Sustainable Biomass Program

Supply Base Report: Varn Wood Products

Third Surveillance Audit

www.sbp-cert.org

Completed in Accordance with the Supply Base Report Template Version 1.2

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

Document history

Version 1.0: published 26 March 2015

Version 1.1 published 22 February 2016

Version 1.2 published 23 June 2016

Contents

1 Overview

Producer name:	Varn Wood Products, LLC
Producer location:	11873 Brantley Ave N, Hoboken, GA 31542
Geographic position:	31.183066 / -82.135758
Primary contact:	William F. Varn, Jr.
Company website:	www.varnwood.com
Date report finalised:	08/Jun/2018
Close of last CB audit:	March 19-21, 2018 - Hoboken, GA
Name of CB:	SCS Global
Translations from English:	NA as appropriate
SBP Standard(s) used:	Standards 1, 2, 4, 5 version 1.0
Weblink to Standard(s) used:	https://sbp-cert.org/documents
SBP Endorsed Regional Risk Assessment:	Not Applicable
Weblink to SBE on Company website:	http://varnwood.com/varnwood.pdf

Indicate how the current evaluation fits within the cycle of Supply Base Evaluations				
Main (Initial) Evaluation	**First Surveillance**	**Second Surveillance**	**Third Surveillance**	**Fourth Surveillance**
☐	☐	☐	**X**	☐

2 Description of the Supply Base

2.1 General description

Varn Wood Pellets, LLC (VWP) purchases only secondary feedstock in the form of softwood wood fiber from its sister pine sawmill located adjacent to the wood pellet mill. VWP has also purchased pine chips and sawdust from four (4) within the company's supply area. The supply base includes hundred thirty-five (135) counties (18,557,462 hectares) in Alabama (3 counties), Georgia (84 counties) and Florida (48 counties) within the United States. Forests are the predominant land use in this supply base (66%) Pine forests comprise the largest forest type (49%) of the supply area's forest followed by hardwood forests (38%). The pine/oak forest comprises 10% of the supply area's forest type while about 3% of the forest is considered non-stocked. About 64% of the supply area's forests are managed as natural forests (7,686,610 hectares) while the remaining 38% of the supply area's forests are artificially regenerated (4,326,487 hectares).

VWP purchases its fiber primarily from its sister pine sawmill. Small landowners provide 26% of the fiber furnish to the pine sawmill while large private landowners provide the remaining 74%. No fiber originates from public lands.

The forest products industry is a very large part of the area's economy and is one of the top industries within both states generating $20.8 billion in GA, $16.09 billion in FL and $18.4 billion in AL annually. In GA there are 12 pulp/paper manufacturing facilities and 18 bioenergy facilities within the state. In FL there are 33 wood products facilities and 11 pulp/paper manufacturing facilities within the state.

As previously stated, pine forests dominate the majority of the forests within the supply area. Primary species for these pine forests include loblolly pine (*Pinus taeda*), slash pine (*Pinus ellitottii*) and longleaf pine (*Pinus palustris*). No species purchased at the VWP facility is listed on the CITES list. Longleaf pine has been added to the IUCN Red List.

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

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

The vast majority of forests in the VWP supply area are managed according to state forestry best management practices (BMPs). While these BMPs are normally voluntary, all VWP suppliers are

contractually required to abide by them. Supplier compliance with state BMPs is verified by periodic audits conducted by VWP. VWP's Sustainable Forestry Initiative (SFI) fiber sourcing certification and procedures require all harvesting professionals to maintain continuing education training on BMPs and other sustainable forestry issues such as wildlife habitats and biodiversity and aesthetics. Overall BMP compliance reported for GA was 93.17% (2017), FL was 99.6% (2017) and AL was 98.2% (2016).

Sustainable forestry certification is present in VWP's supply with the pine sawmill purchasing 63% of its fiber as certified (SFI –46% and ATF – 17%). No FSC certified fiber has been purchased to date.

VWP does not purchase any primary feedstock. Secondary feedstock is received in the form of pine chips, pine sawdust, pine shavings from the company's sister sawmill and one sawmill (sawdust) within the company's supply area.

2.2 Actions taken to promote certification amongst feedstock supplier

VWP is certified to the Sustainable Biomass Partnership (SBP) Standard (SBP-04-20), SFI Fiber Sourcing Standard (NSF-SFI-FS-C0265158) and the PEFC Chain of Custody Standard (NSF-PEFC-COC-C0265158). As part of VWP's SFI compliance program, the company promotes SFI and American Tree Farm certification through the distribution of GA SIC landowner packets. These packets provide educational information on forest certification programs such as the American Tree Farm system. The company provides this information to landowners when timber is purchased. In addition VWP requires logging operations to be conducted by loggers trained in accordance with the state training program as conducted by the SFI state implementation committee.

2.3 Final harvest sampling programme

Not applicable. No primary feedstock is received at the VWP facility. Secondary feedstock is only used.

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

2.5 Quantification of the Supply Base

Supply Base

a. Total Supply Base area (ha): 18,557,462 ha of which 12,165,914 ha are forested (66%)
b. Tenure by type (ha): privately owned (9,883,983) / public (2,281,931)
c. Forest by type (ha): temperate (12,165,914)
d. Forest by management type (ha): plantation (4,356,337)/managed natural (7,469,687)/natural (399,890)

e. Certified forest by scheme (ha): Published State Totals :

	SFI	ATFS	FSC
AL	1,131,611	1,250,834	257,656
FL	761,859	425,713	36,399
GA	993,925	1,208,351	40,681
	2,887,395	2,884,898	334,736

Feedstock

f. Total volume of Feedstock: 0 - 200,00 tonnes *

g. Volume of primary feedstock: 0 tonnes

h. List percentage of primary feedstock (g), by the following categories. - percentages may be shown in a banding between XX% to YY% if a compelling justification is provided*. Subdivide by SBP-approved Forest Management Schemes: (Not Applicable)
   - Certified to an SBP-approved Forest Management Scheme
   - Not certified to an SBP-approved Forest Management Scheme

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

   None; the following species are used in the company's sister saw mill from which the secondary feedstock is derived.

   Slash Pine(*Pinus elliottii*), Loblolly Pine(*Pinus taeda*), Longleaf Pine (*Pinus palustris*), Pond Pine (*Pinus serotina*), Shortleaf Pine (*Pinus echinata*)

j. Volume of primary feedstock from primary forest 0 tonnes

k. List percentage of primary feedstock from primary forest (j), by the following categories. Subdivide by SBP-approved Forest Management Schemes: (Not Applicable)
   - Primary feedstock from primary forest certified to an SBP-approved Forest Management Scheme
   - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme

l. Volume of secondary feedstock: specify origin and type

   Pine Chips 80% - 100%
   Pine Shavings 0% - 19%
   Pine Sawdust 0% - 19%

m. Volume of tertiary feedstock: specify origin and composition (Not Applicable)

* Banding for feedstock volumes is used because revealing the exact volumes for historical, current and expected future usage would divulge commercially sensitive information that could give competitors in our area a competitive advantage, particularly to those not held to the same sustainability standards.

3 Requirement for a Supply Base Evaluation

SBE completed	SBE not completed
X	□

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

4 Supply Base Evaluation

4.1 Scope

The scope of the supply base evaluation of Varn Wood Pellets, LLC is to confirm all indicators of Principles 1 & 2 of SBP Framework Standard 1: Feedstock Compliance Standard are considered low risk within the defined supply base.

4.2 Justification

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

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

4.3 Results of Risk Assessment

The results of the risk assessment indicate there is low risk to all indicators within Principles 1 & 2 of SBP Framework Standard 1: Feedstock Compliance. No additional supplier assessment programs were identified as needed.

4.4 Results of Supplier Verification Programme

Not applicable; the results of the risk assessment indicate there is low risk to all indicators within Principles 1 & 2 of SBP Framework Standard 1: Feedstock Compliance.

4.5 Conclusion

Based on the results of the supply base evaluation there is low risk to all indicators within Principles 1 & 2 of SBP Framework Standard 1: Feedstock Compliance. This conclusion is based on the strong legal and regulatory system found within the supply base (VWP-DOC-008a SBP Supply Base Risk Assessment). Federal, state and local laws regulations are in place to address a wide range of indicators including, but not limited to, illegal harvesting, water quality, rare and endangered species, worker health and safety, labour rights and air quality. In addition to these laws and regulations, voluntary state forestry best management practices (BMPs) are in place to provide guidance to forest landowners and contractors on how to

sustainably manage forests. The company has made these voluntary guidelines mandatory through contract language requiring the use of all BMPs.

Analysis using USDA Forest Service FIA data clearly shows the supply area's forests are growing more fiber and carbon stock than is being harvested. The company's supply base shows growth to harvest & mortality at a positive 1.76 for softwood. Carbon stocks in the supply base increased 10.68% from the end of 2007 to 2017. This data along with economic impact studies indicate this company is a key part of the area's economy providing employment opportunities at the manufacturing site as well as throughout the supply area.

5 Supply Base Evaluation Process

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

VWP has procurement personnel on staff to monitor the overall fiber procurement operation for VWP's sister pine sawmill, the source of the majority of the wood pellet mill's feedstock. Procurement personnel are certified as a Georgia Registered Forester and are Georgia Master Logger trained. Gary Boyd, Greener Options, Inc. is a SAF Certified Forester, a Georgia Registered Forester and an ISO 14001 Environmental Management Lead Auditor. Mark Hughes Ph.D., Biological Integrity LLC, is an accomplished wildlife biologist who has published more than 10 scientific articles, books and monographs. He has developed more than forty (40) risk assessments for forest products companies addressing sustainable forestry certification schemes such as the Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC).

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

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

VWP's sawmill requires the use of best management practices (BMPs), adherence to all laws and regulations and harvesting professional training as part of its contract with feedstock suppliers. VWP procurement personnel use various field verification systems for the sawmill's primary suppliers and its other secondary feedstocks. Sawmill suppliers are verified at the forest level through on-site harvest and BMP inspections conducted by VWP personnel. 13 inspections were completed in 2017, including 3 re-inspections for site prep activity. YTD in 2018 there have 7 inspections, including 2 re-inspections for site prep activity. Secondary feedstock suppliers have been visited at least annually to confirm their supply base and the species they purchase for their operations.

6 Stakeholder Consultation

A list of twenty six (26) local and regional stakeholders was identified for initial consultation. These stakeholders represent interests from local contractors and businesses, local governments, state forestry and wildlife agencies, conservation organizations such as the Nature Conservancy, state forestry associations, local forest landowner associations, US Forest Service and US Fish & Wildlife Service. While no recognized indigenous peoples groups have been identified within the supply area, the company sent stakeholder letters in 2018 to three federally recognized tribes (Poarch Band of Creeks, the Seminole Tribe of Florida and the Miccosukee Tribe of Indians) in AL, FL and GA plus one logging contractors association (Southeastern Wood Producers Association). No feedback has been received from these tribes or association.

A letter was sent to the identified stakeholders notifying them the intent of Varn Wood Pellets, LLC to become SBP certified and asking for input on their thoughts on Varn's business practices and their impact on sustainable forestry in their area. Feedback was requested during the certification process via letter, email and/or telephone. All feedback was reviewed and responses provided upon request. A summary of the feedback is described below in Section 6.1.

A second stakeholder consultation was conducted at the time of the second surveillance audit. Upon identifying two new secondary feedstock suppliers, VWP revised its risk assessment as part of its supply base due diligence program. The results of this revised risk assessment were letters sent to 25 stakeholders within the revised supply base to seek comments on VWP's impact to the local region. The second consultation will consisted of a letter sent to these interested parties. Feedback was received from one stakeholder and is described below in Section 6.1.

6.1 Response to stakeholder comments

As of July 15, 2018 four stakeholders have responded to notification letter sent out on September 16, 2015 and subsequent dates. No further responses have been received.

Stakeholder's comments are supportive of VWP's presence in the region and endorse certification. These comments are summarized below.

Comment 1: Mr. Strant Colwell, U S Fish & Wildlife Service

The Coastal Georgia of the U S Fish & Wildlife Service supports sustainable forestry. Having reviewed the "Forestry Biomass Assessment for Georgia – General Statewide Estimates" published by the Georgia Forestry Commission, it appears Georgia's timberlands are growing over 9 million tons (oven dry basis) more wood each year than is being removed. Based on these data sources and analyses this indicates the expansion of the bioenergy industry can be accomplished without threatening sustainability of the forest resource.

VWP may have a positive impact on sustainable forestry in the area by supporting management techniques that are "friendly" to the environment such as Forestry Best management Practices and protecting the

gopher tortoise (*Gopherus Polyphemus*). The gopher tortoise is a candidate species for federal listing under the ESA in your area of operation. Encouraging and educating the forestry community to protect it may help prevent the need to list it. One simple technique to protect the gopher tortoise is to avoid damaging tortoise burrow entrances with heavy equipment or by felling and dragging trees. Marking a ten foot radius low-impact buffer at the burrows will minimize the chance of burrow collapse.

Response 1: We appreciate your support of our presence in the area and sustainable forestry. Having been certified to the Sustainable Forestry Initiative for the last few years we make voluntary Forestry Best Management Practices mandatory in our operations. We will take your information you have provided on the protection of the gopher tortoise and help educate our suppliers on these techniques.

Comment 2: Dr. Dale Greene, Dean of the Warnell School of Forestry and Natural Resources, the University of Georgia

VWP has been a sustainable forestry leader for years. We have appreciated your participation in the State Implementation Committee of the Sustainable Forestry Initiative here in Georgia for a number of years and your leadership in the Georgia Forestry Association on numerous issues. You've also hosted our students and faculty for tours through your landholdings and manufacturing facilities over the years.

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

Response 2: We appreciate your letter of support. We value our relationship with the Warnell School of Forestry and Natural Resources.

Comment 3: Carl Rowland, County Manager, Brantley County, GA.

Brantley County is supportive of any efforts made by Varn Wood Products, LLC to enhance the sustainability of our local forestry. You are to be commended for participating in the deployment of Sustainable Biomass Partnership Standards.

Response 3: We appreciate your letter of support.

Comment 4: Mike Branch, Director of Operations & Regulatory Affairs, Florida Forestry Association

I have not seen any of your pine tree production here in Leon County, Florida, or over this direction lately, but I know from the past that you and your company have set the pace for other companies in the proper way to harvest trees for biomass energy pellets. I am convinced that you do not illegally harvest trees, violate the civil rights, harvest trees in forests with high conservation values, forests being converted to plantations or non-forest use, or harvest wood from forests in which genetically modified trees are planted.

Response 4: We appreciate your letter of support.

7 Overview of Initial Assessment of Risk

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

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

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

8 Supplier Verification Programme

8.1 Description of the Supplier Verification Programme

Not applicable; all indicators of the initial risk assessment were determined to be low risk so no Supplier Verification Programme is required.

8.2 Site visits

Not applicable; all indicators were determined to be low risk.

8.3 Conclusions from the Supplier Verification Programme

Not applicable; all indicators of the initial risk assessment were determined to be low risk so no Supplier Verification Programme is required.

9 Mitigation Measures

9.1 Mitigation measures

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

9.2 Monitoring and outcomes

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

10 Detailed Findings for Indicators

Detailed findings for each Indicator are given in Annex 1.

11 Review of Report

11.1 Peer review

No peer review has been completed for this report.

11.2 Public or additional reviews

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

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	***Gary Boyd***	***Consultant, Greener Options Inc.***	***27 July 2018***
	Name	**Title**	**Date**
The undersigned persons confirm that I/we are members of the organisation's senior management and do hereby affirm that the contents of this evaluation report were duly acknowledged by senior management as being accurate prior to approval and finalisation of the report.			
Report approved by:	***William F. Varn Jr.***	***Manager – Timber Operations***	***27 Aug 2018***
	Name	**Title**	**Date**
Report approved by:	***[name]***	***[title]***	***[date]***
	Name	**Title**	**Date**
Report approved by:	***[name]***	***[title]***	***[date]***
	Name	**Title**	**Date**

13 Updates

The supply base for Varn Wood Products has not changed since the previous supply base evaluation and surveillance audit.

13.1 Significant changes in the Supply Base

The supply base for Varn Wood Products has not changed since the previous supply base evaluation and surveillance audit.

13.2 Effectiveness of previous mitigation measures

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

13.3 New risk ratings and mitigation measures

VWP's supply base was assessed for risk on 24 July 2017 due to the expansion of its supply base. The SBP Risk Assessment did not identify any risk ratings other than low risk. This SBP Risk Assessment was updated on 24 August 2018 to re-evaluate risk within high conservation values areas and again the assessment did not identify any risk ratings other than low risk.

13.4 Actual figures for feedstock over the previous 12 months

Secondary Feedstock: *

Pine Chips	0 – 200,000 tonnes
Pine Shavings	0 – 200,000 tonnes
Pine Sawdust	0 – 200,000 tonnes

13.5 Projected figures for feedstock over the next 12 months

Secondary Feedstock: *

Pine Chips	0 – 200,000 tonnes
Pine Shavings	0 – 200,000 tonnes
Pine Sawdust	0 – 200,000 tonnes

* Banding for feedstock volumes is used because revealing the exact volumes for historical, current and expected future usage would divulge commercially sensitive information that could give competitors in our area a competitive advantage, particularly to those not held to the same sustainability standards.

Annex 1: Detailed Findings for Supply Base Evaluation Indicators

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

	Indicator
1.1.2	Feedstock can be traced back to the defined Supply Base.
Finding	Secondary feedstock comes primarily from the company's sister pine sawmill located adjacent to the wood pellet mill. Sawmill feedstock can be traced back to the defined Supply Base through scale ticket documentation and wood inventory records where each scale ticket defines the county and state that feedstock originates. Secondary feedstock is transferred from the sawmill in the form of pine residual chips, pine sawdust & pine shavings. This secondary feedstock can be tracked by scale tickets. Communications with secondary feedstock suppliers confirms feedstock originates from within the VWP supply base and is recorded using the secondary supplier audit checklist. Traceability is enforced by Company policies and procedures.
Means of Verification	Company procedures, records in wood inventory system and communications with suppliers
Evidence Reviewed	1. VWP-PROC-002 Chain of Custody Procedures 2. VWP-DOC-008 PEFC Due Diligence Risk Assessment

	3. VWP-DOC-008a SBP Supply Base Risk Assessment 4. VWP-PROC-001 SFI Fiber Sourcing Procedures 5. VWP-DOC-016 Secondary Supplier Audit Checklist
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**

	Indicator
1.1.3	The feedstock input profile is described and categorised by the mix of inputs.
Finding	SBR Annex 1 - 1.1.3 Feedstock Input Profile (tonnes) Pine Residual Chips: 127,506 Pine Sawdust: 2,682 Pine Shavings: 8,772 *Total Secondary Feedstock*: *138,960* **Total Feedstock**: **138,960**
Means of Verification	Verify wood purchases in wood inventory system.
Evidence Reviewed	Wood purchases during period 1 July 2017 through 30 June 2018
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**

	Indicator
1.2.1	The Biomass Producer has implemented appropriate control systems and procedures to ensure that legality of ownership and land use can be demonstrated for the Supply Base.
Finding	There are appropriate control systems and procedures to ensure that legality of ownership and land use can be demonstrated for the Supply Base. Illegal harvesting in the supply base is prohibited by state laws. Evidence indicates that major violations are prosecuted and legal liability is enforced. There is no evidence suggesting that illegal logging is a wide scale problem in the United States (US). Commonly used terms for violations in US are timber theft, tree poaching and unlawful logging. Thefts do occur, however the share of illegal felling in hardwoods is much smaller than 1% according to a study conducted by American Hardwood Export Council. It is logical to conclude that similarly illegal logging is not a major problem for softwoods in US. Further, legality of ownership and land use is enforced through Company procedures and contractual agreements by suppliers.
Means of Verification	State laws, Company policy, regional risk assessment, contract provisions with suppliers.

Evidence Reviewed	1. Company policy requires that all applicable laws and regulations are followed (VWP-POL-001) 2. Chain of Custody Procedures requires legal ownership of feedstock received (VWP-PROC-002) 3. PEFC Due Diligence Risk Assessment (VWP-DOC-008) states illegal harvesting of feedstock is LOW risk. 4. SBP Supply Base Risk Assessment (VWP-DOC-008a) states illegal harvesting of feedstock is LOW risk. 5. Delivered Fiber Supplier Agreement and Logging and Hauling Contract have clauses concerning the legality of ownership of the feedstock to be purchased. 6. State laws addressing illegal logging and wood theft are as follows: *Alabama Laws* ALA. CODE 1975 § 9-13-62 awards double damages for a trespass that is committed *knowingly and intentionally*." *http://www.sfr.psu.edu/PDFs/HicksThesis.pdf* Article 3 - Regulations as to Cutting, Removal, Purchase, etc., of Forest Products § 9-13-60 Unauthorized cutting, removal, transportation, etc., of timber or other forest products § 9-13-61 Charges in affidavits, information or indictments under article; proof of title, etc. § 9-13-62 Liability § 9-13-63 Record of purchases, etc., of manufactured or semi-manufactured forest products; provision of false information to purchasers, etc.; failure to maintain record, etc. § 9-13-64 Powers of State Forestry Commission employees as to enforcement of article, etc. § 9-13-65 Disposition of fines Article 9 - Timber Theft Equipment Condemnation § 9-13-220 Short title § 9-13-221 Seizure of vehicle and equipment upon arrest for certain criminal violations; delivery to district forester § 9-13-222 Report of seizure to district attorney § 9-13-223 Report to district attorney after conviction of person for theft of timber or lumber § 9-13-224 Notice to creditors; institution of condemnation proceedings; legal title to equipment § 9-13-225 Forfeiture of equipment upon judgment; costs of proceedings; State Forester to keep records § 9-13-226 Use of proceeds from sale of equipment; award and distribution determined by State Forester Logging Notice Act - Act 12-0257 *Georgia Laws* House Bill - HB 790 (A BILL TO BE ENTITLED AN ACT) Signed by Governor: April 29, 2014 Effective Date: July 1, 2014 Provides additional enforcement authority to Georgia Forestry Commission investigators

	In cases involving the unauthorized cutting or cutting and carrying away of timber from the property of another damages shall be awarded in accordance with GA. CODE ANN. § 51-12-50. Amends GA. CODE ANN. § 51-12-50 whereas damages shall be: (1) Treble the fair market value of the trees cut as they stood; (2) Treble the diminished fair market value of any trees incidentally harmed; (3) Costs of reasonable reforestation activities related to the plaintiff's injury; and (4) Attorney fees and expenses of litigation. When defendant is a willful trespasser, plaintiff may receive punitive damages. Amends GA. CODE ANN. § 12-6-23 relating to wood load ticket required for wood removal, so as to require purchasers to provide the proper tickets to sellers of timber within 20 days GA Codes Title 12 Forest Resources and other Plant Life Article 1 – Forestry Resources GA. CODE § 12-6-23 - Wood load ticket required for wood removal; form; exceptions GA. CODE § 12-6-24 - Notice of timber harvesting operations - See more at: http://statutes.laws.com/georgia/title-12/chapter-6/article-1/part-1a#sthash.J9TcZrl6.dpuf County Laws in Georgia can be found online at: http://warnell.forestry.uga.edu/warnell/service/library/index.php3?docID=272&docHistory[]=11 *Florida Laws* Title XXXIII Regulation of Trade, Commerce, Investments, and Solicitations Chapter 536 Timber and Lumber § 536.13 Stamp or brand for logs. Any person engaged in this state in the business of getting out, buying, selling, or manufacturing saw logs, may adopt a stamp or brand for... § 536.14 Brands to be recorded by clerk of circuit court. A person may execute a written declaration that she or he has adopted a brand, describing it, and after acknowledgment of such declaration before any... § 536.15 May prevent use by others. Any person who has had her or his brand recorded in any county, may prevent other persons from using the same in said county by... § 536.16 Prima facie evidence of ownership. Any log found in any county branded with a brand recorded in said county by any person shall be deemed prima facie to be the... § 536.17 Where two or more brands the same. In case there shall be recorded in the same county two or more brands the same, or substantially the same, the brand first recorded shall... § 536.18 Defacing the mark or brand of lumber and timber. If any person shall fraudulently alter, change or deface the duly recorded mark, brand, or stamp of any lumber, logs or timber, or shall fraudulently... § 536.19 Unlawful use of recorded log brand or stamp. Any person who shall unlawfully use any recorded log brand or stamp of another shall be guilty of a misdemeanor of the second degree, punishable...

Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**

	Indicator
1.3.1	The BP has implemented appropriate control systems and procedures to ensure that feedstock is legally harvested and supplied and is in compliance with EUTR legality requirements.
Finding	There are appropriate control systems and procedures to ensure that legality of ownership and land use can be demonstrated for the Supply Base. Illegal harvesting in the supply base is prohibited by state laws. While Alabama has a state logging law, none of the counties in the VWP supply area have enacted this notification law. Florida does not have any logging permit requirements in any counties. In 2014 Georgia passed legislation, House Bill 790, that strengthens Georgia's timber theft and timber trespass statutes. Evidence indicates that major violations are prosecuted and legal liability is enforced. There is no evidence suggesting that illegal logging is a wide scale problem in the United States (US). Commonly used terms for violations in US are timber theft, tree poaching and unlawful logging. Thefts do occur, however the share of illegal felling in hardwoods is much smaller than 1% according to a study conducted by American Hardwood Export Council. It is logical to conclude that similarly illegal logging is not a major problem for softwoods in US. Further, legality of ownership and land use is enforced through Company procedures and contractual representations by suppliers.
Means of Verification	State laws, Company policy, regional risk assessment, Supply Agreements and Logging Contracts with suppliers.
Evidence Reviewed	1. VWP-POL-001 Sustainable Forestry Policy 2. VWP-PROC-002 Chain of Custody Procedures 3. VWP-DOC-008 PEFC Due Diligence Risk Assessment 4. VWP-DOC-008a SBP Supply Base Risk Assessment 5. Supply Agreements and Logging Contracts 6. State laws addressing illegal logging and wood theft are as described in 1.2.1 above.
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**

	Indicator
1.4.1	The Biomass Producer has implemented appropriate control systems and procedures to verify that payments for harvest rights and timber, including duties, relevant royalties and taxes related to timber harvesting, are complete and up to date.
Finding	Company has implemented appropriate control systems and procedures to verify that payments for harvest rights and timber, including duties, relevant royalties and taxes

	related to timber harvesting, are complete and up to date. Severance taxes are not paid for timber in GA and FL, but an ad valorem timber tax is paid in GA. For a lump sum sale, the ad valorem tax is calculated based on the county millage rate multiplied by the lump sum amount. This value is then deducted from the proceeds to the landowner and paid directly to the county tax commissioner. For a pay as cut contract, a report is filed quarterly to the county tax commissioner where the timber is harvested and the landowner receives a bill directly from the tax commissioner for their ad valorem timber payments. AL does have severance taxes on timber. Supply Agreements and Logging Contracts stipulate that the landowner is responsible for paying taxes. VWP is only responsible for reporting volumes removed quarterly to the Tax Commissioner for the county of harvest.
Means of Verification	Supply Agreements and Logging Contracts with suppliers, quarterly tax reporting
Evidence Reviewed	1. Tax reporting to County Tax Commissioners
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**

	Indicator
1.5.1	The Biomass Producer has implemented appropriate control systems and procedures to verify that feedstock is supplied in compliance with the requirements of CITES.
Finding	Company has implemented appropriate control systems and procedures to verify that feedstock is supplied in compliance with the requirements of CITES. Based on review of the CITES list it is determined that there are no species used in Company operations that are included in the CITES list.
Means of Verification	List of species used by Company and CITES list located in VWP-DOC-008 PEFC Due Diligence Risk Assessment
Evidence Reviewed	1. VWP-DOC-008 PEFC Due Diligence Risk Assessment 2. VWP-DOC-008a SBP Supply Base Risk Assessment
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**

	Indicator
1.6.1	The Biomass Producer has implemented appropriate control systems and procedures to ensure that feedstock is not sourced from areas where there are violations of traditional or civil rights.
Finding	Harvesting in the supply basin presents a low risk of violation of traditional, civil and collective rights based on the following factors: (1) There is no UN Security Council ban on timber exports from the country concerned; (2) The country or district is not designated a source of conflict timber (e.g. USAID Type 1 conflict timber); (3) There are recognized and equitable processes in place to resolve conflicts of substantial magnitude pertaining to traditional rights including use rights, cultural interests or traditional cultural identity in the district concerned; and (4) While ILO Convention has not been ratified in the USA,

	there are laws enacted that cover the spirit of ILO Convention 169 and there is no evidence of violation of the ILO Convention 169 on Indigenous and Tribal Peoples taking place in the forest areas in the district concerned.
Means of Verification	VWP-DOC-008a SBP Supply Base Risk Assessment
Evidence Reviewed	1. VWP-DOC-008a SBP Supply Base Risk Assessment
Risk Rating	X **Low Risk** ☐ **Specified Risk at RA** ☐ **Unspecified Risk**

	Indicator
2.1.1	The Biomass Producer has implemented appropriate control systems and procedures for verifying that forests and other areas with high conservation values are identified and mapped.
Finding	Within the VWP defined supply area there are no HCVs associated from the high conservation value assessment frameworks identified below: • World Resources Institute (WRI) / Global Forest Watch Frontier Forests - There are no WRI Frontier Forests in the lower 48 states which means that there are no WRI frontier forests in the VWP wood basin. Within the VWP defined supply area there are the following HCVs associated from high conservation value assessment frameworks. Measures the eliminate or greatly mitigate these HCVs from VWPs supply chain are described after each HCV described below. • Alliance for Zero Extinction (AZE) - The Torreya State Park, is located within the wood basin in Liberty County, Florida. the park protects the bulk of extant occurrences within the natural range of the Florida Torreya, *Torreya taxifolia*. Two additional protected areas near the park protect additional Torreya occurrences. The Florida Torreya, the target species within this AZE site, is a tree that is endemic to limestone bluffs along the Apalachicola River in Gadsden, Liberty, and Jackson counties FL as well as a few kilometers into Decatur County, GA. The Florida torreya originally comprised about 4% of the forest in this area. Its wood was used primarily for fence posts. A fungal blight destroyed the population. Associate tree species included beech (*Fagus grandifolia*), yellow-poplar (*Liriodendron tulipifera*), American holly (*Ilex opaca*), Florida maple (*Acer barbatum*), loblolly pine (*Pinus taeda*), spruce pine (*P. glabra*), white oak (*Quercus alba*), eastern hophornbeam (*Ostrya virginiana*), and sweetgum (*Liquidambar styraciflua*). Artificial propagation of the Florida Torreya is ongoing. Cultivated individuals have survived in North Carolina for over 40 years. Elimination/Mitigation Measures resulting in LOW RISK for this HCV: a) VWP only purchases southern pine (*Pinus taeda, Pinus elliottii, Pinus palustris, Pinus serotine, Pinus echinata)* for its sawmill and wood pellet facility. These species are not commercially found in this HCV as stated above. b) There is a strong system of protection (effective protected areas and legislation) in place within the defined VWP supply area that ensures survival of this HCV. • IUCN Centre for Plant Diversity (CPD) – There are three HCV sites identified within the VWP defined supply area. They are: 1. NA28 – The Apalachicola River drainage of north-western Florida (panhandle) and adjacent Georgia is within Gadsden, Liberty, and Franklin counties, FL and perhaps Decatur County, GA. This CPD is different from the AZE site that protects the Florida Torreya described above in that it includes other targeted

species in the watershed.

The east side of the Apalachicola River is one of the classic areas of both endemics and rare plants, such as *Torreya taxifolia* and the associated herb *Croomia pauciflora*, this occurrence is the only record of any member of the family (Croomiaceae) found outside of Asia. The flora contains many endemics and tertiary relicts. The endemics occur primarily in the cool wet flatlands (savannas, seepage slopes and flatwoods).

This river basin is one of the most biologically diverse regions on earth. This diversity includes ecologically significant natural areas. The basin supports habitats that vary from rare steephead ravines (with the only remaining native *Torreya taxifolia*), to towering limestone bluffs, forested floodplains, and estuaries. The region is home to numerous rare plants including species found nowhere else. Numerous trilliums, orchids and a variety of other species highlight the early-spring landscape.

Elimination/Mitigation Measures resulting in LOW RISK for this HCV:

a) VWP only purchases southern pine (*Pinus taeda, Pinus elliottii, Pinus palustris, Pinus serotine, Pinus echinata*) for its sawmill and wood pellet facility. These species are not commercially found in this HCV as stated above.

b) There is a strong system of protection (effective protected areas and legislation) in place within the defined VWP supply area that ensures survival of this HCV.

2. NA29 - The Central Highlands of Florida overlaps the southern-most portion of the VWP wood basin. The Lake Wales Region within NA29 is an elevated region of Florida that was dry during the most recent interglacial period of the Ice Age. This CPD contains 41 species of endemic vascular plant species found in scrub habitat with an overstory of sand pine.

   The ecological value of the area is its high level of plant endemism. The greatest threats to this CPD comes from conversion of native habitat for citrus production, recreation, as well as commercial and residential development.

   Elimination/Mitigation Measures resulting in LOW RISK for this HCV:

   a) VWP only purchases southern pine (*Pinus taeda, Pinus elliottii, Pinus palustris, Pinus serotine, Pinus echinata*) for its sawmill and wood pellet facility. Sand pine (*Pinus clausa*), which is the predominant overstory species for the is HCV, is not purchased or used.

   b) There is a strong system of protection (effective protected areas and legislation) in place within the defined VWP supply area that ensures survival of this HCV.

3. NA31 - The Atlantic Coastal Plain overlaps the District of Origin. It is included in a list of CPDs on the IUCN Centres of Plant Diversity webpage. This particular CPD has very little descriptive information delineating it or species that define it. Nevertheless, an area within the coastal plain as broadly described by the Centre for Plant Diversity. This CPD is identical to NA0529 of the subecoregions making up the WWF Global 200 ecoregions that is discussed below.

   The entire description of this site given by the CPD follows: “The area from south-eastern North Carolina south to north-eastern Florida between the coast and St John's River is an important Centre of Plant Diversity site. Many now feel that coastal North Carolina-Florida should be considered a separate region since numerous endemic plants occur in its habitats, including coastal hammocks, dunes, shell mounds, marshes and flatwoods. There are 73 species endemic to northern Florida.”

   Elimination/Mitigation Measures resulting in LOW RISK for this HCV:

   a) There is a strong system of protection (effective protected areas and legislation) in place within the defined VWP supply area that ensures survival

	of this HCV. b) The habitats described for this HCV, including coastal hammocks, dunes, shell mounds and marshes, typically do not contain the pine species VWP uses in its sawmill and wood pellet facility. • Critical Ecosystem Partnership Fund – North American Coastal Plain was added to the Biodiversity Hotspot list in 2016. The North American Coastal Plain reaches from a small section of northern Mexico along the Gulf of Mexico and up the East Coast to southeastern Massachusetts. Despite the 1,816 endemic plant species and the 1.13 million square kilometers of area, the hotspot has a low level of geographic variety and an unusually low level of elevation change when compared to the other hotspots, leading the scientific community to assume it would be less biodiverse. This vast designation includes all the other HCVs described within this risk assessment at a more site specific scale. <u>Elimination/Mitigation Measures resulting in LOW RISK for this HCV:</u> a) There is a strong system of protection (effective protected areas and legislation) in place within the defined VWP supply area that ensures survival of this HCV. • GreenPeace Intact Forest - A Greenpeace Intact Forest is located in Charlton and Ware Counties, GA which is within the VWP defined supply area. It is almost entirely within the 403,119-acre Okefenokee National Wildlife Refuge which has been described as “one of North America’s most unspoiled, fascinating and precious natural areas”. The Okefenokee Swamp is the largest, intact, un-fragmented, freshwater and black water wilderness swamp in North America. There are 353,000 acres designated as a National Wilderness Area within the refuge. Two small fingers of the Greenpeace Intact Forest extend into the Dixon Memorial Wildlife Management Area which is a state-owned forest and beyond the northern end of the refuge. The remainder of the intact forest is within the Okefenokee National Wildlife Refuge where it receives federal protection from the Department of the Interior. <u>Elimination/Mitigation Measures resulting in LOW RISK for this HCV:</u> a) There is a strong system of protection (effective protected areas and legislation) in place within the defined VWP supply area that ensures survival of this HCV. b) No wood is harvested out of the described National Wilderness Area which is managed by the Department of Interior. If wood is harvested from the surrounding forests described above, The Department of Interior and the Georgia Forestry Commission conducts environment impact studies and oversees all timber harvesting on these forests within the HCV providing complete protection of the HCV. • World Wildlife Fund (WWF), Global 200 Ecoregion - Southeastern Coniferous & Broadleaf Forests (# 75 in the WWF Global 200) The WWF's Global 200 Ecoregions build a framework for describing the most important areas of biodiversity on the planet. The Global 200 encompass almost 50% of life on earth. These 200 areas are places that conservation groups target and discuss with forest products companies about the loss of global, forest biodiversity. Almost all of the counties located in the VWP defined supply area are in the Southeastern Coniferous & Broadleaf Forests which has a conservation status of **endangered/critical**. It is significant at a global scale, but this *global* ecoregion (#75) is subdivided into two smaller **endangered/critical** terrestrial ecoregions. These scaled-down subdivisions have significance at the national level. • The Southeastern mixed forests (NA0413) • The Southeastern conifer forests (NA0529) 1. The Southeastern mixed forests (NA0413) is located in a few counties in the northern end of the VWP wood basin. This is a highly degraded ecoregion with more than 99% of the original habitat having been converted to other uses. Settlers within the ecoregion logged and then cleared the land for

	agriculture. The ecoregion overlaps and is synonymous with the Piedmont physiographic province along the Atlantic Slope and the rest falls into the Coastal Plain on the Gulf Coast. WWF reports that there is little habitat left to conserve in this critical/endangered ecoregion. There are multiple examples of protected areas within this ecoregion. Elimination/Mitigation Measures resulting in LOW RISK for this HCV: a) As stated above, WWF has declared more than 99% of this ecoregion having been converted. The remaining examples of this HCV are known to occur on protected lands. 2. The Southeastern conifer forests (NA0529) is the second terrestrial ecoregion that makes up the global ecoregion # 75. The majority of the VWP wood basin overlaps this ecoregion. The ecoregion extends from the Savannah River in Georgia across the coastal plain to the eastern parishes of Louisiana and south into Florida in the vicinity of Lake Okeechobee. This ecoregion is equated with the longleaf pine ecosystem that once spanned a significant portion of the coastal plain. It was dominated by a longleaf pine overstory and an exceptionally diverse array of plants in the understory and especially in the herbaceous layer. The entire ecology of this region was driven by fire which maintained a longleaf pine dominance in the overstory. Many species of birds, reptiles, and amphibians adapted to this environment as well. The red-cockaded woodpecker, gopher tortoise, indigo snake, and flatwoods salamander are some of the more threatened, regulated, and managed of those taxa. Fire was eventually suppressed in this ecosystem as it was in many of the other regions in the southeast. Due to commercial and private development, conversion to agriculture and the planting of loblolly pine in the area, the longleaf pine flatwoods have been reduced to less than 1% of its original size. However, there are several places where the natural habitat is being maintained and fire is still allowed into the systems. Most of the conservation sites that remain can be found on national forests, military bases, and state parks. Thanks to organizations like the Longleaf Alliance, private landowners are being given federal incentives to plant longleaf on their property and maintain those stands for many decades to come. As a result of education and conservation planning, there has been an increase in longleaf plantations over the past decade with an increase in newly planted acres every year within the ecoregion. Elimination/Mitigation Measures resulting in LOW RISK for this HCV: a) As stated above, WWF has declared most of this HCV has been reduced to less than 1% of its original size. The remaining examples of this HCV are known to occur on protected lands. b) While VWP does use some longleaf pine (*Pinus palustris*), the company tracks the use of this species through the monitoring of its direct purchases of wood from the forest and through its secondary suppliers that are audited on an annual basis. Most longleaf pine purchased can be documented not coming from HCV areas as described by FSC HCV framework organizations. VWP actively partners with the Longleaf Alliance through its membership in the Georgia Forestry Association and the Georgia SFI State Implementation Committee. Financial and in-kind support is documented for the education and awareness of private forest landowners implementing sustainable forestry practices.
Means of Verification	VWP-DOC-008a SBP Supply Base Risk Assessment

Evidence Reviewed	1. VWP-DOC-008a SBP Supply Base Risk Assessment
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**

	Indicator
2.1.2	The Biomass Producer has implemented appropriate control systems and procedures to identify and address potential threats to forests and other areas with high conservation values from forest management activities.
Finding	Within the VWP defined supply area there are no HCVs associated from the high conservation value assessment frameworks identified below: • World Resources Institute (WRI) / Global Forest Watch Frontier Forests - There are no WRI Frontier Forests in the lower 48 states which means that there are no WRI frontier forests in the VWP wood basin. Within the VWP defined supply area there are the following HCVs associated from high conservation value assessment frameworks. Measures the eliminate or greatly mitigate these HCVs from VWPs supply chain are described after each HCV described below. • Alliance for Zero Extinction (AZE) - The Torreya State Park, is located within the wood basin in Liberty County, Florida. the park protects the bulk of extant occurrences within the natural range of the Florida Torreya, *Torreya taxifolia*. Two additional protected areas near the park protect additional Torreya occurrences. The Florida Torreya, the target species within this AZE site, is a tree that is endemic to limestone bluffs along the Apalachicola River in Gadsden, Liberty, and Jackson counties FL as well as a few kilometers into Decatur County, GA. The Florida torreya originally comprised about 4% of the forest in this area. Its wood was used primarily for fence posts. A fungal blight destroyed the population. Associate tree species included beech (*Fagus grandifolia*), yellow-poplar (*Liriodendron tulipifera*), American holly (*Ilex opaca*), Florida maple (*Acer barbatum*), loblolly pine (*Pinus taeda*), spruce pine (*P. glabra*), white oak (*Quercus alba*), eastern hophornbeam (*Ostrya virginiana*), and sweetgum (*Liquidambar styraciflua*). Artificial propagation of the Florida Torreya is ongoing. Cultivated individuals have survived in North Carolina for over 40 years. Elimination/Mitigation Measures resulting in LOW RISK for this HCV: c) VWP only purchases southern pine (*Pinus taeda, Pinus elliottii, Pinus palustris, Pinus serotine, Pinus echinata)* for its sawmill and wood pellet facility. These species are not commercially found in this HCV as stated above. d) There is a strong system of protection (effective protected areas and legislation) in place within the defined VWP supply area that ensures survival of this HCV. • IUCN Centre for Plant Diversity (CPD) – There are three HCV sites identified within the VWP defined supply area. They are: 4. NA28 – The Apalachicola River drainage of north-western Florida (panhandle) and adjacent Georgia is within Gadsden, Liberty, and Franklin counties, FL and perhaps Decatur County, GA. This CPD is different from the AZE site that protects the Florida Torreya described above in that it includes other targeted species in the watershed. The east side of the Apalachicola River is one of the classic areas of both endemics and rare plants, such as *Torreya taxifolia* and the associated herb *Croomia pauciflora*, this occurrence is the only record of any member of the family (Croomiaceae) found outside of Asia. The flora contains many endemics and tertiary relicts. The endemics occur primarily in the cool wet flatlands (savannas,

seepage slopes and flatwoods).

This river basin is one of the most biologically diverse regions on earth. This diversity includes ecologically significant natural areas. The basin supports habitats that vary from rare steephead ravines (with the only remaining native *Torreya taxifolia*), to towering limestone bluffs, forested floodplains, and estuaries. The region is home to numerous rare plants including species found nowhere else. Numerous trilliums, orchids and a variety of other species highlight the early-spring landscape.

Elimination/Mitigation Measures resulting in LOW RISK for this HCV:

c) VWP only purchases southern pine (*Pinus taeda, Pinus elliottii, Pinus palustris, Pinus serotine, Pinus echinata*) for its sawmill and wood pellet facility. These species are not commercially found in this HCV as stated above.

d) There is a strong system of protection (effective protected areas and legislation) in place within the defined VWP supply area that ensures survival of this HCV.

5. NA29 - The Central Highlands of Florida overlaps the southern-most portion of the VWP wood basin. The Lake Wales Region within NA29 is an elevated region of Florida that was dry during the most recent interglacial period of the Ice Age. This CPD contains 41 species of endemic vascular plant species found in scrub habitat with an overstory of sand pine.

   The ecological value of the area is its high level of plant endemism. The greatest threats to this CPD comes from conversion of native habitat for citrus production, recreation, as well as commercial and residential development.

   Elimination/Mitigation Measures resulting in LOW RISK for this HCV:

   c) VWP only purchases southern pine (*Pinus taeda, Pinus elliottii, Pinus palustris, Pinus serotine, Pinus echinata*) for its sawmill and wood pellet facility. Sand pine (*Pinus clausa*), which is the predominant overstory species for the is HCV, is not purchased or used.

   d) There is a strong system of protection (effective protected areas and legislation) in place within the defined VWP supply area that ensures survival of this HCV.

6. NA31 - The Atlantic Coastal Plain overlaps the District of Origin. It is included in a list of CPDs on the IUCN Centres of Plant Diversity webpage. This particular CPD has very little descriptive information delineating it or species that define it. Nevertheless, an area within the coastal plain as broadly described by the Centre for Plant Diversity. This CPD is identical to NA0529 of the subecoregions making up the WWF Global 200 ecoregions that is discussed below.

   The entire description of this site given by the CPD follows: “The area from south-eastern North Carolina south to north-eastern Florida between the coast and St John's River is an important Centre of Plant Diversity site. Many now feel that coastal North Carolina-Florida should be considered a separate region since numerous endemic plants occur in its habitats, including coastal hammocks, dunes, shell mounds, marshes and flatwoods. There are 73 species endemic to northern Florida.”

   Elimination/Mitigation Measures resulting in LOW RISK for this HCV:

   c) There is a strong system of protection (effective protected areas and legislation) in place within the defined VWP supply area that ensures survival of this HCV.

   d) The habitats described for this HCV, including coastal hammocks, dunes, shell mounds and marshes, typically do not contain the pine species VWP uses in its sawmill and wood pellet facility.

- Critical Ecosystem Partnership Fund – North American Coastal Plain was added to

the Biodiversity Hotspot list in 2016. The North American Coastal Plain reaches from a small section of northern Mexico along the Gulf of Mexico and up the East Coast to southeastern Massachusetts. Despite the 1,816 endemic plant species and the 1.13 million square kilometers of area, the hotspot has a low level of geographic variety and an unusually low level of elevation change when compared to the other hotspots, leading the scientific community to assume it would be less biodiverse.

This vast designation includes all the other HCVs described within this risk assessment at a more site specific scale.

Elimination/Mitigation Measures resulting in LOW RISK for this HCV:

a) There is a strong system of protection (effective protected areas and legislation) in place within the defined VWP supply area that ensures survival of this HCV.

- GreenPeace Intact Forest - A Greenpeace Intact Forest is located in Charlton and Ware Counties, GA which is within the VWP defined supply area. It is almost entirely within the 403,119-acre Okefenokee National Wildlife Refuge which has been described as “one of North America’s most unspoiled, fascinating and precious natural areas”. The Okefenokee Swamp is the largest, intact, un-fragmented, freshwater and black water wilderness swamp in North America. There are 353,000 acres designated as a National Wilderness Area within the refuge. Two small fingers of the Greenpeace Intact Forest extend into the Dixon Memorial Wildlife Management Area which is a state-owned forest and beyond the northern end of the refuge. The remainder of the intact forest is within the Okefenokee National Wildlife Refuge where it receives federal protection from the Department of the Interior.

  Elimination/Mitigation Measures resulting in LOW RISK for this HCV:

  c) There is a strong system of protection (effective protected areas and legislation) in place within the defined VWP supply area that ensures survival of this HCV.

  d) No wood is harvested out of the described National Wilderness Area which is managed by the Department of Interior. If wood is harvested from the surrounding forests described above, The Department of Interior and the Georgia Forestry Commission conducts environment impact studies and oversees all timber harvesting on these forests within the HCV providing complete protection of the HCV.

- World Wildlife Fund (WWF), Global 200 Ecoregion - Southeastern Coniferous & Broadleaf Forests (# 75 in the WWF Global 200)

  The WWF's Global 200 Ecoregions build a framework for describing the most important areas of biodiversity on the planet. The Global 200 encompass almost 50% of life on earth. These 200 areas are places that conservation groups target and discuss with forest products companies about the loss of global, forest biodiversity.

  Almost all of the counties located in the VWP defined supply area are in the Southeastern Coniferous & Broadleaf Forests which has a conservation status of **endangered/critical**. It is significant at a global scale, but this *global* ecoregion (#75) is subdivided into two smaller **endangered/critical** terrestrial ecoregions. These scaled-down subdivisions have significance at the national level.

  - The Southeastern mixed forests (NA0413)
  - The Southeastern conifer forests (NA0529)

  3. The Southeastern mixed forests (NA0413) is located in a few counties in the northern end of the VWP wood basin. This is a highly degraded ecoregion with more than 99% of the original habitat having been converted to other uses. Settlers within the ecoregion logged and then cleared the land for agriculture. The ecoregion overlaps and is synonymous with the Piedmont physiographic province along the Atlantic Slope and the rest falls into the Coastal Plain on the Gulf Coast. WWF reports that there is little habitat left to conserve in this critical/endangered ecoregion. There are multiple examples of protected areas within this ecoregion.

	Elimination/Mitigation Measures resulting in LOW RISK for this HCV: b) As stated above, WWF has declared more than 99% of this ecoregion having been converted. The remaining examples of this HCV are known to occur on protected lands. 4. The Southeastern conifer forests (NA0529) is the second terrestrial ecoregion that makes up the global ecoregion # 75. The majority of the VWP wood basin overlaps this ecoregion. The ecoregion extends from the Savannah River in Georgia across the coastal plain to the eastern parishes of Louisiana and south into Florida in the vicinity of Lake Okeechobee. This ecoregion is equated with the longleaf pine ecosystem that once spanned a significant portion of the coastal plain. It was dominated by a longleaf pine overstory and an exceptionally diverse array of plants in the understory and especially in the herbaceous layer. The entire ecology of this region was driven by fire which maintained a longleaf pine dominance in the overstory. Many species of birds, reptiles, and amphibians adapted to this environment as well. The red-cockaded woodpecker, gopher tortoise, indigo snake, and flatwoods salamander are some of the more threatened, regulated, and managed of those taxa. Fire was eventually suppressed in this ecosystem as it was in many of the other regions in the southeast. Due to commercial and private development, conversion to agriculture and the planting of loblolly pine in the area, the longleaf pine flatwoods have been reduced to less than 1% of its original size. However, there are several places where the natural habitat is being maintained and fire is still allowed into the systems. Most of the conservation sites that remain can be found on national forests, military bases, and state parks. Thanks to organizations like the Longleaf Alliance, private landowners are being given federal incentives to plant longleaf on their property and maintain those stands for many decades to come. As a result of education and conservation planning, there has been an increase in longleaf plantations over the past decade with an increase in newly planted acres every year within the ecoregion. Elimination/Mitigation Measures resulting in LOW RISK for this HCV: c) As stated above, WWF has declared most of this HCV has been reduced to less than 1% of its original size. The remaining examples of this HCV are known to occur on protected lands. d) While VWP does use some longleaf pine (*Pinus palustris*), the company tracks the use of this species through the monitoring of its direct purchases of wood from the forest and through its secondary suppliers that are audited on an annual basis. Most longleaf pine purchased can be documented not coming from HCV areas as described by FSC HCV framework organizations. VWP actively partners with the Longleaf Alliance through its membership in the Georgia Forestry Association and the Georgia SFI State Implementation Committee. Financial and in-kind support is documented for the education and awareness of private forest landowners implementing sustainable forestry practices.
Means of Verification	Company procedures, BMP compliance check records, Supply Agreements and Logging Contracts
Evidence Reviewed	1. VWP-DOC-008 PEFC Due Diligence Risk Assessment 2. VWP-DOC-008a SBP Supply Base Risk Assessment 3. VWP-PROC-001 SFI Fiber Sourcing Procedures 4. VWP-DOC-004 Landowner Survey BMP Compliance 5. Supply Agreements and Logging Contracts

Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**

	Indicator
2.1.3	The Biomass Producer has implemented appropriate control systems and procedures for verifying that feedstock is not sourced from forests converted to production plantation forest or non-forest lands after January 2008.
Finding	Company fiber purchase agreement prohibits suppliers from knowingly supplying fiber that is sourced from lands that were converted to production plantation forest or non-forest lands after January 2008 or will be converted to plantation forest or none forest lands in the present or future. Production plantation forests are defined as forests of exotic species that have been planted or seeded by human intervention and that are under intensive stand management, are fast growing, and subject to short rotations (e.g. poplar, acacia or eucalyptus plantations). Company monitors compliance through BMP audits and records compliance on the BMP compliance checklist
Means of Verification	Supply Agreements and Logging Contracts, BMP compliance records
Evidence Reviewed	1. Supply Agreements and Logging Contracts 2. VWP-DOC-004 Landowner Survey BMP Compliance
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**

	Indicator
2.2.1	The Biomass Producer has implemented appropriate control systems and procedures to verify that feedstock is sourced from forests where there is appropriate assessment of impacts, and planning, implementation and monitoring to minimise them.
Finding	Company has conducted a risk assessment on the supply basin. All fiber sourced can be traced to locations encompassed by the supply basin. Company requires that suppliers to harvest fiber in compliance with state BMPs to control the impact on the forests. Company conducts compliance checks to verify supplier compliance with BMPs. In addition state forestry agencies conduct BMP compliance checks randomly or upon request by stakeholders. State BMP compliance reports are available for review by Company.
Means of Verification	Risk assessment, Supply Agreements and Logging Contracts, BMP compliance check records, state forestry BMP compliance reports
Evidence Reviewed	1. VWP-DOC-008 PEFC Due Diligence Risk Assessment 2. VWP-DOC-008a SBP Supply Base Risk Assessment 3. VWP-PROC-001 SFI Fiber Sourcing Procedures 4. VWP-DOC-004 Landowner Survey BMP Compliance 5. Supply Agreements and Logging Contracts 6. AL BMP Compliance Report (2015-2016)

	7. Georgia's 2017 Forestry Best Management Practices Implementation Survey Highlights 8. Florida Silviculture Best Management Practices 2017 Implementation Survey Report
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**

	Indicator
2.2.2	The Biomass Producer has implemented appropriate control systems and procedures for verifying that feedstock is sourced from forests where management maintains or improves soil quality (CPET S5b).
Finding	State BMPs set forth guidelines for maintaining and/or improving soil quality. VWP requires that all suppliers comply with state BMPs in harvesting operations. Company verifies supplier compliance with state BMPs through BMP compliance checks. Soil maps covering the supply basin are available as a resource to suppliers to assist in planning fiber harvest in a way that does not harm soil quality.
Means of Verification	Company sustainable forestry policy, fiber sourcing procedures, BMP compliance records
Evidence Reviewed	1. VWP-POL-001 Sustainable Forestry Policy 2. VWP-PROC-001 SFI Fiber Sourcing Procedures 3. VWP-DOC-004 Landowner Survey BMP Compliance 4. USGS Soil Maps: http://websoilsurvey.nrcs.usda.gov/app/WebSoilSurvey.aspx
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**

	Indicator
2.2.3	The Biomass Producer has implemented appropriate control systems and procedures to ensure that key ecosystems and habitats are conserved or set aside in their natural state (CPET S8b).
Finding	Within the VWP defined supply area there are no HCVs associated from the high conservation value assessment frameworks identified below: • World Resources Institute (WRI) / Global Forest Watch Frontier Forests - There are no WRI Frontier Forests in the lower 48 states which means that there are no WRI frontier forests in the VWP wood basin. Within the VWP defined supply area there are the following HCVs associated from high conservation value assessment frameworks. Measures the eliminate or greatly mitigate these HCVs from VWPs supply chain are described after each HCV described below. • Alliance for Zero Extinction (AZE) - The Torreya State Park, is located within the wood basin in Liberty County, Florida. the park protects the bulk of extant occurrences within the natural range of the Florida Torreya, *Torreya taxifolia*. Two additional protected areas near the park protect additional Torreya occurrences. The Florida Torreya, the target species within this AZE site, is a tree that is endemic to limestone bluffs along the Apalachicola River in Gadsden, Liberty, and Jackson counties FL as well as a few kilometers into Decatur County, GA. The Florida torreya originally comprised about 4% of the forest in this area. Its wood was used primarily for fence posts. A fungal blight destroyed the population. Associate tree species included beech (*Fagus grandifolia*), yellow-poplar (*Liriodendron tulipifera*), American holly (*Ilex*

opaca), Florida maple (*Acer barbatum*), loblolly pine (*Pinus taeda*), spruce pine (*P. glabra*), white oak (*Quercus alba*), eastern hophornbeam (*Ostrya virginiana*), and sweetgum (*Liquidambar styraciflua*). Artificial propagation of the Florida Torreya is ongoing. Cultivated individuals have survived in North Carolina for over 40 years.
Elimination/Mitigation Measures resulting in LOW RISK for this HCV:

a) VWP only purchases southern pine (*Pinus taeda, Pinus elliottii, Pinus palustris, Pinus serotine, Pinus echinata)* for its sawmill and wood pellet facility. These species are not commercially found in this HCV as stated above.
b) There is a strong system of protection (effective protected areas and legislation) in place within the defined VWP supply area that ensures survival of this HCV.

- IUCN Centre for Plant Diversity (CPD) – There are three HCV sites identified within the VWP defined supply area. They are:

1. NA28 – The Apalachicola River drainage of north-western Florida (panhandle) and adjacent Georgia is within Gadsden, Liberty, and Franklin counties, FL and perhaps Decatur County, GA. This CPD is different from the AZE site that protects the Florida Torreya described above in that it includes other targeted species in the watershed.
   The east side of the Apalachicola River is one of the classic areas of both endemics and rare plants, such as *Torreya taxifolia* and the associated herb *Croomia pauciflora*, this occurrence is the only record of any member of the family (Croomiaceae) found outside of Asia. The flora contains many endemics and tertiary relicts. The endemics occur primarily in the cool wet flatlands (savannas, seepage slopes and flatwoods).
   This river basin is one of the most biologically diverse regions on earth. This diversity includes ecologically significant natural areas. The basin supports habitats that vary from rare steephead ravines (with the only remaining native *Torreya taxifolia*), to towering limestone bluffs, forested floodplains, and estuaries. The region is home to numerous rare plants including species found nowhere else. Numerous trilliums, orchids and a variety of other species highlight the early-spring landscape.
   Elimination/Mitigation Measures resulting in LOW RISK for this HCV:
   a) VWP only purchases southern pine (*Pinus taeda, Pinus elliottii, Pinus palustris, Pinus serotine, Pinus echinata*) for its sawmill and wood pellet facility. These species are not commercially found in this HCV as stated above.
   b) There is a strong system of protection (effective protected areas and legislation) in place within the defined VWP supply area that ensures survival of this HCV.
2. NA29 - The Central Highlands of Florida overlaps the southern-most portion of the VWP wood basin. The Lake Wales Region within NA29 is an elevated region of Florida that was dry during the most recent interglacial period of the Ice Age. This CPD contains 41 species of endemic vascular plant species found in scrub habitat with an overstory of sand pine.
   The ecological value of the area is its high level of plant endemism. The greatest threats to this CPD comes from conversion of native habitat for citrus production, recreation, as well as commercial and residential development.
   Elimination/Mitigation Measures resulting in LOW RISK for this HCV:
   a) VWP only purchases southern pine (*Pinus taeda, Pinus elliottii, Pinus palustris, Pinus serotine, Pinus echinata*) for its sawmill and wood pellet facility. Sand pine (*Pinus clausa*), which is the predominant overstory species for the is HCV, is not purchased or used.
   b) There is a strong system of protection (effective protected areas and legislation) in place within the defined VWP supply area that ensures survival of this HCV.
3. NA31 - The Atlantic Coastal Plain overlaps the District of Origin. It is included in a list of CPDs on the IUCN Centres of Plant Diversity webpage. This particular CPD has very little descriptive information delineating it or species that define it.

Nevertheless, an area within the coastal plain as broadly described by the Centre for Plant Diversity. This CPD is identical to NA0529 of the subecoregions making up the WWF Global 200 ecoregions that is discussed below.
The entire description of this site given by the CPD follows: "The area from south-eastern North Carolina south to north-eastern Florida between the coast and St John's River is an important Centre of Plant Diversity site. Many now feel that coastal North Carolina-Florida should be considered a separate region since numerous endemic plants occur in its habitats, including coastal hammocks, dunes, shell mounds, marshes and flatwoods. There are 73 species endemic to northern Florida."
Elimination/Mitigation Measures resulting in LOW RISK for this HCV:

a) There is a strong system of protection (effective protected areas and legislation) in place within the defined VWP supply area that ensures survival of this HCV.
b) The habitats described for this HCV, including coastal hammocks, dunes, shell mounds and marshes, typically do not contain the pine species VWP uses in its sawmill and wood pellet facility.

- Critical Ecosystem Partnership Fund – North American Coastal Plain was added to the Biodiversity Hotspot list in 2016. The North American Coastal Plain reaches from a small section of northern Mexico along the Gulf of Mexico and up the East Coast to southeastern Massachusetts. Despite the 1,816 endemic plant species and the 1.13 million square kilometers of area, the hotspot has a low level of geographic variety and an unusually low level of elevation change when compared to the other hotspots, leading the scientific community to assume it would be less biodiverse.
  This vast designation includes all the other HCVs described within this risk assessment at a more site specific scale.
  Elimination/Mitigation Measures resulting in LOW RISK for this HCV:
  a) There is a strong system of protection (effective protected areas and legislation) in place within the defined VWP supply area that ensures survival of this HCV.
- GreenPeace Intact Forest - A Greenpeace Intact Forest is located in Charlton and Ware Counties, GA which is within the VWP defined supply area. It is almost entirely within the 403,119-acre Okefenokee National Wildlife Refuge which has been described as "one of North America's most unspoiled, fascinating and precious natural areas". The Okefenokee Swamp is the largest, intact, un-fragmented, freshwater and black water wilderness swamp in North America. There are 353,000 acres designated as a National Wilderness Area within the refuge. Two small fingers of the Greenpeace Intact Forest extend into the Dixon Memorial Wildlife Management Area which is a state-owned forest and beyond the northern end of the refuge. The remainder of the intact forest is within the Okefenokee National Wildlife Refuge where it receives federal protection from the Department of the Interior.
  Elimination/Mitigation Measures resulting in LOW RISK for this HCV:
  a) There is a strong system of protection (effective protected areas and legislation) in place within the defined VWP supply area that ensures survival of this HCV.
  b) No wood is harvested out of the described National Wilderness Area which is managed by the Department of Interior. If wood is harvested from the surrounding forests described above, The Department of Interior and the Georgia Forestry Commission conducts environment impact studies and oversees all timber harvesting on these forests within the HCV providing complete protection of the HCV.
- World Wildlife Fund (WWF), Global 200 Ecoregion - Southeastern Coniferous & Broadleaf Forests (# 75 in the WWF Global 200)
  The WWF's Global 200 Ecoregions build a framework for describing the most important areas of biodiversity on the planet. The Global 200 encompass almost 50% of life on earth. These 200 areas are places that conservation groups target and discuss with forest products companies about the loss of global, forest biodiversity. Almost all of the counties located in the VWP defined supply area are in the Southeastern Coniferous & Broadleaf Forests which has a conservation status of

endangered/critical. It is significant at a global scale, but this *global* ecoregion (#75) is subdivided into two smaller **endangered/critical** terrestrial ecoregions. These scaled-down subdivisions have significance at the national level.

- The Southeastern mixed forests (NA0413)
- The Southeastern conifer forests (NA0529)

1. The Southeastern mixed forests (NA0413) is located in a few counties in the northern end of the VWP wood basin. This is a highly degraded ecoregion with more than 99% of the original habitat having been converted to other uses. Settlers within the ecoregion logged and then cleared the land for agriculture. The ecoregion overlaps and is synonymous with the Piedmont physiographic province along the Atlantic Slope and the rest falls into the Coastal Plain on the Gulf Coast. WWF reports that there is little habitat left to conserve in this critical/endangered ecoregion. There are multiple examples of protected areas within this ecoregion.
   Elimination/Mitigation Measures resulting in LOW RISK for this HCV:
   a) As stated above, WWF has declared more than 99% of this ecoregion having been converted. The remaining examples of this HCV are known to occur on protected lands.
2. The Southeastern conifer forests (NA0529) is the second terrestrial ecoregion that makes up the global ecoregion # 75. The majority of the VWP wood basin overlaps this ecoregion. The ecoregion extends from the Savannah River in Georgia across the coastal plain to the eastern parishes of Louisiana and south into Florida in the vicinity of Lake Okeechobee.
   This ecoregion is equated with the longleaf pine ecosystem that once spanned a significant portion of the coastal plain. It was dominated by a longleaf pine overstory and an exceptionally diverse array of plants in the understory and especially in the herbaceous layer. The entire ecology of this region was driven by fire which maintained a longleaf pine dominance in the overstory. Many species of birds, reptiles, and amphibians adapted to this environment as well. The red-cockaded woodpecker, gopher tortoise, indigo snake, and flatwoods salamander are some of the more threatened, regulated, and managed of those taxa.
   Fire was eventually suppressed in this ecosystem as it was in many of the other regions in the southeast. Due to commercial and private development, conversion to agriculture and the planting of loblolly pine in the area, the longleaf pine flatwoods have been reduced to less than 1% of its original size. However, there are several places where the natural habitat is being maintained and fire is still allowed into the systems. Most of the conservation sites that remain can be found on national forests, military bases, and state parks. Thanks to organizations like the Longleaf Alliance, private landowners are being given federal incentives to plant longleaf on their property and maintain those stands for many decades to come. As a result of education and conservation planning, there has been an increase in longleaf plantations over the past decade with an increase in newly planted acres every year within the ecoregion.
   Elimination/Mitigation Measures resulting in LOW RISK for this HCV:
   a) As stated above, WWF has declared most of this HCV has been reduced to less than 1% of its original size. The remaining examples of this HCV are known to occur on protected lands.
   b) While VWP does use some longleaf pine (*Pinus palustris*), the company tracks the use of this species through the monitoring of its direct purchases of wood from the forest and through its secondary suppliers that are audited on an annual basis. Most longleaf pine purchased can be documented not coming from HCV areas as described by FSC HCV framework organizations.
   VWP actively partners with the Longleaf Alliance through its membership in the Georgia Forestry Association and the Georgia SFI State

	Implementation Committee. Financial and in-kind support is documented for the education and awareness of private forest landowners implementing sustainable forestry practices.
Means of Verification	VWP-DOC-008a SBP Supply Base Risk Assessment
Evidence Reviewed	1. VWP-DOC-008a SBP Supply Base Risk Assessment
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**

	Indicator
2.2.4	The Biomass Producer has implemented appropriate control systems and procedures to ensure that biodiversity is protected (CPET S5b).
Finding	Within the VWP defined supply area there are no HCVs associated from the high conservation value assessment frameworks identified below: • World Resources Institute (WRI) / Global Forest Watch Frontier Forests - There are no WRI Frontier Forests in the lower 48 states which means that there are no WRI frontier forests in the VWP wood basin. Within the VWP defined supply area there are the following HCVs associated from high conservation value assessment frameworks. Measures the eliminate or greatly mitigate these HCVs from VWPs supply chain are described after each HCV described below. • Alliance for Zero Extinction (AZE) - The Torreya State Park, is located within the wood basin in Liberty County, Florida. the park protects the bulk of extant occurrences within the natural range of the Florida Torreya, *Torreya taxifolia*. Two additional protected areas near the park protect additional Torreya occurrences. The Florida Torreya, the target species within this AZE site, is a tree that is endemic to limestone bluffs along the Apalachicola River in Gadsden, Liberty, and Jackson counties FL as well as a few kilometers into Decatur County, GA. The Florida torreya originally comprised about 4% of the forest in this area. Its wood was used primarily for fence posts. A fungal blight destroyed the population. Associate tree species included beech (*Fagus grandifolia*), yellow-poplar (*Liriodendron tulipifera*), American holly (*Ilex opaca*), Florida maple (*Acer barbatum*), loblolly pine (*Pinus taeda*), spruce pine (*P. glabra*), white oak (*Quercus alba*), eastern hophornbeam (*Ostrya virginiana*), and sweetgum (*Liquidambar styraciflua*). Artificial propagation of the Florida Torreya is ongoing. Cultivated individuals have survived in North Carolina for over 40 years. Elimination/Mitigation Measures resulting in LOW RISK for this HCV: a) VWP only purchases southern pine (*Pinus taeda, Pinus elliottii, Pinus palustris, Pinus serotine, Pinus echinata)* for its sawmill and wood pellet facility. These species are not commercially found in this HCV as stated above. b) There is a strong system of protection (effective protected areas and legislation) in place within the defined VWP supply area that ensures survival of this HCV. • IUCN Centre for Plant Diversity (CPD) – There are three HCV sites identified within the VWP defined supply area. They are: 1. NA28 – The Apalachicola River drainage of north-western Florida (panhandle) and adjacent Georgia is within Gadsden, Liberty, and Franklin counties, FL and perhaps Decatur County, GA. This CPD is different from the AZE site that protects the Florida Torreya described above in that it includes other targeted species in the watershed. The east side of the Apalachicola River is one of the classic areas of both endemics and rare plants, such as *Torreya taxifolia* and the associated herb

Croomia pauciflora, this occurrence is the only record of any member of the family (Croomiaceae) found outside of Asia. The flora contains many endemics and tertiary relicts. The endemics occur primarily in the cool wet flatlands (savannas, seepage slopes and flatwoods).
This river basin is one of the most biologically diverse regions on earth. This diversity includes ecologically significant natural areas. The basin supports habitats that vary from rare steephead ravines (with the only remaining native *Torreya taxifolia*), to towering limestone bluffs, forested floodplains, and estuaries. The region is home to numerous rare plants including species found nowhere else. Numerous trilliums, orchids and a variety of other species highlight the early-spring landscape.
Elimination/Mitigation Measures resulting in LOW RISK for this HCV:

a) VWP only purchases southern pine (*Pinus taeda, Pinus elliottii, Pinus palustris, Pinus serotine, Pinus echinata*) for its sawmill and wood pellet facility. These species are not commercially found in this HCV as stated above.
b) There is a strong system of protection (effective protected areas and legislation) in place within the defined VWP supply area that ensures survival of this HCV.

2. NA29 - The Central Highlands of Florida overlaps the southern-most portion of the VWP wood basin. The Lake Wales Region within NA29 is an elevated region of Florida that was dry during the most recent interglacial period of the Ice Age. This CPD contains 41 species of endemic vascular plant species found in scrub habitat with an overstory of sand pine.
The ecological value of the area is its high level of plant endemism. The greatest threats to this CPD comes from conversion of native habitat for citrus production, recreation, as well as commercial and residential development.
Elimination/Mitigation Measures resulting in LOW RISK for this HCV:
   a) VWP only purchases southern pine (*Pinus taeda, Pinus elliottii, Pinus palustris, Pinus serotine, Pinus echinata*) for its sawmill and wood pellet facility. Sand pine (*Pinus clausa*), which is the predominant overstory species for the is HCV, is not purchased or used.
   b) There is a strong system of protection (effective protected areas and legislation) in place within the defined VWP supply area that ensures survival of this HCV.
3. NA31 - The Atlantic Coastal Plain overlaps the District of Origin. It is included in a list of CPDs on the IUCN Centres of Plant Diversity webpage. This particular CPD has very little descriptive information delineating it or species that define it. Nevertheless, an area within the coastal plain as broadly described by the Centre for Plant Diversity. This CPD is identical to NA0529 of the subecoregions making up the WWF Global 200 ecoregions that is discussed below.
The entire description of this site given by the CPD follows: “The area from south-eastern North Carolina south to north-eastern Florida between the coast and St John's River is an important Centre of Plant Diversity site. Many now feel that coastal North Carolina-Florida should be considered a separate region since numerous endemic plants occur in its habitats, including coastal hammocks, dunes, shell mounds, marshes and flatwoods. There are 73 species endemic to northern Florida.”
Elimination/Mitigation Measures resulting in LOW RISK for this HCV:
   a) There is a strong system of protection (effective protected areas and legislation) in place within the defined VWP supply area that ensures survival of this HCV.
   b) The habitats described for this HCV, including coastal hammocks, dunes, shell mounds and marshes, typically do not contain the pine species VWP uses in its sawmill and wood pellet facility.

- Critical Ecosystem Partnership Fund – North American Coastal Plain was added to the Biodiversity Hotspot list in 2016. The North American Coastal Plain reaches from

a small section of northern Mexico along the Gulf of Mexico and up the East Coast to southeastern Massachusetts. Despite the 1,816 endemic plant species and the 1.13 million square kilometers of area, the hotspot has a low level of geographic variety and an unusually low level of elevation change when compared to the other hotspots, leading the scientific community to assume it would be less biodiverse.
This vast designation includes all the other HCVs described within this risk assessment at a more site specific scale.
Elimination/Mitigation Measures resulting in LOW RISK for this HCV:
a) There is a strong system of protection (effective protected areas and legislation) in place within the defined VWP supply area that ensures survival of this HCV.

- GreenPeace Intact Forest - A Greenpeace Intact Forest is located in Charlton and Ware Counties, GA which is within the VWP defined supply area. It is almost entirely within the 403,119-acre Okefenokee National Wildlife Refuge which has been described as "one of North America's most unspoiled, fascinating and precious natural areas". The Okefenokee Swamp is the largest, intact, un-fragmented, freshwater and black water wilderness swamp in North America. There are 353,000 acres designated as a National Wilderness Area within the refuge. Two small fingers of the Greenpeace Intact Forest extend into the Dixon Memorial Wildlife Management Area which is a state-owned forest and beyond the northern end of the refuge. The remainder of the intact forest is within the Okefenokee National Wildlife Refuge where it receives federal protection from the Department of the Interior.
  Elimination/Mitigation Measures resulting in LOW RISK for this HCV:
  a) There is a strong system of protection (effective protected areas and legislation) in place within the defined VWP supply area that ensures survival of this HCV.
  b) No wood is harvested out of the described National Wilderness Area which is managed by the Department of Interior. If wood is harvested from the surrounding forests described above, The Department of Interior and the Georgia Forestry Commission conducts environment impact studies and oversees all timber harvesting on these forests within the HCV providing complete protection of the HCV.
- World Wildlife Fund (WWF), Global 200 Ecoregion - Southeastern Coniferous & Broadleaf Forests (# 75 in the WWF Global 200)
  The WWF's Global 200 Ecoregions build a framework for describing the most important areas of biodiversity on the planet. The Global 200 encompass almost 50% of life on earth. These 200 areas are places that conservation groups target and discuss with forest products companies about the loss of global, forest biodiversity. Almost all of the counties located in the VWP defined supply area are in the Southeastern Coniferous & Broadleaf Forests which has a conservation status of **endangered/critical**. It is significant at a global scale, but this *global* ecoregion (#75) is subdivided into two smaller **endangered/critical** terrestrial ecoregions. These scaled-down subdivisions have significance at the national level.
  - The Southeastern mixed forests (NA0413)
  - The Southeastern conifer forests (NA0529)
    1. The Southeastern mixed forests (NA0413) is located in a few counties in the northern end of the VWP wood basin. This is a highly degraded ecoregion with more than 99% of the original habitat having been converted to other uses. Settlers within the ecoregion logged and then cleared the land for agriculture. The ecoregion overlaps and is synonymous with the Piedmont physiographic province along the Atlantic Slope and the rest falls into the Coastal Plain on the Gulf Coast. WWF reports that there is little habitat left to conserve in this critical/endangered ecoregion. There are multiple examples of protected areas within this ecoregion.
       Elimination/Mitigation Measures resulting in LOW RISK for this HCV:
       a) As stated above, WWF has declared more than 99% of this ecoregion having been converted. The remaining examples of this HCV are known to occur on protected lands.
    2. The Southeastern conifer forests (NA0529) is the second terrestrial ecoregion

	that makes up the global ecoregion # 75. The majority of the VWP wood basin overlaps this ecoregion. The ecoregion extends from the Savannah River in Georgia across the coastal plain to the eastern parishes of Louisiana and south into Florida in the vicinity of Lake Okeechobee. This ecoregion is equated with the longleaf pine ecosystem that once spanned a significant portion of the coastal plain. It was dominated by a longleaf pine overstory and an exceptionally diverse array of plants in the understory and especially in the herbaceous layer. The entire ecology of this region was driven by fire which maintained a longleaf pine dominance in the overstory. Many species of birds, reptiles, and amphibians adapted to this environment as well. The red-cockaded woodpecker, gopher tortoise, indigo snake, and flatwoods salamander are some of the more threatened, regulated, and managed of those taxa. Fire was eventually suppressed in this ecosystem as it was in many of the other regions in the southeast. Due to commercial and private development, conversion to agriculture and the planting of loblolly pine in the area, the longleaf pine flatwoods have been reduced to less than 1% of its original size. However, there are several places where the natural habitat is being maintained and fire is still allowed into the systems. Most of the conservation sites that remain can be found on national forests, military bases, and state parks. Thanks to organizations like the Longleaf Alliance, private landowners are being given federal incentives to plant longleaf on their property and maintain those stands for many decades to come. As a result of education and conservation planning, there has been an increase in longleaf plantations over the past decade with an increase in newly planted acres every year within the ecoregion. <u>Elimination/Mitigation Measures resulting in LOW RISK for this HCV:</u> a) As stated above, WWF has declared most of this HCV has been reduced to less than 1% of its original size. The remaining examples of this HCV are known to occur on protected lands. b) While VWP does use some longleaf pine (*Pinus palustris*), the company tracks the use of this species through the monitoring of its direct purchases of wood from the forest and through its secondary suppliers that are audited on an annual basis. Most longleaf pine purchased can be documented not coming from HCV areas as described by FSC HCV framework organizations. VWP actively partners with the Longleaf Alliance through its membership in the Georgia Forestry Association and the Georgia SFI State Implementation Committee. Financial and in-kind support is documented for the education and awareness of private forest landowners implementing sustainable forestry practices.
Means of Verification	VWP-DOC-008a SBP Supply Base Risk Assessment
Evidence Reviewed	VWP-DOC-008a SBP Supply Base Risk Assessment
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**

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

Finding	VWP has appropriate control systems and procedures to ensure residue removals are minimized in harming the ecosystem. State BMPs address wood and residue utilization. Delivered Fiber and Logging & Hauling Agreements have clauses requiring adherence to state BMPs. Procedures are in place to monitor BMP compliance on tracts delivering fiber directly from the forest. BMP Compliance Checklists are used to record wood utilization. Lastly, the Company is in the process of distributing "Forest Biomass Retention and Harvesting Guidelines for the Southeast" from the Forest Guild to be used as a tool to ensure biomass removal minimizes the harm to ecosystems.
Means of Verification	State BMPs, Supply Agreements and Logging Contracts provisions with suppliers, BMP compliance checks
Evidence Reviewed	1. State BMP Manuals a. GA: http://www.gfc.state.ga.us/resources/publications/BMPManualGA0609.pdf b. FL: http://www.freshfromflorida.com/Divisions-Offices/Florida-Forest-Service/Our-Forests/Best-Management-Practices-BMP c. AL: http://www.forestry.state.al.us/publications/BMPs/2007_BMP_Manual.pdf 2. VWP-PROC-001 SFI Fiber Sourcing Procedures 3. Supply Agreements and Logging Contracts 4. VWP-DOC-004 Landowner Survey BMP Compliance 5. AL BMP Compliance Report (2015-2016) 6. Results of Georgia's 2015 Silvicultural Best Management Practices Implementation and Compliance Survey 7. Florida Silviculture Best Management Practices 2017 Implementation Survey Report 8. "Forest Biomass Retention and Harvesting Guidelines for the Southeast" (Forest Guild):http://www.forestguild.org/publications/research/2012/FG_Biomass_Guidelines_SE.pdf
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**

	Indicator
2.2.6	The Biomass Producer has implemented appropriate control systems and procedures to verify that negative impacts on ground water, surface water and water downstream from forest management are minimised (CPET S5b).
Finding	State and Federal laws, such as the Clean Water Act, are in place to protect the waters of the United States. Access to these laws is available to VWP personnel. State Forestry Commissions, working with state Environmental Protection Divisions are charged with the enforcement of these state and federal laws. In addition, state forestry BMPs have been developed to provide guidance in water quality protection. The state forestry agencies also conduct BMP compliance checks throughout the year and publicly report their findings. VWP policy and procedures are place to provide support and guidance on how Company employees and suppliers will meet BMPs in the harvest of fiber without having negative impacts to water quality. Supply Agreements and Logging Contracts have clauses requiring adherence to state BMPs. Procedures are in place to monitor BMP compliance on tracts delivering fiber directly from the forest.
Means of Verification	State and Federal laws, State BMPs, Supply Agreements and Logging Contracts provisions with suppliers, BMP compliance checks
Evidence Reviewed	1. State BMP Manuals a. GA: http://www.gfc.state.ga.us/resources/publications/BMPManualGA0609.pdf b. FL: http://www.freshfromflorida.com/Divisions-Offices/Florida-Forest-Service/Our-Forests/Best-Management-Practices-BMP

	c. AL: http://www.forestry.state.al.us/publications/BMPs/2007_BMP_Manual.pdf 2. VWP-POL-001 SFI Sustainable Forestry Policy 3. VWP-PROC-001 SFI Fiber Sourcing Procedures 4. Supply Agreements and Logging Contracts 5. VWP-DOC-004 Landowner Survey BMP Compliance 6. AL BMP Compliance Report (2015-2016) 7. Results of Georgia's 2015 Silvicultural Best Management Practices Implementation and Compliance Survey 8. Florida Silviculture Best Management Practices 2017 Implementation Survey Report
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**

	Indicator
2.2.7	The Biomass Producer has implemented appropriate control systems and procedures for verifying that air quality is not adversely affected by forest management activities.
Finding	While VWP does not conduct forest management activities (prescribed burning) that directly impacts air quality, the Company actively promotes the use of prescribed burning to forest landowners as a sustainable forestry activity through its SFI Fiber Sourcing certification. VWP actively educates forest landowners about sustainable forestry by providing educational materials developed for landowners. VWP is located in a rural area in GA and purchases fiber from rural areas located in GA, FL and AL. Most of the Company's supply basin is located in areas outside of priority airsheds. State forest assessment reports state forest activities such as prescribed burning have mixed impacts on the forests. While smoke from prescribed burning can lower air quality temporarily, the lack of burning has a direct negative impact of longleaf pine and other fire tolerant species within the Company's supply basin.
Means of Verification	Employee interviews, SFI Annual Progress Report, state Forest Action Plans
Evidence Reviewed	1. VWP-PROC-001 SFI Fiber Sourcing Procedures 2. SFI Annual Progress Reports 3. Georgia Statewide Assessment of Forest Resources (2015) http://forestactionplans.org/states/georgia 4. Forest Resources – 2010 Florida's Statewide Strategies http://forestactionplans.org/states/florida 5. AL Forestry Commission – Strategic Plan (2017-2020) http://www.forestry.alabama.gov/PDFs/AFC-Strategic-Plan_2017-2020.pdf
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**

	Indicator
2.2.8	The Biomass Producer has implemented appropriate control systems and procedures for verifying that there is controlled and appropriate use of chemicals, and that Integrated Pest Management (IPM) is implemented wherever possible in forest management

	activities (CPET S5c).
Finding	While VWP does not conduct forest management activities which use forest chemicals, the Company actively promotes the use of Integrated Pest Management to forest landowners as a sustainable forestry activity through its SFI Sourcing certification. The Company actively educates forest landowners about sustainable forestry by providing educational materials developed for landowners. The Company is a member of the Plantation Management Research Cooperative (PMRC) and actively participates on the GA SFI State Implementation Committee (SIC) as part of its SFI Sourcing certification. Participation in PMRC and on this SIC enables VWP personnel to interact with University research extension personnel as well as foresters who are actively managing the state's forests. As a result of these interactions, Company personnel keep informed of current forest management trends.
Means of Verification	Employee interviews, SFI Annual Progress Report
Evidence Reviewed	1. VWP-PROC-002 SFI Fiber Sourcing Procedures 2. SFI Annual Progress Reports 3. PMRC Membership 4. GA SIC Meeting Minutes
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**

	Indicator
2.2.9	The Biomass Producer has implemented appropriate control systems and procedures for verifying that methods of waste disposal minimise negative impacts on forest ecosystems (CPET S5d).
Finding	State and Federal laws, such as the CERCLA, are in place to protect from oil spills and hazardous substance releases. Access to these laws is available to Company personnel. Company procedures require suppliers to maintain SFI training which includes modules addressing proper waste disposal. Supply Agreements and Logging Contracts have clauses requiring adherence to federal, state and local laws and state BMPs. Company BMP compliance checks also record the existence of trash or oil spills on forest lands.
Means of Verification	State and Federal law, State BMPs, Supply Agreements and Logging Contracts, Master Logger Training records, BMP compliance checks
Evidence Reviewed	1. Federal law a. CERCLA - 42 US Code Chapter 103: http://www.epa.gov/agriculture/lcla.html 2. State BMP Manuals a. GA: http://www.gfc.state.ga.us/resources/publications/BMPManualGA0609.pdf b. FL: http://www.freshfromflorida.com/Divisions-Offices/Florida-Forest-Service/Our-Forests/Best-Management-Practices-BMP c. AL: http://www.forestry.state.al.us/publications/BMPs/2007_BMP_Manual.pdf 3. AL BMP Compliance Report (2015-2016) 4. Results of Georgia's 2015 Silvicultural Best Management Practices Implementation and Compliance Survey 5. Florida Silviculture Best Management Practices 2017 Implementation Survey Report 6. State Master Logger lists a. GA: http://ga-□mth.forestry.uga.edu/

	b. FL: http://floridaforest.org/programs/master-- logger/ c. AL: https://www.alaforestry.org/page/PLMGeneral 7. VWP-POL-001 Sustainable Forestry Policy 8. VWP-PROC-001 SFI Fiber Sourcing Procedures 9. Supply Agreements and Logging Contracts 10. VWP-DOC-004 Landowner Survey BMP Compliance
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**

	Indicator
2.3.1	Analysis shows that feedstock harvesting does not exceed the long-term production capacity of the forest, avoids significant negative impacts on forest productivity and ensures long-term economic viability. Harvest levels are justified by inventory and growth data.
Finding	Harvest levels for the supply base in AL, GA and FL do not exceed growth according to USDA Forest Service forest inventory data. Forest Service removals, growth and mortality records for the most years (AL-2017; FL-2016; GA-2016) show a positive average rate of growth to removals (and mortality) at 1.76 for all softwood. FL 2015 data shows the softwood growth-to-removals ratio was higher (1.57) in the Northwest unit than it was in the Northeast unit (1.33). The highest softwood growth-to-removals ratio in the State (3.85) occurred in the Central unit. AL 2016 data states estimates of average annual growth of all live species on forests (2.1 million cubic feet) exceed average annual removals (1.2 million cubic feet).
Means of Verification	USDA Forest Service FIA data
Evidence Reviewed	1. USDA Forest Service Forest Inventory Analysis Data 2. Forests of Georgia, 2015 – USDA Resource Update FS-103 (Nov 2016) 3. Forests of Florida, 2015 – USDA Resource Update FS-137 (Sept 2017) 4. Forests of Alabama, 2016 – USDA Resource Update RU-FS-122 (Jun 2017)
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**

	Indicator
2.3.2	Adequate training is provided for all personnel, including employees and contractors (CPET S6d).
Finding	Company policy requires all professional wood producers delivering wood to complete SFI Implementation Committee approved logger training to achieve SFI Logger Education "trained" status. Company procedures provide guidance on who should be trained and how to check training records. VWP's fiber procurement staff is also Master Logger trained.
Means of Verification	Master Logger Training records, Company training records

Evidence Reviewed	1. State Master Logger lists a. GA: http://ga-mth.forestry.uga.edu/ b. FL: http://floridaforest.org/programs/master-logger/ c. AL: http://www.alaforestry.org/search/custom.asp?id=2294 2. VWP-POL-001 Sustainable Forestry Policy 3. VWP-PROC-001 SFI Fiber Sourcing Procedures 4. VWP-DOC-006 Training Records
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**

	Indicator
2.3.3	Analysis shows that feedstock harvesting and biomass production positively contribute to the local economy, including employment.
Finding	In addition to the 32 jobs associated with the pellet mill, VWP has created another market for wood residuals. This additional market only adds to a forest products industry that is a leading industry and employer in GA, FL and AL. According to recent economic studies, forestry is a $20.8 billion industry in GA (2016), a $16.09 billion industry in FL (2014) and a $18.4 billion industry in AL (2016). Forestry and its related jobs accounted for over 51,900 direct jobs and supported a total of 144,537 employees in GA. In FL forestry impacted 77,621 direct and part-time jobs in 2014. In AL forestry accounted for 54,543 direct manufacturing jobs.
Means of Verification	Economic studies, Employee interviews
Evidence Reviewed	1. Economic Benefits of the Forest Industry in Georgia: 2016 2. 2014 Florida Forestry Economic Highlights 3. Economic Impacts of Alabama Agricultural and Forestry (Sept 2016)
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**

	Indicator
2.4.1	The Biomass Producer has implemented appropriate control systems and procedures for verifying that the health, vitality and other services provided by forest ecosystems are maintained or improved (CPET S7a).
Finding	VWP's PEFC Due Diligence and SBP Supply Base Risk Assessments assess the health, vitality and other services provided by the forest ecosystems within the supply area. This risk assessment has identified key ecosystems and habitats present within the supply area. The risk assessment also has determined there is low risk of working in areas of high conservation value. Company policy and procedures are place to provide support and guidance on how Company employees and suppliers will meet BMPs in the harvest of fiber for the mill thus verifying the health and vitality of the forest ecosystems. Supply Agreements and Logging Contracts have clauses requiring adherence to state BMPs. Procedures are in place to monitor BMP compliance on tracts delivering fiber directly from the forest to the sawmill.

	The Company also actively promotes the use of sustainable forest practices to forest landowners through its SFI Fiber Sourcing certification. The Company actively educates forest landowners about sustainable forestry by providing educational materials developed for landowners. VWP also works with state forestry agencies, as needed, to address issues of forest health through its participation on the GA SIC.
Means of Verification	Risk assessments, Supply Agreements and Logging Contracts , Company policy and procedures, BMP Compliance checklists
Evidence Reviewed	1. VWP-DOC-008 PEFC Due Diligence Risk Assessment 2. VWP-DOC-008a SBP Supply Base Risk assessment 3. VWP-POL-002 Sustainable Forestry Policy 4. VWP-PROC-001 SFI Fiber Sourcing Procedures 5. VWP-DOC-004 Landowner Survey BMP Compliance 6. Supply Agreements and Logging Contracts
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**

	Indicator
2.4.2	The Biomass Producer has implemented appropriate control systems and procedures for verifying that natural processes, such as fires, pests and diseases are managed appropriately (CPET S7b).
Finding	While VWP does not conduct forest management activities that manage fires, pests and diseases, the Company actively promotes the use of prescribed burning and other integrated pest management activities to forest landowners as a sustainable forestry activity through its SFI Sourcing certification. The Company actively educates forest landowners about sustainable forestry by providing educational materials developed for landowners. VWP works with state forestry agencies, as needed, to address issues of forest health through its membership on the Plantation Management Research Cooperative (PMRC) and participation on the GA SIC. The GA Forestry Commission in its 2016 Annual Report stated there were 2,415 wildfires burning 9,970 acres for the fiscal year. GFC stated 2016 was lowest acreage burned since 1957. GFC foresters incorporated insect, disease, or invasive species advise into 361 management cases involving 9,012 acres for the year. The FL Forest Service in its 2016 Annual Report stated there were 2,795 fires burning 37,877 acres. The AL Forestry Commission reported in the 2017 Annual Report that the state had 3,371 wildfires burning almost 47,000 acres for Fiscal Year 2017.
Means of Verification	State forestry agency reports
Evidence Reviewed	1. VWP-PROC-001 SFI Fiber Sourcing Procedures 2. SFI Annual Progress Report 3. PMRC Membership 4. GA SIC Committee Meeting Minutes 5. GFC 2015 Annual Report 6. FFS 2016 Annual Report 7. AL Forestry Commission 2017 Annual Report

Risk Rating	X **Low Risk**	☐ **Specified Risk**	☐ **Unspecified Risk at RA**

	Indicator
2.4.3	The Biomass Producer has implemented appropriate control systems and procedures for verifying that there is adequate protection of the forest from unauthorised activities, such as illegal logging, mining and encroachment (CPETS7c).
Finding	There are appropriate control systems and procedures to ensure that legality of ownership and land use can be demonstrated for the Supply Base. Illegal harvesting in the supply base is prohibited by state laws. In most states the timber buyers and/or harvesting companies have to be licensed in order to conduct their business. Evidence indicates that major violations are prosecuted and legal liability is enforced. There is no evidence suggesting that illegal logging is a wide scale problem in the United States (US). Commonly used terms for violations in US are timber theft, tree poaching and unlawful logging. Thefts do occur, however the share of illegal felling in hardwoods is much smaller than 1% according to a study conducted by American Hardwood Export Council. It is logical to conclude that similarly illegal logging is not a major problem for softwoods in US. Further, legality of ownership and land use is enforced through Company procedures and contractual agreements by suppliers.
Means of Verification	State laws, Company policy, regional risk assessment, contract provisions with suppliers.
Evidence Reviewed	1. VWP-POL-001 Sustainable Forestry Policy 2. VWP-PROC-002 Chain of Custody Procedures 3. VWP-DOC-008 PEFC Due Diligence Risk Assessment 4. VWP-DOC-008a SBP Supply Base Risk Assessment 5. Supply Agreements and Logging Contracts 6. State laws addressing illegal logging and wood theft are as follows: *Alabama Laws* ALA. CODE 1975 § 9-13-62 awards double damages for a trespass that is committed *knowingly and intentionally*." *http://www.sfr.psu.edu/PDFs/HicksThesis.pdf* Article 3 - Regulations as to Cutting, Removal, Purchase, etc., of Forest Products § 9-13-60 Unauthorized cutting, removal, transportation, etc., of timber or other forest products § 9-13-61 Charges in affidavits, information or indictments under article; proof of title, etc. § 9-13-62 Liability § 9-13-63 Record of purchases, etc., of manufactured or semi-manufactured forest products; provision of false information to purchasers, etc.; failure to maintain record, etc. § 9-13-64 Powers of State Forestry Commission employees as to enforcement of article, etc. § 9-13-65 Disposition of fines Article 9 - Timber Theft Equipment Condemnation § 9-13-220 Short title § 9-13-221 Seizure of vehicle and equipment upon arrest for certain criminal violations; delivery to district forester

§ 9-13-222 Report of seizure to district attorney
§ 9-13-223 Report to district attorney after conviction of person for theft of timber or lumber
§ 9-13-224 Notice to creditors; institution of condemnation proceedings; legal title to equipment
§ 9-13-225 Forfeiture of equipment upon judgment; costs of proceedings; State Forester to keep records
§ 9-13-226 Use of proceeds from sale of equipment; award and distribution determined by State Forester
§ 9-13-227 Provisions cumulative

Georgia Laws
House Bill - HB 790 (A BILL TO BE ENTITLED AN ACT)
Signed by Governor: April 29, 2014 Effective Date: July 1, 2014

Provides additional enforcement authority to Georgia Forestry Commission investigators

In cases involving the unauthorized cutting or cutting and carrying away of timber from the property of another damages shall be awarded in accordance with GA. CODE ANN. § 51-12-50.
Amends GA. CODE ANN. § 51-12-50 whereas damages shall be: (1) Treble the fair market value of the trees cut as they stood; (2) Treble the diminished fair market value of any trees incidentally harmed; (3) Costs of reasonable reforestation activities related to the plaintiff's injury; and (4) Attorney fees and expenses of litigation. When defendant is a willful trespasser, plaintiff may receive punitive damages.
Amends GA. CODE ANN. § 12-6-23 relating to wood load ticket required for wood removal, so as to require purchasers to provide the proper tickets to sellers of timber within 20 days
GA Codes Title 12 Forest Resources and other Plant Life
Article 1 – Forestry Resources
GA. CODE § 12-6-23 - Wood load ticket required for wood removal; form; exceptions
GA. CODE § 12-6-24 - Notice of timber harvesting operations - See more at: http://statutes.laws.com/georgia/title-12/chapter-6/article-1/part-1a#sthash.J9TcZrl6.dpuf
County Laws in Georgia can be found online at:
http://warnell.forestry.uga.edu/warnell/service/library/index.php3?docID=272&docHistory[]=11

Florida Laws
Title XXXIII Regulation of Trade, Commerce, Investments, and Solicitations
Chapter 536 Timber and Lumber

§ 536.13 Stamp or brand for logs.
Any person engaged in this state in the business of getting out, buying, selling, or manufacturing saw logs, may adopt a stamp or brand for...
§ 536.14 Brands to be recorded by clerk of circuit court.
A person may execute a written declaration that she or he has adopted a brand, describing it, and after acknowledgment of such declaration before any...
§ 536.15 May prevent use by others.
Any person who has had her or his brand recorded in any county, may prevent other persons from using the same in said county by...
§ 536.16 Prima facie evidence of ownership.
Any log found in any county branded with a brand recorded in said county by any person shall be deemed prima facie to be the...
§ 536.17 Where two or more brands the same.
In case there shall be recorded in the same county two or more brands the same, or substantially the same, the brand first recorded shall...

	§ 536.18 Defacing the mark or brand of lumber and timber. If any person shall fraudulently alter, change or deface the duly recorded mark, brand, or stamp of any lumber, logs or timber, or shall fraudulently... § 536.19 Unlawful use of recorded log brand or stamp. Any person who shall unlawfully use any recorded log brand or stamp of another shall be guilty of a misdemeanor of the second degree, punishable...
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**

	Indicator
2.5.1	The Biomass Producer has implemented appropriate control systems and procedures for verifying that legal, customary and traditional tenure and use rights of indigenous people and local communities related to the forest are identified, documented and respected (CPET S9).
Finding	There are appropriate control systems and procedures to verify that legal, customary and traditional tenure and use rights of indigenous people and local communities related to the forest are identified, documented and respected for the Supply Base. According to the Company's VWP-DOC-008a SBP Supply Base Risk Assessment there is low risk in 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. Below are the justifications for this low risk designation. 1) There are no U.N. Security Council bans on timber exports from the United States; 2) USAID does not designate districts as source of conflict timber; 3) 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; 4) 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; 5) There is no evidence of violation of the ILO Convention 169 in the US. Native Americans are protected by federal law rather than state law according to the Nonintercourse Act of 1790. The Indian Removal Act of 1830 was intended to promote the voluntary removal of Native Americans out of the US Territory peacefully through treaties and land sales. There are no recognized Native American tribes located within the VWP supply area.
Means of Verification	Risk Assessment
Evidence Reviewed	1. VWP-DOC-008a SBP Supply Base Risk Assessment
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**

	Indicator
2.5.2	The Biomass Producer has implemented appropriate control systems and procedures for verifying that production of feedstock does not endanger food, water supply or subsistence means of communities, where the use of this specific feedstock or water is essential for the fulfilment of basic needs.
Finding	VWP policy and procedures are place to provide support and guidance on how Company employees and suppliers meet BMPs in the harvest of fiber for the mill thus verifying the production of feedstock does not endanger food, water supply or subsistence means of communities, where the use of this specific feedstock or water is essential for the fulfilment of basic needs. Supply Agreements and Logging Contracts have clauses requiring adherence to state BMPs. Procedures are in place to monitor BMP compliance on tracts delivering fiber directly from the forest. VWP will be reaching out to local and regional stakeholders who may have specific needs from the forestlands within their community. Feedback from these stakeholder consultations will be addressed as needed.
Means of Verification	Company policy and procedures, Supply Agreements and Logging Contracts , BMP Compliance Checklists, Stakeholder consultation feedback and follow-up
Evidence Reviewed	1. VWP-POL-001 Sustainable Forestry Policy 2. VWP-PROC-001 SFI Fiber Sourcing Procedures 3. Supply Agreements and Logging Contracts 4. VWP-DOC-004 Landowner Survey BMP Compliance 5. VWP-DOC-014 SBP Stakeholder List 1. VWP-DOC-015 Stakeholder Letter Template
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**

	Indicator
2.6.1	The Biomass Producer has implemented appropriate control systems and procedures for verifying that appropriate mechanisms are in place for resolving grievances and disputes, including those relating to tenure and use rights, to forest management practices and to work conditions.
Finding	VWP has complaint mechanisms in place as part of its chain of custody and controlled wood / due diligence procedures. Both procedures provide guidance on when and how the Company respond to grievances and complaints.
Means of Verification	Company procedures, Interview with certification body
Evidence Reviewed	1. VWP-PROC-002 Chain of Custody Procedures 2. VWP-PROC-003 SBP Procedures 3. VWP-DOC-011 Due Diligence Concern Report 4. VWP-DOC-011 Due Diligence Concern Log
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**

	Indicator
2.7.1	The Biomass Producer has implemented appropriate control systems and procedures for verifying that Freedom of Association and the effective recognition of the right to collective bargaining are respected.
Finding	VWP recognizes the right to collective bargaining and the Freedom of Association. The Company is PEFC Chain of Custody certified which requires the company to comply with social laws. Further, Federal laws in the United States codified in both the National Labor Relations Act of 1935 and OSHA protect workers' rights to collective bargaining. AL, GA and FL are Right to Work states.
Means of Verification	Employee interviews, PEFC Chain of Custody, Federal Laws
Evidence Reviewed	1. VWP-PROC-002 Chain of Custody Procedures 2. VWP-PROC-003 SBP Procedures 3. National Labor Relations Act: http://www.nlrb.gov/resources/national-labor-relations-act 4. 29 CFR 2200.22: https://www.law.cornell.edu/cfr/text/29/2200.22
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**

	Indicator
2.7.2	The Biomass Producer has implemented appropriate control systems and procedures for verifying that feedstock is not supplied using any form of compulsory labour.
Finding	The United States Federal Constitution 13th Amendment provides "Neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction" Further, benefiting from compulsory labor in the United States is a federal crime punishable by up to 20 years in prison. The Company also has policies on workers rights, discrimination, etc.
Means of Verification	Company employment policies, Employee interviews
Evidence Reviewed	1. Employment Posters 2. Amendment XIII of the United States Constitution: https://www.law.cornell.edu/constitution/amendmentxiii 3. 18 US Code 1589: https://www.law.cornell.edu/uscode/text/18/1589
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**

	Indicator
2.7.3	The Biomass Producer has implemented appropriate control systems and procedures to verify that feedstock is not supplied using child labour.
Finding	State and Federal laws, such as the Equal Employment Opportunity and OSHA, are in place to prohibit child labor.
Means of Verification	Review of Company employment policies, Employee interviews
Evidence Reviewed	1. Employment Posters 2. US Federal Child Labor Laws: http://www.dol.gov/whd/childlabor.htm 3. GA Child Labor Law: http://www.dol.state.ga.us/em/child_labor.htm 4. FL Child Labor Law: http://www.myfloridalicense.com/dbpr/reg/childlabor/ 5. AL ChildLabor Law: http://www.labor.alabama.gov/uc/ChildLabor/
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**

	Indicator
2.7.4	The Biomass Producer has implemented appropriate control systems and procedures for verifying that feedstock is not supplied using labour which is discriminated against in respect of employment and occupation.
Finding	State and Federal laws, such as the Equal Employment Opportunity and OSHA, are in place to provide rights to workers.
Means of Verification	Employee interviews, Federal laws
Evidence Reviewed	1. Employment Posters 2. 2 US Code 1311: https://www.law.cornell.edu/uscode/text/2/1311 3. Equal Pay Act of 1963: http://www.eeoc.gov/laws/statutes/epa.cfm
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**

	Indicator
2.7.5	The Biomass Producer has implemented appropriate control systems and procedures for verifying that feedstock is supplied using labour where the pay and employment conditions are fair and meet, or exceed, minimum requirements.
Finding	State and Federal laws, such as the Equal Employment Opportunity and OSHA, are in place to ensure pay and employment conditions are fair.
Means of Verification	Employee interviews
Evidence Reviewed	1. Employment Posters

Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**

	Indicator
2.8.1	The Biomass Producer has implemented appropriate control systems and procedures for verifying that appropriate safeguards are put in place to protect the health and safety of forest workers (CPET S12).
Finding	State and Federal laws, such as OSHA to ensure worker health and safety in the work place. The Company also has policies on workers health and safety. The Company has a health and safety program that is managed by dedicated personnel. This program includes the use of personal protective equipment and safety meetings.
Means of Verification	Training records, Employee interviews
Evidence Reviewed	1. Safety Training records 2. Safety Inspections
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**

	Indicator
2.9.1	Biomass is not sourced from areas that had high carbon stocks in January 2008 and no longer have those high carbon stocks.
Finding	USDA Forest Service FIA data on carbon storage for the Company's supply area was determined to be 231.035 million short tons for the most recent years in AL (2017), FL (2015) & GA (2016). This accounts for a 10.68% increase in the 7-10 years.
Means of Verification	USDA Forest Service FIA data
Evidence Reviewed	1. Carbon Reports from Forest Data Inventory Online from the USDA Forest Service website
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**

	Indicator
2.9.2	Analysis demonstrates that feedstock harvesting does not diminish the capability of the forest to act as an effective sink or store of carbon over the long term.
Finding	USDA Forest Service FIA data on carbon storage for the Company's supply area was determined to be 231.035 million short tons for the most recent years in AL (2017), FL

	(2015) & GA (2016). This accounts for a 10.68% increase in the 7-10 years.
Means of Verification	USDA Forest Service FIA data
Evidence Reviewed	1. Carbon Reports from Forest Data Inventory Online from the USDA Forest Service website.
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**

	Indicator
2.10.1	Genetically modified trees are not used.
Finding	The Company completed a SBP Supply Base Risk Assessment (VWP-DOC-008a) which assessed the level of risk GMO trees are available for operational use. The Risk Assessment states there are no operational GMO forests or stands in the United States.
Means of Verification	Review of citations within Risk Assessment
Evidence Reviewed	1. VWP-DOC-008a SBP Supply Base Risk Assessment
Risk Rating	X **Low Risk** ☐ **Specified Risk** ☐ **Unspecified Risk at RA**