Supply Base Report:

Varn Wood Products LLC
First Surveillance Audit

Sustainable Biomass Program
sbp-cert.org



Completed in accordance with the Supply Base Report Template Version 2.2 and SBP Bridging Requirements for Meeting the Directive EU/2023/2413 (REDIII)

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 2.0	Published 10 August 2023
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Version 2.3	Published 14 August 2025

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1 Overview

Producer name:	Varn Wood Products LLC
Producer address:	11873 Brantley Ave N, 31542 Hoboken, United States
SBP Certificate Code:	SBP-04-20
Geographic position:	31.183000, -82.136000
Primary contact:	Matt Stephens, +1 912 458 2185, matt.varncompanies@gmail.com
Company website:	http://varnwood.com/
Date report finalised:	21 Jul 2026
SBR reporting period from:	01 Jul 2025
SBR reporting period to:	30 Jun 2026
Name of the Certification Body:	SCS Global Services
Certification Body Approval date:	06 Oct 2026
SBP Standard(s) used:	SBP Standard 1: Feedstock Compliance v2.0, SBP Standard 2: Feedstock Verification v2.0, SBP Standard 4: Chain of Custody v2.0, SBP Standard 5: Collection and Communication of Data v2.0, Instruction Document 5E: Collection and Communication of Energy and Carbon data. v2.1, Instruction Document EU RED: Bridging Requirements for Meeting the Directive EU/2023/2413
Feedstock origin (countries)	United States (Southeast Region)
Weblink to Standard(s) used:	https://sbp-cert.org/documents/standards-documents/standards

2 Description of the Biomass Producer and the Supply Base

2.1 Description of the company

Varn Wood Products LLC is a pellet mill located in Hoboken, GA. This facility purchases processing residues feedstock from its sister pine sawmill located adjacent to the wood pellet mill and six other pine sawmills. The supply base includes hundred fifty-nine (159) counties (22,775,565 hectares) in Alabama (6 counties), Georgia (92 counties), Florida (48 counties) and South Carolina (13 counties) within the United States.

Products included in the scope of SBP Certification: *WB 1.1 Wood pellets*

Number of employees: *20*

Annual maximum production capacity (metric tonnes): *120000*

Number of direct feedstock suppliers: *7*

Approximate number of feedstock sub-suppliers: *200*

Description of the chain-of-custody and upstream supply chain:

Varn Wood Products LLC is a pellet mill located in Hoboken, GA. This facility purchases processing residues feedstock from its sister pine sawmill located adjacent to the wood pellet mill and six other pine sawmills. The supply base includes hundred fifty-nine (159) counties (22,775,565 hectares) in Alabama (6 counties), Georgia (92 counties), Florida (48 counties) and South Carolina (13 counties) within the United States.

2.2 Detailed description of the Supply Base

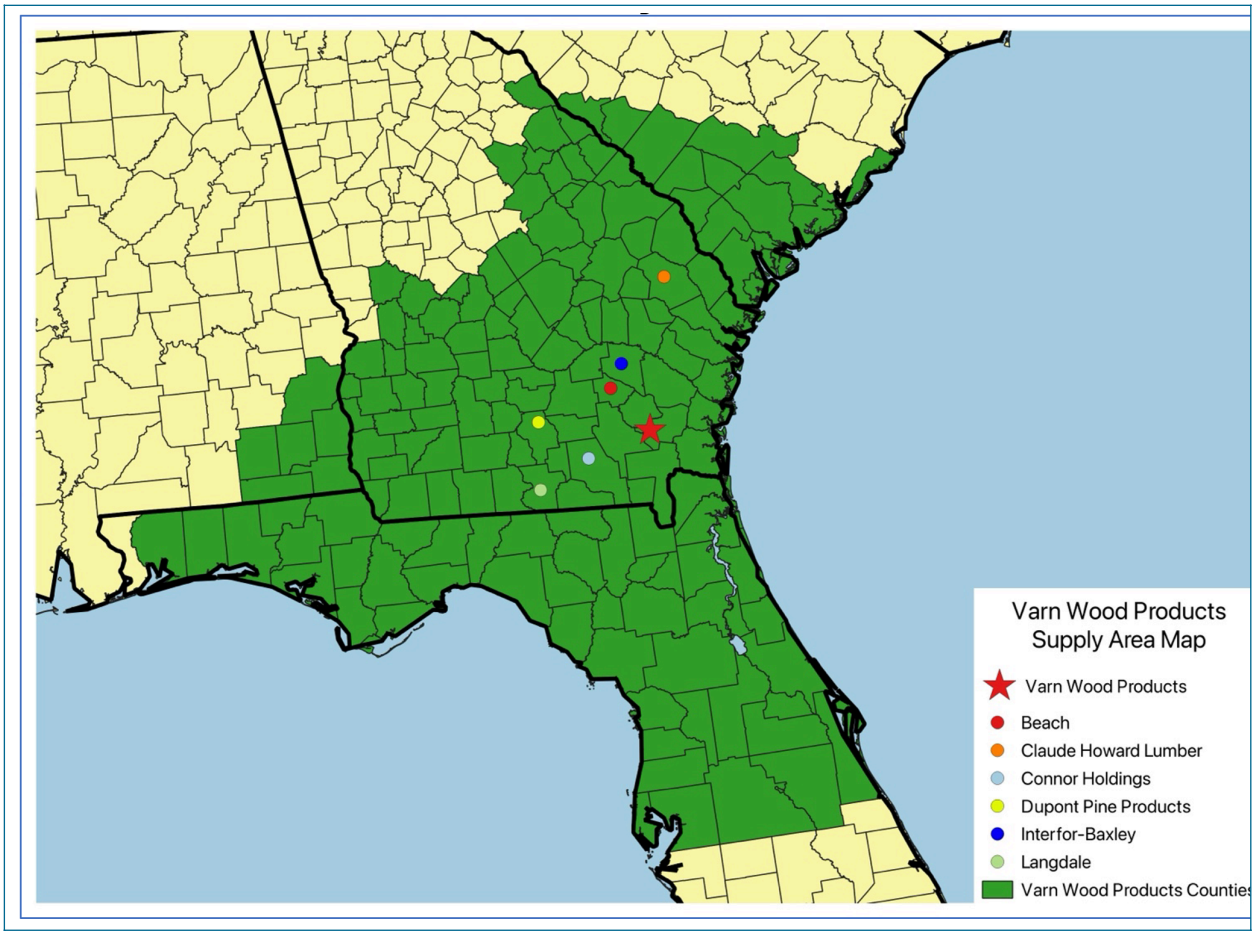
Guidance: Tables below have been generated automatically for each sourcing country based on the selection of 'Feedstock origin (countries)' in section 1 above.

Annex 1 is generated by the system if the SBP SBE is used without Regional Risk Assessment(s) (RRAs). In case RRA(s) is used, further details shall be given only in section 3 below.

Annex 2 is generated if EU RED SBE is in the scope for each country separately.

Country	United States
Area/Region	Southeast Region
Exclusions	None
Feedstock types	Processing residues
Feedstock Product Groups	Processing residues feedstock (4A)
Feedstock inputs	SBP Compliant feedstock
Is the forest managed to supply energy and non-energy markets?	No
For the forests in the Supply Base, is there an intention to retain, restock or encourage natural regeneration within 5 years of felling?	Yes - Majority
Risk assessment(s)	Yes – Regional Risk Assessment (RRA) used

Provide a concise summary of why a SBE was determined to be required or not required here:	
While Varn Wood Products LLC (VWP) receives 100% of its feedstock using an SBE. The Regional Risk Assessment for US Private Forest (SBP-RRA-US-PF-FOR v1.1) was published 19 December 2025 and became effective 19 December 2025 with a transition period to 27 January 2026. The Regional Risk Assessment for US National Forest (SBP-RRA-US-NF-FOR v1.1) was published 7 November 2025 and became effective 10 November 2025 with a transition period to 27 January 2026. Because of these approved RRAs VWP has cancelled its own SBE and is implementing the findings of the Regional Risk Assessment for US Private Forest (SBP-RRA-US-PF-FOR v1.1) and Regional Risk Assessment for US National Forest (SBP-RRA-US-NF-FOR v1.1).	
Feedstock types included in SBE:	Processing residues
Includes EU RED SBE:	Yes
Includes EU RED II SBE grandfathering	No
Includes EU RED TOF:	No
Includes EU RED II TOF grandfathering	No
Size of Supply Base area (million ha):	22.7756
Map(s) of the Supply Base area:	


Varn Wood Products
Supply Area Map
Varn Wood Products
Beach
Claude Howard Lumber
Connor Holdings
Dupont Pine Products
Interfor-Baxley
Langdale
Varn Wood Products Counties

2.3 Feedstock information

a. **Total volume of Feedstock:** 1-200,000 tonnes

b. **Volume of primary feedstock:** 0

c. **List of all the species in primary feedstock, including scientific name:**

d. **Was the feedstock used in the biomass removed from a forest as part of a pest/disease control measure or a salvage operation?** N/A

Explanation:

e. **Hardwood (i.e. broadleaf trees): specify proportion of feedstock from (%)**: 0.00

f. **Softwood (i.e. coniferous trees): specify proportion of feedstock from (%):** 0.00

g. **Proportion of feedstock composed of or derived from saw logs by weight (%):** 0.00

h. **Indicate how you determine the proportion of saw log:** Specification used by the sawmill closest to where the wood was grown.

i. **Roundwood from fellings from forests with > 40 yr rotation times - Average % volume of fellings delivered to BP (%):** 0.00

j. **Select forest type(s) where the primary feedstock was sourced from:** Other

k. **Select the main harvesting system(s) used for the sourced primary feedstock:** Other

l. **Volume of primary feedstock from primary forest:**

m. **Volume of processing residues feedstock:** 1-200,000 tonnes
Physical form of the feedstock: Chips, Other (specify)

n. **Share of SBP-recognised system claim for processing residues:**

0.00 % N/A

0.00 % N/A

o. **Volume of post-consumer feedstock:** 0
Physical form of the feedstock: Chips, Other (specify)

p. **Estimated amount of EU RED-compliant sustainable feedstock that could be collected annually by the BP:** 200000 tonnes

q. **What is the estimated amount of EU RED-compliant sustainable feedstock that could be harvested annually in a Supply Base (estimated):** 53541410.00 tonnes

Explanation: Volume based on USDA TPO Report (2024) for VWP's defined supply area.

3 Supply Base Risk Assessments and Risk Management Measures

Guidance: Biomass Producers shall demonstrate that any specified risks of sourcing feedstock not in compliance with SBP Standard 1 have been adequately reduced to low risk, following Standard 2 requirements. Following section applies to Biomass Producer's implementing SBP Supply Base Evaluation (SBP RRA or company own risk assessment). EU RED Supply Base Evaluation details are reported in Annex 2.

☐ **Not Applicable – Supply Base Evaluation not implemented**

3.1 Summary of the Supply Base Evaluation

The Regional Risk Assessment for US Private Forest (SBP-RRA-US-PF-FOR v1.1) was published 19 December 2025 and became effective 19 December 2025 with a transition period to 27 January 2026. The Regional Risk Assessment for US National Forest (SBP-RRA-US-NF-FOR v1.1) was published 7 November 2025 and became effective 10 November 2025 with a transition period to 27 January 2026. Because of these approved RRAs VWP has cancelled its own SBE and is implementing the findings of the Regional Risk Assessment for US Private Forest (SBP-RRA-US-PF-FOR v1.1) and Regional Risk Assessment for US National Forest (SBP-RRA-US-NF-FOR v1.1).

3.2 Conflicts with applicable national and sub-national legislation

None

3.3 Risk Management Measures

Guidance: Please provide more details about specified risk indicators in each supply country and describe mitigation measures taken to address all specified risks associated with indicators.

Country: United States	
Area/sub-scope: Southeast USA	
Risk Assessment used:	
	☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☐ Biomass Producer's own risk assessment

Indicator with specified risk:

2.1.3 Key species, habitats, ecosystems, and areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base shall be maintained or enhanced.

Description of the specific risk:

The Endangered Species Act is a highly efficient system for the maintenance and enhancement of Federally listed threatened and endangered animal species. However, there is specified risk for the following due to lack of regulatory safeguards and/or resources/incentives for maintenance and enhancement of the following:

· Nature Serve Network identified G1-G2 animal species not on the ESA threatened or endangered list, G1-G2 plant species (Figure 2.1.3.-1); and

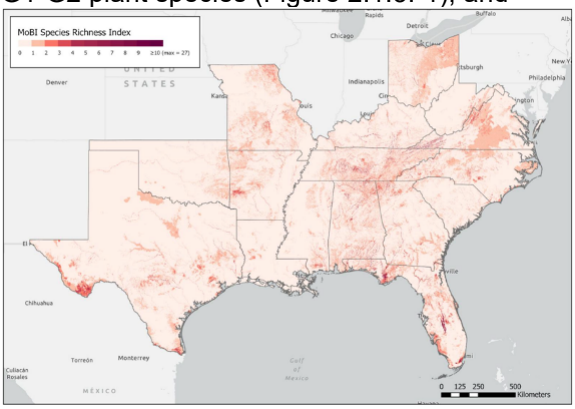


Figure 2.1.3.-1: *Areas of specified risk as identified by the element occurrence or modelled habitat of G1 and G2 species (NatureServe, 2024).*

• FSC US NRA identified species, ecosystems, and HCVs (Figure 2.1.3.-2).

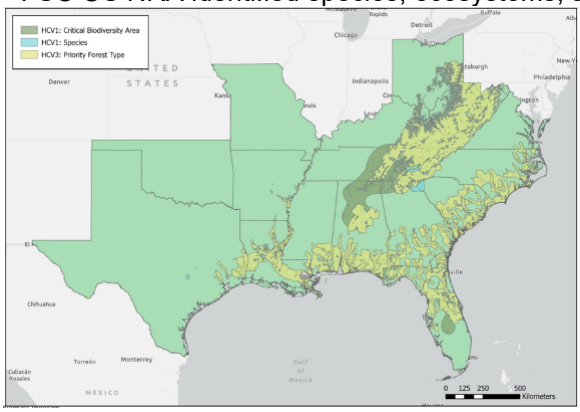


Figure 2.1.3.-2: *Areas of risk, as identified through specification of risk by the FSC US NRA.*

Mitigation measure:

<u>For Nature Serve Network identified G1-G2 animal species not on the ESA threatened or endangered list, G1-G2 plant species:</u>

Control measures including the following, which may be implemented in concert with SFI Fiber Sourcing certification:

• Assessment of G1 and G2 plant and animal species and ecosystems by forest type within a biomass producer's supply basin, including primary and processing residue feedstocks:

- Results of the assessment shall be integrated into a summary of management recommendations to support maintenance or enhancement of identified G1 and G2 species and ecosystems associated

with forest types within the supply basin.

- Results of the summary, including forest type-based management recommendations, shall be integrated into logger training curricula for company level or coordinated delivery to loggers within the supply region.
- Requirement that suppliers enter binding written agreements that specify logger training inclusive of forest type-based management recommendations to maintain or enhance G1 and G2 species. This applies to both primary and processing residue suppliers.

For FSC US NRA identified species, ecosystems, and HCVs:
Control measures including the following, which may be implemented in concert with FSC Controlled Wood programs under the FSC US NRA (2019) nexus:
• Assessment of FSC-specified HCVs and areas of specified risk within a biomass producer's supply basin, including primary and processing residue feedstocks:

- Results of the assessment shall be integrated into a summary of management recommendations to support maintenance or enhancement of HCVs associated with forest types within the supply basin.
- Results of the summary, including forest type-based management recommendations to support maintenance or enhancement of HCVs, shall be integrated into logger training curricula for company level or coordinated delivery to loggers within the supply region.
- Requirement that suppliers enter binding written agreements that specify logger training inclusive of forest type-based management recommendations to maintain or enhance HCVs. This applies to both primary and processing residue suppliers.

• Procurement Policy (for organizations that purchase directly from the source forest): Develop/adapt a procurement policy that reflects the communications themes specified in individual mitigation options and clearly states the requirement that the landowner/forester/logger at the source forest will not supply materials from forests where the HCV is threatened as a result of the forest management activities that produced the forest materials.
• Conservation Initiatives: Engage with, and/or provide monetary or in kind resources to, conservation organizations or similar entities (as specified in individual mitigation options) that are supporting or promoting programs or projects to develop new or augment existing programs within the specified risk area and the organization's supply area that will result in: a) increased and improved implementation of forest management practices for conservation of HCVs, and/or b) increased access to incentive programs for landowners who conserve an HCV.

Monitoring and outcomes:

For Nature Serve Network identified G1-G2 animal species not on the ESA threatened or endangered list, G1-G2 plant species:
Varn Wood Products LLC (VWP) purchases processing residues feedstock from its sister pine sawmill located adjacent to the wood pellet mill and four other pine sawmills. VWP is not Sustainable Forestry Initiative□ (SFI□) certified nor PEFC Chain of Custody certified. The following VWP residual feedstock suppliers are SFI Fiber Sourcing or FSC Chain of Custody certified.

- Claude Howard Lumber (SA-COC-016067)
- Connor Holdings (SCS-SFI/FS-10004)
- DuPont Pine Products, LLC (SCS-SFI/FS-10004)
- Interfor-Baxley (ITK-SFIFS-238967)

VWP, being the primary supplier and owner of the pellet mill, has procedures in place to survey G1-G2 plant

and animal assessment for their supply area using the Georgia Biodiversity Portal: https://georgiabiodiversity.org/portal/.
For FSC US NRA identified species, ecosystems, and HCVs:
VWP, through its previously developed own risk assessment and SBE, used the FSC US NRA as identified species, ecosystems and HCVs within its defined supply area. The HCVs identified were reviewed with the residual suppliers on an annual basis. These HCV reviews are documented on VWP-DOC-016 Secondary Supplier Audit Checklists.

Binding written agreements:
VWP maintains signed contracts with residual suppliers and sawmill suppliers requiring that their loggers maintain state SFI-SIC logger training education requirements. VWP also requires residual suppliers to sign VWP-DOC-019 Self-Declaration stating they will not knowingly purchase wood feedstock from sources as defined by the Sustainable Biomass Program Standards not rated as low risk.

Conservation Initiatives:
VWP actively partners with the Longleaf Alliance through its membership in the Georgia Forestry Association. Financial and in-kind support is documented for the education and awareness of private forest landowners implementing sustainable forestry practices.

Country: United States	
Area/sub-scope: Southeast USA	
Risk Assessment used:	
	☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☐ Biomass Producer's own risk assessment
Indicator with specified risk:	
2.2.1 Feedstock shall not be sourced from land that had one of the following statuses in January 2008 and no longer has that status due to land conversion: a. Forests b. Wetlands c. Peatlands d. Highly biodiverse grasslands.	
Description of the specific risk:	
Forests: While there is consensus that deforestation rates are quite low in the US and for the RRA geography, analysis of FIA for the given time period indicates net loss of timberland for the RRA geography	

of less than 1% (0.75%) with localized losses and gains. Similarly, using methodology based on population growth and issuance of housing permits, which is not based on change detection analysis of the forest itself, the FSC US NRA specified risk for a set of counties within the RRA's geography. Despite relatively low rates of forest loss, with recognition to the precedence of the FSC US NRA and the results of original analysis for the RRA's geography, risk is specified as it relates to forests in this Indicator (See Figure 2.2.1.-1 and Table 2.2.1.-1).

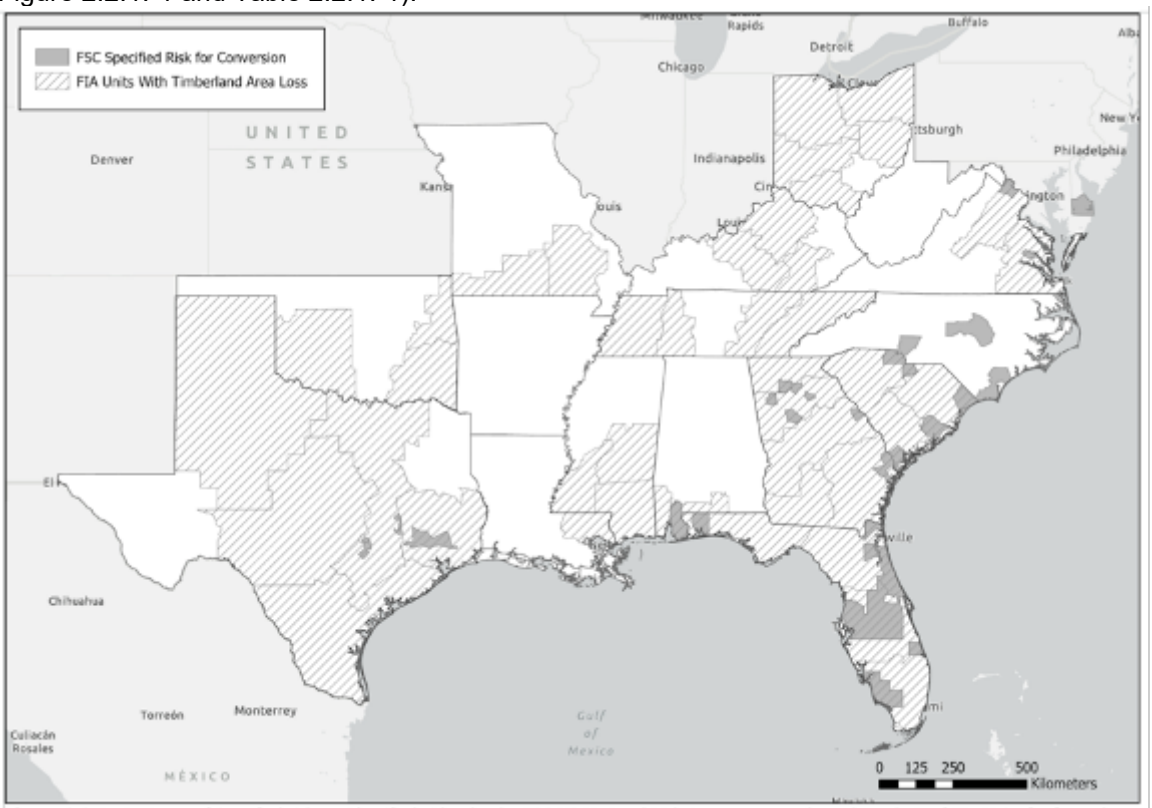


Figure 2.2.1.-1: *Areas of Specified risk, as identified either by the FSC US National Risk Assessment or through analysis of FIA Units for forest loss.*

State	Counties/Parishes of Specified Risk As indicated via FSC US NRA specification or FIA unit analysis of timberland loss
Alabama	Baldwin, Covington, Escambia, Mobile, Washington
Arkansas	No counties
Florida	All counties
Georgia	All counties

Table 2.2.1.-1: *Areas of Specified risk, as identified either by the FSC US National Risk Assessment or through analysis of FIA Units for forest loss.*

Mitigation measure:

Development and implementation of binding written agreements with suppliers that prohibit the delivery of material originating from known conversions of forest to non-forest use.

Monitoring and outcomes:

VWP Supplier Agreements prohibit 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.

Country: United States	
Area/sub-scope: Southeast USA	
Risk Assessment used:	
	☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☐ Biomass Producer's own risk assessment
Indicator with specified risk:	
2.2.2 Ecosystems, their health, vitality, functions and services in the Supply Base shall be maintained or enhanced.	
Description of the specific risk:	
Ecosystems enjoy protections under a range of laws, including the CWA and ESA, which are consistently implemented and enforced. However, ecosystems identified via species ranking of G1 and G2 under the NatureServe Global Ranking system or the FSC NRA are not protected by law within the RRA's geography. Thus, there is specified risk for: • Nature Serve Network identified G1-G2 animal species not on the ESA threatened or endangered list, G1-G2 plant species (Figure 2.1.3.-1)	

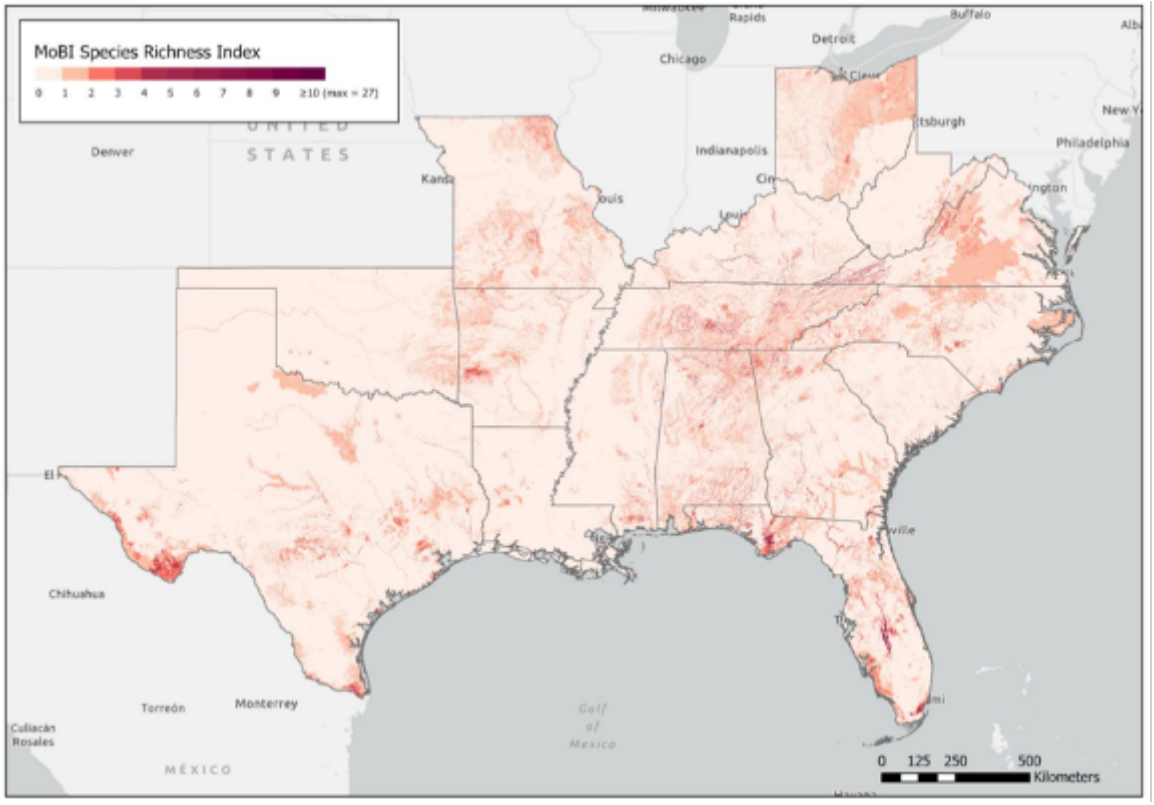


Figure 2.1.3.-1: *Areas of specified risk as identified by the element occurrence or modelled habitat of G1 and G2 species (NatureServe, 2024).*

• FSC US NRA identified ecosystems (HCV3) (Figure 2.1.3.-2)

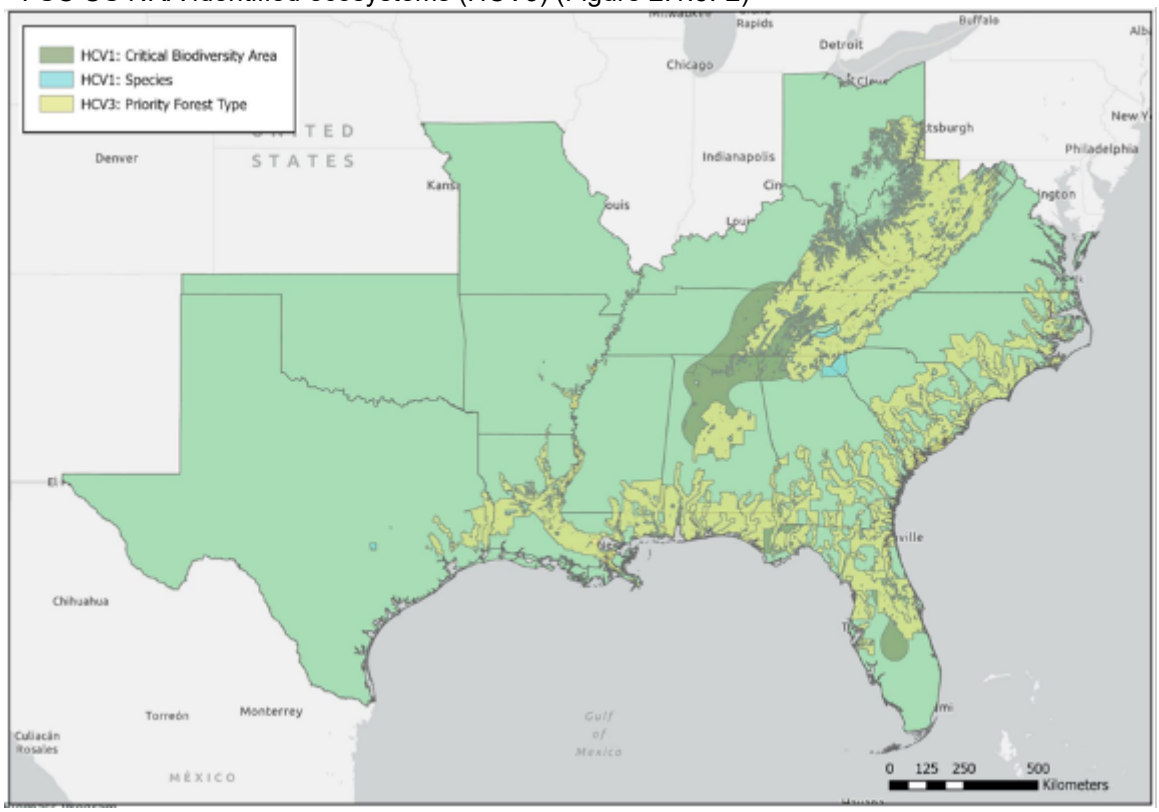


Figure 2.1.3.-2: *Areas of risk, as identified through specification of risk by the FSC US NRA.*

Mitigation measure:

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Monitoring and outcomes:

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G1-G2 plant species:
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Conservation Initiatives:
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	☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☐ Biomass Producer's own risk assessment

Indicator with specified risk:

3.1.1 LULUCF emissions shall be accounted for through one of the following routes: Route A Feedstock may be sourced from a country of origin which is party to the Paris Agreement, and which has submitted a Nationally Determined Contribution to the United Nations Framework Convention on Climate Change (UNFCCC) covering carbon emissions and removals from agriculture, forestry and land use which ensure the changes in carbon stock associated with biomass harvest are counted towards the country's commitment to reduce or limit greenhouse gas emissions, or Route B Feedstock may be sourced from a country of origin which is party to the Paris Agreement and has national or sub-national laws in place (developed in accordance with Article 5 of the Paris Agreement and applicable in the area of harvest), to conserve and enhance carbon stocks and sinks, and provided there is evidence that reported LULUCF-sector emissions do not exceed removals, or Route C Feedstock may be sourced from a Supply Base where an assessment demonstrates that both the carbon stock is stable, and the forests' capacity to act as a carbon sink is stable or increasing over the long term.

Description of the specific risk:

On January 26, 2025, the United States (US) notified the United Nations of its withdrawal from the Paris Agreement, effective January 26, 2026. As a result, the risk classification for Indicator 3.1.1 on Land Use Land Use Change and Forestry (LULUCF) within the Sustainable Biomass Program (SBP) RRA for US Private Forest and RRA for US National Forest have been updated from low to specified risk. Simultaneously, the Level A conclusion from the Article 29(7) from the EU Renewable Energy Directive 2023 (REDIII) Risk Assessment prepared by SBP, has been revised from Level A to Level B. These changes are effective from January 27, 2026.

This change requires Varn Wood Products (VWP) to take action to ensure compliance with Route C of Indicator 3.1.1 and Level B of Article 29(7)(b) of REDIII, meaning additional work is required to determine the historical and future carbon stocks in a sourcing area within its Supply Base Evaluation (SBE). On January 21, 2026, SBP published "SBP Guidance for US REDIII Level B LULUCF v1.0 – Guidance for Biomass Producers undertaking the Level B risk assessment for RED Article 29(7) and indicator 3.1.1 of SBP Standard 1" which lays out the additional steps as guidance which can also be used for compliance with Route C and Level B. This guidance document was developed by the SBP Secretariat working on an expert assessment of the carbon stocks and stock change across the lower 48 States (that is, excluding Alaska and Hawaii), which includes historical carbon stocks within the above and below ground living biomass, soil, litter and deadwood, and is intended to produce limited future projections for estimated carbon stock change in line with Level B of Article 29(7)(b) of REDIII and indicator 3.1.1 of SBP Standard 1.

VWP, using guidance document "SBP Guidance for US REDIII Level B LULUCF v1.0 – Guidance for Biomass Producers undertaking the Level B risk assessment for RED Article 29(7) and indicator 3.1.1 of SBP Standard 1" and "US REDIII Level B LULUCF" Microsoft Excel file, has completed the recommended eight-step process described in Annex D of the SBP EU RED Instruction Document "Bridging Requirements for Meeting the Renewable Energy Directive" (EU/2023/2413) and the REDIIBIO Final Report. This process is documented in VWP-DOC-021 Level B Risk Assessment for REDIII Article 29(7) and Indicator 3.1.1 of SBP Standard 1.

Data applied for conducting the risk assessment were sourced from the USDA Forest Service's Forest Inventory and Analysis (FIA) Program's Nationwide Forest Inventory, a sample-based forest inventory that provides consistent information on forest extent, composition, growth, removals, mortality, and carbon stocks across all ownerships in the United States. The inventory is based on a permanent network of field

plots that are measured on a rotating basis, with standardised methods applied nationwide to ensure comparability across states and regions. Because FIA estimates are derived from a statistical sample rather than a complete census, reported values represent population-level estimates and are accompanied by measures of sampling error to support appropriate interpretation of uncertainty.

Mitigation measure:

VWP, using guidance document “SBP Guidance for US REDIII Level B LULUCF v1.0 – Guidance for Biomass Producers undertaking the Level B risk assessment for RED Article 29(7) and indicator 3.1.1 of SBP Standard 1” and “US REDIII Level B LULUCF” Microsoft Excel file, has completed the recommended eight-step process described in Annex D of the SBP EU RED Instruction Document “Bridging Requirements for Meeting the Renewable Energy Directive” (EU/2023/2413) and the REDIIBIO Final Report.

VWP-DOC-021 Level B Risk Assessment for REDIII Article 29(7) and Indicator 3.1.1 of SBP Standard 1 was created to describe the 8-step process, in detail, VWP used in completing this assessment.

Monitoring and outcomes:

VWP will monitor and review VWP-DOC-021 Level B Risk Assessment for REDIII Article 29(7) and Indicator 3.1.1 of SBP Standard 1 annually as part of VWP’s internal audit program to assess any changes in the supply area and/or current available data concerning forest carbon stocks.

Based on the results of this risk assessment, VWP-DOC-021 Level B Risk Assessment for REDIII Article 29(7) and Indicator 3.1.1 of SBP Standard 1, using “SBP Guidance for US REDIII Level B LULUCF v1.0 – Guidance for Biomass Producers undertaking the Level B risk assessment for RED Article 29(7) and indicator 3.1.1 of SBP Standard 1” and “US REDIII Level B LULUCF” Microsoft Excel file, forest carbon stock was found to be Stable/Increasing in all states and ownership sub-scopes assessed.

4 Stakeholder engagement

4.1 General description

Biomass Producer's stakeholder engagement start date: 01 Jul 2025

Biomass Producer's stakeholder engagement end date: 30 Jul 2025

Total number of stakeholders contacted: 26

Give a general description of the process of Stakeholders Engagement, including stakeholders contacted, method of communication and a summary of the comments received:

Varn Wood Products LLC (VWP) is required to assess its supply area and produce a Supply Base Evaluation, VWP consulted with stakeholders to obtain their comments and opinions on:
• The verifiers used for the evaluation.
• The results of the risk analysis carried out by VWP.
• The management plan for the identified risks and proposed mitigation measures.
• The means of verifying the effectiveness of these measures.
VWP stakeholders were consulted by email of a 4-week notice of consultation for parties who have been identified as may having an interest in VWP's Supply Base Evaluation. VWP reported to its certification body after the 4-week consultation period the following:
• A summary of comments received;
• VWP's response to interested parties who submitted comments;
• If deemed necessary and relevant, the integration of relevant comments into the risk analysis;
• Modification of the findings and actions put forward in VWP's SBE.

VWP conducted a stakeholder engagement in 2025 as part of its SBP certification renewal. No responses were received. In January 2026 VWP started receiving feedstock from a new residuals supplier that purchases wood from South Carolina. VWP's supply area was enlarged to include these South Carolina counties. VWP also identified nine (9) stakeholders from South Carolina and sent out engagement letters. No responses have been received to date.

4.2 Response to stakeholder comments

5 Report updates and approval

This document is: New Supply Base Report (Assessments/reassessments)

Summary of changes: N/A

Name	Gary Boyd
Title	Consultant
Date of report approval	21 Jul 2026

Name	Matt Stephens
Title	Management representative
Date of report approval	22 Jul 2026

Annex 1: Detailed findings for Supply Base Evaluation indicators

Annex 2: EU RED Supply Base Evaluation

Countries where EU RED Supply Base Evaluation is used	
Country	United States
Area	Southeast Region
Sustainable harvesting criteria 29(6)	
(i) The legality of harvesting operations	
Type of Risk Assessment used	☒ Level A – proof at national or sub-national level ☐ Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-US-PF-FOR_v1.1 REDIII Level A for US Private FOR
Level B management system at the level of the forest sourcing area	N/A
(ii) Forest regeneration of harvested areas	
Type of Risk Assessment used	☒ Level A – proof at national or sub-national level ☐ Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-US-PF-FOR_v1.1 REDIII Level A for US Private FOR
Level B management system at the level of the forest sourcing area	N/A
(iii) That areas designated by international or national law or by the relevant competent authority for nature protection purposes, including in wetlands, grasslands, heathland and peatlands, are protected with the aim of preserving biodiversity and preventing habitat destruction, unless evidence is provided that the harvesting of that raw material does not interfere with those nature protection purposes	
Type of Risk Assessment used	☒ Level A – proof at national or sub-national level ☐ Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-US-PF-FOR_v1.1 REDIII Level A for US Private FOR
Level B management system at the level of the forest sourcing area	N/A
(iv) that harvesting is carried out considering the maintenance of soil quality and biodiversity in accordance with sustainable forest management principles, with the aim of preventing any adverse impact, in a way that avoids harvesting of stumps and roots, degradation of primary forests, and of old growth forests as defined in the country where the forest is located, or their conversion into plantation forests, and harvesting on vulnerable soils, that harvesting is carried out in compliance with maximum thresholds for large clear-cuts as defined in the country where the forest is located, and with locally and ecologically appropriate retention thresholds for deadwood extraction and that harvesting is carried out in compliance with requirements to use logging systems that minimise any adverse impact on soil quality, including soil compaction, and on biodiversity features and habitats	

Type of Risk Assessment used	☒ Level A – proof at national or sub-national level ☐ Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-US-NF-FOR v1.2 REDIII Level A for US National FOR
Level B management system at the level of the forest sourcing area	N/A
(v) That harvesting maintains or improves the long-term production capacity of the forest.	
Type of Risk Assessment used	☒ Level A – proof at national or sub-national level ☐ Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-US-PF-FOR_v1.1 REDIII Level A for US Private FOR
Level B management system at the level of the forest sourcing area	N/A
(vi)[1] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:* *(a) **primary forest** and other wooded land and **old growth forest,** namely forest and other wooded land of native species, where there is no clearly visible indication of human activity and the ecological processes are not significantly disturbed; and old growth forests as defined in the country where the forest is located. If there is no definition of **old growth forest** at the national level, then the following definition shall apply: A forest stand or area consisting of native tree species that have developed, predominantly through natural processes, structures and dynamics normally associated with late-seral developmental phases in primary or undisturbed forests of the same type. Signs of former human activities may be visible, but they are gradually disappearing or too limited to significantly disturb natural processes.*	
Type of Risk Assessment used	☒Level A – proof at national or sub-national level ☐Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-US-PF-FOR_v1.1 REDIII Level A for US Private FOR
Level B management system at the level of the forest sourcing area	N/A
(vi)[2] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:* *(b) **highly biodiverse forest** and other wooded land which is species-rich and not degraded, and has been identified as being highly biodiverse by the relevant competent authority, unless evidence is provided that the production of that raw material did not interfere with those nature protection purposes.*	
Type of Risk Assessment used	☒Level A – proof at national or sub-national level ☐Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-US-NF-FOR v1.2 REDIII Level A for US National FOR

Level B management system at the level of the forest sourcing area	N/A
(vi)[3] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:* *(d) **highly biodiverse grassland** spanning more than one hectare that is: (i) natural, namely grassland that would remain grassland in the absence of human intervention and that maintains the natural species composition and ecological characteristics and processes; or (ii) non-natural, namely grassland that would cease to be grassland in the absence of human intervention and that is species-rich and not degraded and has been identified as being highly biodiverse by the relevant competent authority, unless evidence is provided that the harvesting of the raw material is necessary to preserve its status as highly biodiverse grassland.*	
Type of Risk Assessment used	☒Level A – proof at national or sub-national level ☐Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-US-PF-FOR_v1.1 REDIII Level A for US Private FOR
Level B management system at the level of the forest sourcing area	N/A
(vi)[4] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:* *(e) **heathland** - Biomass Producer shall use the official definition for Heathland used in the applicable feedstock origin country. In the absence of such a definition, then the following definition shall be applied: Vegetation with low and closed cover, dominated by bushes, shrubs, dwarf shrubs (heather, briars, broom, gorse, laburnum etc.) and herbaceous plants, forming a climax stage of development (Source: EU Copernicus).*	
Type of Risk Assessment used	☒Level A – proof at national or sub-national level ☐Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-US-PF-FOR_v1.1 REDIII Level A for US Private FOR
Level B management system at the level of the forest sourcing area	N/A
(vi)[5] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (4): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with high-carbon stock, namely land that had one of the following statuses in January 2008 and no longer has that status:* *(a) **wetlands,** namely land that is covered with or saturated by water permanently or for a significant part of the year (NOTE: Evidence of verification of wetlands should reflect seasonal changes within a year).*	

Type of Risk Assessment used	☒Level A – proof at national or sub-national level ☐Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-US-PF-FOR_v1.1 REDIII Level A for US Private FOR
Level B management system at the level of the forest sourcing area	N/A
(vi)[6] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (5): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land that was **peatland** in January 2008, unless evidence is provided that the cultivation and harvesting of that raw material does not involve drainage of previously undrained soil. For a peatland that was partially drained in January 2008, a subsequent deeper drainage, affecting soil that was not fully drained, would constitute a breach of the criterion.*	
Type of Risk Assessment used	☒Level A – proof at national or sub-national level ☐Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-US-PF-FOR_v1.1 REDIII Level A for US Private FOR
Level B management system at the level of the forest sourcing area	N/A
(vii) that installations producing biomass fuels from forest biomass, issue a statement of assurance, underpinned by company-level internal processes, for the purpose of the audits conducted pursuant to Article 30(3), that the forest biomass is not sourced from the lands referred to in point (vi).	
Type of Risk Assessment used	☒Level A – proof at national or sub-national level ☐Level B – management system at forest sourcing area level
Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	*Not applicable, requirement only applies to Level A*

LULUCF criteria 29(7)	
Type of Risk Assessment used	☐ Level A – proof at national or sub-national level ☒ Level B – management system at forest sourcing area level
Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	VWP, using guidance document “SBP Guidance for US REDIII Level B LULUCF v1.0 – Guidance for Biomass Producers undertaking the Level B risk assessment for RED Article 29(7) and indicator 3.1.1 of SBP Standard 1” and “US REDIII Level B LULUCF” Microsoft Excel file, has completed the recommended eight-step process described in Annex D of the SBP EU RED Instruction Document “Bridging Requirements for

	Meeting the Renewable Energy Directive" (EU/2023/2413) and the REDIIBIO Final Report. VWP-DOC-021 Level B Risk Assessment for REDIII Article 29(7) and Indicator 3.1.1 of SBP Standard 1 was created to describe the 8-step process, in detail, VWP used in completing this assessment.

Annex 2a: EU RED II Supply Base Evaluation

Annex 3: SBP Processing residues and/or Post-consumer feedstock requirements

☐ Not Applicable (Processing Residues and/or post-consumer feedstock not used)

Verification and monitoring of suppliers

VWP-PROC-003 SBP Procedures describe the verification process of processing residues suppliers. Supplier records showing categories of feedstock, types of suppliers, and describing levels of control are documented in VWP-DOC-018 Supplier List. VWP-DOC-019 Supplier Self-Declaration documents that feedstock qualifies as processing residues according to SBP.

Feedstock inspection and classification upon receipt

Upon receipt, VWP Receiving visually inspects all processing residues feedstock and confirms their categorization as ‘processing residues’. The Controller retains all scale tickets, invoices, bills of lading (BOLs), reports from intake meters as documentary evidence of the delivery and inspections carried out that confirmed that the feedstock complies with SBP definitions. In cases where adequate evidence for the categorization of the feedstock as ‘processing residues’ feedstock is not available at the point of receipt; the Management Representative shall include the supplier in the supplier audit and conformance with the relevant SBP requirements shall be confirmed prior to the feedstock being used. In cases where feedstock received does not comply with purchase specifications and/or the quantities stated on the invoices are incorrect, the Plant Manager shall take immediate corrective actions. These actions shall be recorded and communicated to the Certification Body during the annual audit using VWP-DOC-010 Corrective Action Report.

Supplier audit for processing residues and post-consumer feedstock

The Management Representative shall perform biennially on-site audit of all suppliers as part of the supplier audit for processing residues feedstock. Supplier audits are documented on VWP-DOC-016 Secondary Supplier Audit Checklist(s). The Management Representative shall document supplier audits, including a record of audit date, findings, names and qualifications of auditors and examples of evidence concerning categorization of feedstock on VWP-DOC-016 Secondary Supplier Audit Checklist(s).

Annex 4: EU RED detailed findings for Trees Outside Forest (TOF) feedstock

NOTE: For "Trees outside forests (TOF) – Urban and landscape feedstock" no EU RED sustainability requirements apply, only the GHG savings criteria apply (SBP EU RED Bridging ID v2.0 Section 1.1). The land use category in this case is neither forest land nor agricultural land. For "Trees outside forests (TOF) – Agricultural land feedstock" the applicable criteria are Article 29 paragraphs (2)-(5).

Not Applicable (RED II TOF not included)

Annex 4a: RED II detailed findings for Trees Outside Forest (TOF) feedstock

NOTE: For "Trees outside forests (TOF) – Urban and landscape feedstock" no REDII sustainability requirements apply, only the GHG savings criteria apply (SBP REDII Bridging ID Section 4.2). The land use category in this case is neither forest land nor agricultural land. For "Trees outside forests (TOF) – Agricultural land feedstock" the applicable criteria are Article 29 paragraphs (2)-(5).