, 1992)</p> <p>Convention on the Conservation of Migratory Species of Wild Animals (Bonn, Germany, 23 Jun 1979)</p> <p>Migratory Bird Treaty Act (1918, 2006)</p> <p>Endangered species acts (state level)</p> <p>Wildlife laws (state level)</p>
3.3 Environmental requirements	Covers legislation related to environmental impact assessment in connection with harvesting, acceptable level for soil damage, establishment of buffer zones (e.g. along water courses, open areas, breeding sites), maintenance of retention trees on felling site, sessional limitation of harvesting time, and environmental requirements for forest machineries.	<p>Convention on Environmental Impact Assessment in a Transboundary Context (Espoo, Finland, 1991)</p> <p>National Environmental Policy Act (1969, 1975, 1982)</p> <p>Environmental quality acts (for all states)</p> <p>Water quality protection laws (for all states)</p> <p>Water resources laws (for all states)</p>



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3.4 Health and safety	Legally required personal protection equipment for persons involved in harvesting activities, use of safe felling and transport practice, establishment of protection zones around harvesting sites, and safety requirements to machinery used. Legally required safety requirements in relation to chemical usage. The health and safety requirements that shall be considered relate to operations in the forest (not office work, or other activities less related to actual forest operations).	<p>National Environmental Policy Act (1969, 1975, 1982)</p> <p>Occupational Safety &amp; Health Act (OSHA) (1970)</p> <p>OSHA 1910.266: Logging-specific regulations</p> <p>Federal Water Pollution Control Act/Clean Water Act (1972, 1977)</p>
3.5 Legal employment	Legal requirements for employment of personnel involved in harvesting activities including requirement for contracts and working permits, requirements for obligatory insurances, requirements for competence certificates and other training requirements, and payment of social and income taxes withhold by employer. Furthermore, the points cover observance of minimum working age and minimum age for personal involved in hazardous work, legislation against forced and compulsory labour, and discrimination and freedom of association.	<p>Fair Labor Standards Act (1938, 1946, 1961)</p> <p>Equal Pay Act of 1963 (amended the Fair Labor Standards Act)</p> <p>Civil Rights Act of 1964</p> <p>Occupational Safety &amp; Health Act (OSHA) (1970)</p> <p>Americans with Disabilities Act (ADA)</p>

## Focusing on sustainable sourcing solutions

3.6 Conversion	Legislation related to permission to convert natural forest to other land used. This may include identification of the laws regulating conversion in different land classification types and/or different permit types. This analysis will identify under which land types and permit types conversion can be legally carried out and the scale of any illegal conversion.	Where regulated, regulated at the state level
<b>4. Third parties' rights</b>		
4.1 Customary rights	Legislation covering customary rights relevant to forest harvesting activities including requirements covering sharing of benefits and indigenous rights.	Various treaties with American Indian Nations, Tribes, and Bands in the United States
4.2 Free prior and informed consent	Legislation covering "free prior and informed consent" in connection with transfer of forest management rights and customary rights to the organization in charge of the harvesting operation.	<p>Executive Order (EO) 12898 - Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations (1994)</p> <p>National Indian Forest Resources Management Act</p> <p>American Indian Religious Freedom Act</p> <p>Indian Self Determination and Education Assistance Act of 1975</p> <p>Indian Civil Rights Act of 1968</p>

## Focusing on sustainable sourcing solutions

4.3 Indigenous peoples rights	Legislation that regulates the rights of indigenous people as far as it's related to forestry activities. Possible aspects to consider are land tenure, right to use certain forest related resources or practice traditional activities, which may involve forest lands.	<p>Indian Self Determination and Education Assistance Act of 1975</p> <p>Native American Grave Protection and Repatriation Act</p> <p>Varied treaties with American Indian Nations, Tribes, and Bands in the United States.</p> <p>National Historic Preservation Act, including in relation to American Indian sites (1966)</p> <p>Tribes are considered Sovereign Nations (a rough legal equivalent to a US State) and have their own judicial systems</p>
<b>5. Trade and transport</b>		
5.1 Classification of species, quantities, qualities	Legislation regulating how harvested material is classified in terms of species, volumes and qualities in connection with trade and transport. Incorrect classification of harvested material is a well-known method to reduce/avoid payment of legality prescribed taxes and fees.	Where regulated, regulated at the state and local level
5.2 Trade and transport	All required trading permits shall exist as well as legally required transport document which accompany transport of wood from forest operation.	The Lacey Act of 1900

## Focusing on sustainable sourcing solutions

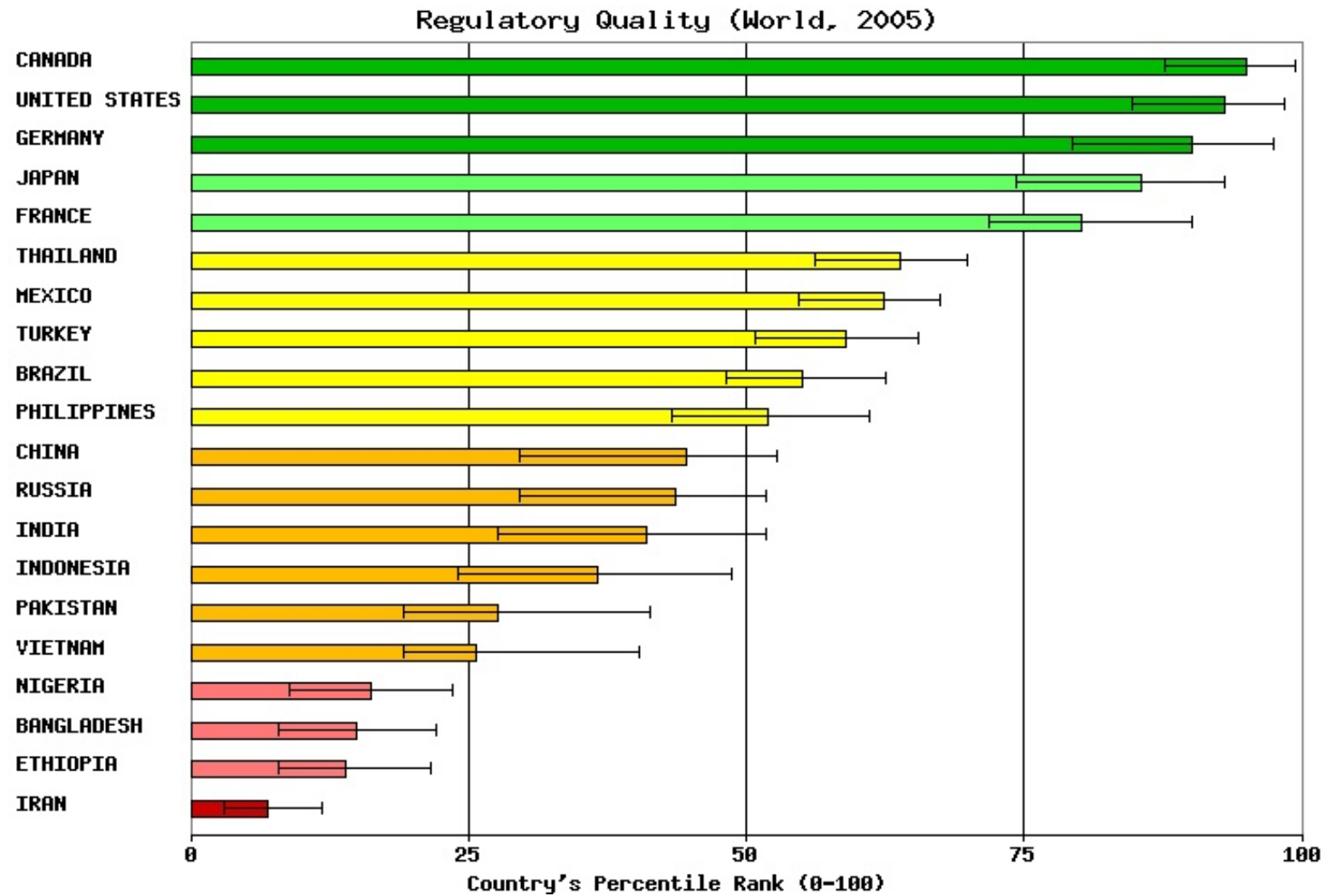
5.3 Offshore trading and transfer pricing	Legislation regulating offshore trading. Offshore trading with related companies placed in tax havens combined with artificial transfer prices is a well-known way to avoid payment of legally prescribed taxes and fees to the country of harvest and considered as an important generator of funds that can be used for payment of bribery and black money to the forest operation and personal involved in the harvesting operation. Many countries have established legislation covering transfer pricing and offshore trading. It should be noted that only transfer pricing and offshore trading as far as it is legally prohibited in the country, can be included here.	Transfer pricing regulated by the Internal Revenue Code
5.4 Custom regulations	Custom legislation covering areas such as export/import licenses, product classification (codes, quantities, qualities and species).	Lacey Act of 1900
5.5 CITES	CITES permits (the Convention on International Trade in Endangered Species of Wild Fauna and Flora, also known as the Washington Convention).	Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) (Washington DC, 1973)  Amendment to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (Art.XI) (Bonn, Germany, 23 Jun 1979)
<b>6. Diligence/due care procedures</b>		

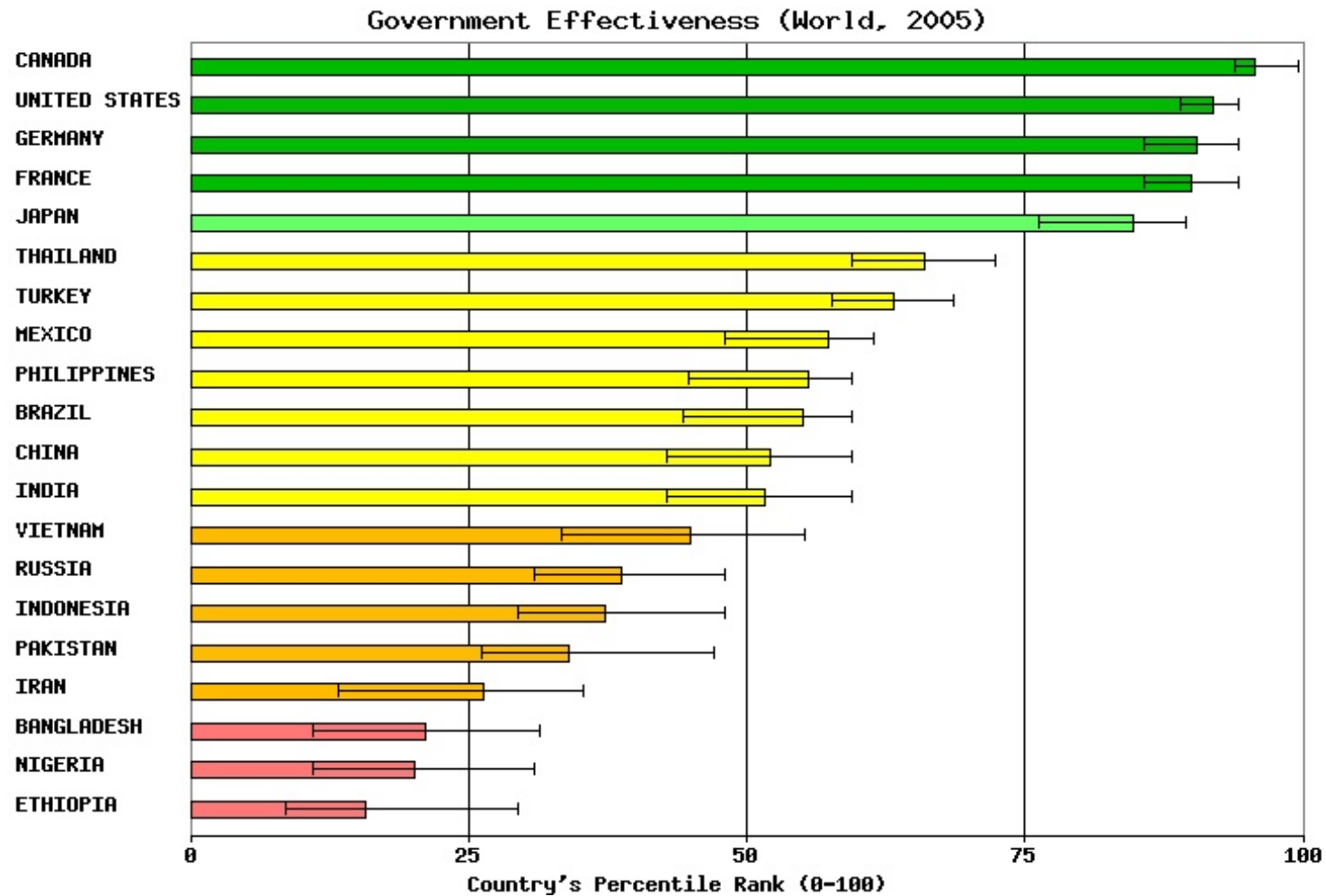
## Focusing on sustainable sourcing solutions

6.1 Legislation requiring due diligence/due care procedures	Legislation covering due diligence/due care procedures, including e.g. due diligence/due care systems, declaration obligations, and /or the keeping of trade related documents, legislation establishing procedures to prevent trade in illegally harvested timber and products derived from such timber, etc.	The Lacey Act amendment 2008, (the Food, Conservation, and Energy Act of 2008 expanded its protection to a broader range of plants and plant products (Section 8204. Prevention of Illegal Logging Practices)
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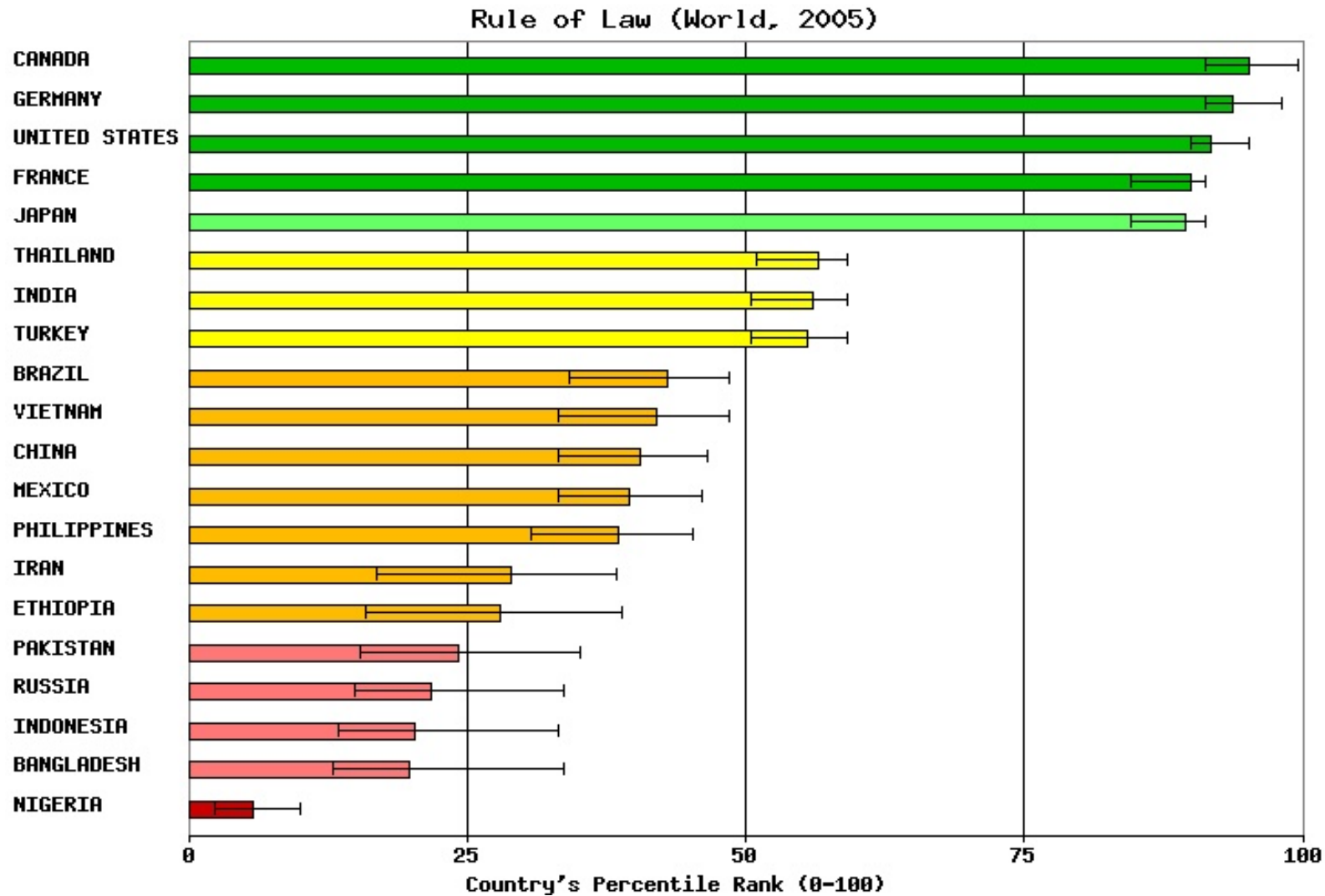
The following tables from the World Bank show a comparison of these indicators demonstrating that the U.S. and Canada are recognized as having good governance. Colors are assigned according to the following criteria: Dark Red: country is in the bottom 10th percentile rank ('governance crisis'); Light Red: between 10th and 25th percentile rank; Orange: between 25th and 50th percentile rank; Yellow, between 50th and 75th; Light Green between 75th and 90th percentile rank; and Dark Green: between 90th and 100th percentile (exemplary governance).

For more comprehensive information, please refer to Westervelt's FSC Controlled Risk Assessment, a copy of which is available upon request.









## **Annex I - Exhibit C Supplemental Information Forestry Best Management Practices (BMPs)**

Westervelt sources primary soft wood round wood and secondary soft wood residual wood from within the states of Alabama and Mississippi. Westervelt does not source any round wood from other states. Upon scope expansion approval, Westervelt will also source hardwood residual wood from Alabama and Mississippi where the source of the wood may originate from nine additional states which are depicted in Exhibit A Supply Base Area Map.

Effective Best Management Practices (BMPs) are key to minimizing sourcing risk when harvesting wood and are especially important in or near HCV areas. Additional information regarding HCV areas can be found in Exhibit B Supplemental Information High Conservation Value (HCV) and Sourcing Risk.

BMP compliance is required for all Westervelt suppliers and BMP training is a key element in mandatory logger training. This is a contractual obligation and failure to adhere to Westervelt requirements can result in immediate contract termination. Further information regarding Westervelt contract requirements is discussed in indicator responses and copies of all documents are available upon request.

It is also important to note that Westervelt conducts internal BMP audits and also engages an independent third party to audit BMP compliance annually in Westervelt forests. The results of the independent audit are presented to the company's Board of Directors each year.

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

"Forestry Best Management Practices (BMPs) are important measures for protecting the waters of the U.S., but few studies have compared monitoring strategies and implementation success of forestry BMPs across states. In order to assess the status of state forestry BMPs, a survey was sent by the authors to the state forestry agency in each U.S. state regarding their forestry BMP program. The survey included questions pertaining to agency involvement in developing BMP guidelines, rates of BMP implementation, monitoring methods, and the nature of state BMP guidelines (whether non-regulatory, quasi-regulatory, or regulatory). Surveys were completed by all 50 states and results allowed evaluation of the status and implementation of forestry BMPs by state and region. The findings focused on the survey responses from the thirteen southern states represented by the Southern Group of State Foresters. All thirteen southeastern states have conducted BMP monitoring and have future monitoring of BMPs planned. Eleven states have conducted or are currently conducting BMP effectiveness studies. All the southeastern states have conducted BMP implementation studies and the mean implementation rate is 92 percent which is above the mean national implementation rate of 91 percent. Seven states have non-regulatory BMP guidelines, five states have quasi-regulatory guidelines, and one state has regulatory guidelines. This study indicated that some states reported BMP deficiencies for some individual BMP categories, yet these states' average BMP implementation levels appear to be satisfactory."

The following data is pertinent to the Westervelt supply base.

**Table 1—Southeastern survey results for forestry BMP regulation, BMP manual year, implementation rate (%), and implementation year**

State	State regulation	BMP manual	Implementation rate (%)	Implementation year
Alabama	Quasi-regulatory	2007	97	2010
Arkansas	Non-regulatory	2002	87	2011
Florida	Quasi-regulatory	2008	99	2011
Georgia	Non-regulatory	2009	97	2011
Kentucky	Regulatory	2008	94	2012
Louisiana	Non-regulatory	2000	96	2012
Mississippi	Non-regulatory	2008	91	2010
North Carolina	Quasi-regulatory	2006	85	2011
Oklahoma	Non-regulatory	1991	95	2010
South Carolina	Quasi-regulatory	2012	91	2012
Tennessee	Non-regulatory	2003	84	2010
Texas	Non-regulatory	2010	95	2011
Virginia	Quasi-regulatory	2011	90	2012

**Table 2—Forestry BMP implementation rate results by individual BMP categories. Minimum, maximum, average, and number of states that reported data for that specific BMP category**

BMP category	Minimum (%)	Maximum (%)	Average (%)	Number of states
Timber harvest	88	99	95.0	8
Forest roads	84	99	91.3	13
Skid trails	75	100	89.7	10
Log landings	92	100	95.8	9
Stream crossings	72	98	89.2	13
SMZs	86	98	93.2	13
Wetlands	70	100	94.1	9
Reforestation	95	100	97.6	7
Mechanical site preparation	74	99	91.6	9
Chemical site preparation	93	100	98.6	8
Pesticide	98	100	99.6	5
Fertilizer	100	100	100.0	2
Prescribed burning	60	100	87.4	8
Wildfire suppression	100	100	100.0	2
Wildfire rehabilitation	100	100	100.0	1
Public lands	94	100	97.8	5

**Table 3—States that reported when they monitor BMPs, next planned monitoring, agencies that are involved in monitoring, and phase of forest operations that sites are monitored**

State	Most recent year	Next planned year	Agencies involved	When sites monitored
Alabama	2012	2014	Forestry	PR, D, PO
Arkansas	2011	2015	Forestry	PO
Florida	2011	2013	Forestry	D, PO
Georgia	2013	2013	Forestry	D, PO
Kentucky	2012	2013	Forestry	D, PO
Louisiana	2012	2015	Forestry	PO
Mississippi	2010	2014	Forestry	PO
North Carolina	2008	2014	Forestry	D
Oklahoma	2010	2014	Forestry	PO
South Carolina	2012	2015	Forestry	PO
Tennessee	2010	2015	Forestry	PO
Texas	2011	2014	Forestry	PO
Virginia	2012	2013	Forestry	PO

PR, pre-forest operation; D, during-forest operation; PO, post-forest operation

The following is excerpted from *Protecting Water Quality through State Forestry Best Management Practices*. The National Association of State Foresters in collaboration with Virginia Polytechnic Institute and State University.

## **BMPs in Missouri**

The National Association of State Foresters (NASF) represents the directors of all 50 state forestry agencies in the US. These agencies are responsible for directly protecting and managing, or assisting in the protection and management of, the nation's state, local government and privately owned forestland.

Forestry Best Management Practices (BMPs) are inherently linked to water quality and the US Clean Water Act (CWA). The CWA recognizes BMPs as the most viable pathway to address nonpoint source pollutions that originates from various land management activities. Each state implements BMP programs according to the nature of its forest industry, landowner characteristics, ecological conditions and accepted socio-political approaches.

It is recognized that Missouri is not included in the report prepared by the Southern Group of State Foresters because it does not fall within their domain. Furthermore, Missouri does not follow the BMP reporting practices used in the other states within the Westervelt supply area. Specifically, they do not collect and report BMP results in the format presented above.

According to NASF, "not every state conducts implementation monitoring, but most have at least some anecdotal sense as to whether forest management activities pose a risk to water quality and an understanding of how that risk can be mitigated. For example, the Missouri Department of Conservation's Forestry Division does not have the authority to conduct logging site inspections; rather it finances a robust logger training and Missouri Master Logger Certification program in which Certified Master Loggers are subject to field audits for implementation of BMPs."

Furthermore, "The Missouri Department of Conservation's Division of Forestry began funding logger training through the Missouri Forest Products Association in the early 1990's and early on they recognized that properly trained loggers can be a key to implementing water quality best management

practices during tree harvest. Since that time nearly 100 five-day “Professional Timber Harvester” courses have trained nearly 1000 loggers. This commitment to professionalism led to the creation of the Missouri Logging Council and Master Logger Certification. To be certified, loggers agree to random field audits where the implementation of best management practices is verified, giving the goal of water quality protection and extra set of eyes in the woods.”

**The following references *Missouri Forest Management Guidelines. Voluntary Recommendations for Well-Managed Forests.* Published by the Missouri Department of Conservation. 2014.**

Missouri Forest Management Guidelines and the Best Management Practices described therein are not a law, legal regulation, or requirement. However, there are laws that can influence forest management in Missouri. Provisions of the U.S. Clean Water Act, National Historic Preservation Act, Endangered Species act and the Migratory Bird Treaty Act are examples. Other laws, such as the regulation of pesticides, exist at the state level.

**The following references *Missouri Watershed Protection Practices. 2014 Management Guidelines for Maintaining Forested Watersheds to Protect Streams.* Published by the Missouri Department of Conservation.**

This guide focuses on methods of reducing nonpoint source water pollution. The document focuses on stream type identification, SMZs, crossing, access roads, timber harvesting, waterbar construction, aesthetic considerations, site preparation, reforestation, prescribed burning, chemical treatment, and fertilization and provides further evidence of Missouri’s proactive approach and the visibility afforded to BMPs.

### **Summary**

Whether they are regulatory, quasi-regulatory, or non-regulatory, BMPs are utilized in all states in the supply area and their use is effective as a mitigation measure.

## **Annex I - Exhibit D Supplemental Information Wood Purchase Agreement Overview**

The terms “Wood Purchase Agreement” and “contract” are used interchangeably, have the same meaning, and refer to a legally binding document for the purchase of wood fiber.

This document is not comprehensive and is intended to provide an overview of contract requirements. Copies of executed contracts and related documents are available upon request.

Westervelt sources primary softwood round wood and secondary softwood residual wood from within the states of Alabama and Mississippi. Westervelt does not source any round wood from other states. Upon scope expansion approval, Westervelt will also source hardwood residual wood from Alabama and Mississippi where the source of the wood may originate from nine additional states which are depicted in Exhibit A Supply Base Area Map.

Westervelt issues contracts for all sources of wood under an Annual Wood Purchase Agreement. For round wood, a Wood Order is issued for individual tracts. For example, an annual agreement is signed with Logger “A” and as the logger moves from one tract to another throughout the year, individual Wood Orders are issued under the master agreement. Wood orders are not issued to suppliers of secondary sources as the location which supplies the material is stationary and the annual contract suffices.

Suppliers are required to certify that material delivered under a contract will be in compliance with Best Management Practices, the SBP Feedstock Compliance Standard, and the Sustainable Forestry Initiative. Suppliers are also obligated to complete logger education and trained personnel are to monitor each harvest operation.

Suppliers also certify that all fiber supplied addresses traditional and civil rights, is legally harvested, is in compliance with EUTR legality requirements, will be vegetal material, is not a by-product from land with high biodiversity value, high carbon stock or peat land, and will not lead to non-forest conversion. Agreements also provide verification for payments of harvest rights and taxes and/or royalties related to harvesting.

Suppliers are required to maintain evidence of compliance and further authorize an independent inspection company to verify claims and agrees to assist the inspection company in retrieving information and documentation necessary for investigation of claims. Violations of any type are subject to contract termination by Westervelt.

For Primary sources, Westervelt audits 100% of company supplied wood and a minimum of 10% of contract wood annually to verify compliance. For Secondary sources, Westervelt audits each supplier a minimum of once per year. Audits for Primary and Secondary sources include but are not limited to inspection of records to determine material types and sources of origin, observation of inbound deliveries and scaling systems, and verification of material species. Audit results are reviewed with suppliers.

To promote awareness and further ongoing education, Westervelt personnel offer field training to supply chain participants which is in addition to training required under logger certification programs. Westervelt also works with SFI and other organizations to educate supply chain participants and encourage the uptake of certification programs.