



Supply Base Report:

Effingham Pellets LLC

Fourth 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
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Table of contents

1 Overview

2 Description of the Biomass Producer and the Supply Base

- 2.1 Description of the company
- 2.2 Detailed description of the Supply Base
- 2.3 Feedstock information

3 Supply Base Risk Assessments and Risk Management Measures

- 3.1 Summary of the Supply Base Evaluation
- 3.2 Conflicts with applicable national and sub-national legislation
- 3.3 Risk Management Measures

4 Stakeholder engagement

- 4.1 General description
- 4.2 Response to stakeholder comments

5 Report updates and approval

Annex 1: Detailed findings for Supply Base Evaluation indicators

Annex 2: EU RED Supply Base Evaluation

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

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

1 Overview

Producer name:	Effingham Pellets LLC
Producer address:	4905 Ingram Bypass, 29541 Effingham, United States
SBP Certificate Code:	SBP-04-71
Geographic position:	34.090000, -79.650000
Primary contact:	Thomas Brodie, +1 843 662 1483 x 233, thomas@cilumber.com
Company website:	
Date report finalised:	02 Apr 2026
SBR reporting period from:	01 Jan 2025
SBR reporting period to:	31 Dec 2025
Name of the Certification Body:	SCS Global Services
Certification Body Approval date:	27 Apr 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 REDII: Bridging requirements of the SBP scheme for meeting REDII. v1.2
Feedstock origin (countries)	United States (8.52)
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

Effingham Pellets, LLC (EP) purchases tertiary feedstock in the form of pine shavings exclusively from an adjacent pine sawmill owned by one of the owners of this wood pellet facility and from one other pine sawmill nearby. The supply base includes forty-eight (48) counties (8,525,354 hectares) in North Carolina and South Carolina within the United States.

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

Number of employees: 9

Annual maximum production capacity (metric tonnes): 200000

Number of direct feedstock suppliers: 2

Approximate number of feedstock sub-suppliers: 50

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

Effingham Pellets, LLC (EP) is located in Effingham, SC. This company purchases tertiary feedstock in the form of pine shavings exclusively from an adjacent pine sawmill owned by one of the owners of this wood pellet facility and from one other pine sawmill nearby. The primary sawmill supplier who is the co-owner of this pellet sells more than 95% of the pellet mill's furnish. The remaining shavings purchased (3%) are sold with no certified claim. The Regional Risk Assessment for US Private Forest and the Regional Risk Assessment for US National Forest were used in the company's SBE these shavings. The supply base includes forty-eight (48) counties (8,525,354 hectares) in North Carolina and South Carolina within the United States.

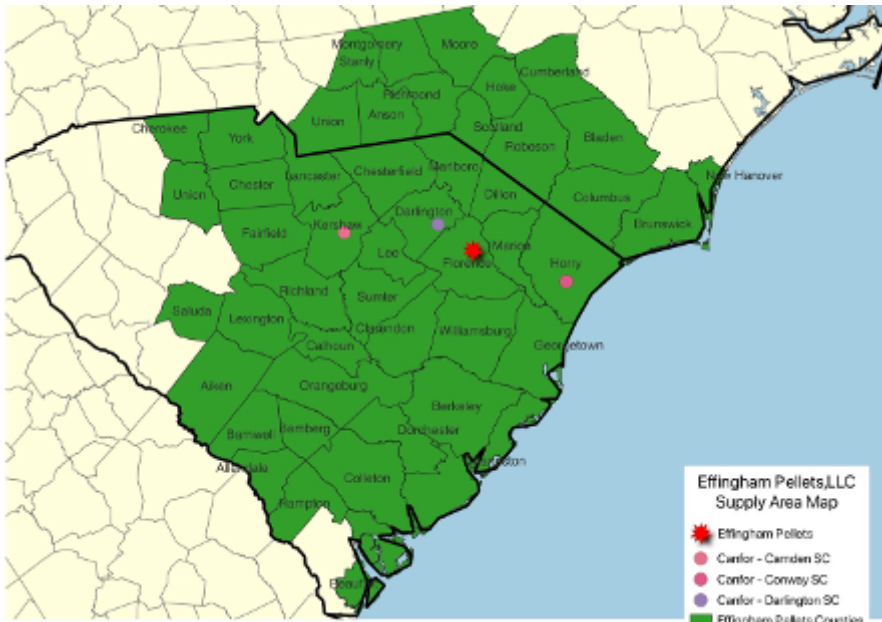
2.2 Detailed description of the Supply Base

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 ¹
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	Yes - Majority

natural regeneration within 5 years of felling?	
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 Effingham Pellets, LLC (EP) 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 EP 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 ¹
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):	8.5200
Map(s) of the Supply Base area:	
	

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? No

Explanation: No salvage wood was received during the audit period.

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

f. Softwood (i.e. coniferous trees): specify proportion of feedstock from (%): 100.00

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: Mix of The Above

k. Select the main harvesting system(s) used for the sourced primary feedstock: Mix of the above

l. Volume of primary feedstock from primary forest:

m. Volume of processing residues feedstock: 1-200,000 tonnes

Physical form of the feedstock: Other (specify)

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

0 % FSC

0 % PEFC

0 % SFI

o. Volume of post-consumer feedstock: 0

Physical form of the feedstock: 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): 24109734.00 tonnes

Explanation: Volume based on USDA TPO Report (2024) for BP'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 EP 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

<https://portal.sbp-cert.org/index?targeturl=/form/forms/edit?rslid=1870&rsltpid=165&resultdate=2026-04-02&tabindex=11#fastFormTabResultGeneral>
<https://portal.sbp-cert.org/index?targeturl=/form/forms/edit?rslid=1870&rsltpid=165&resultdate=2026-04-02&tabindex=11#fastFormTabResultGeneralNone>

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 Region	
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

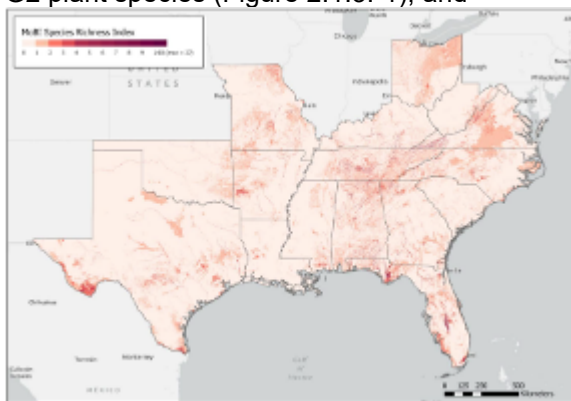


Figure 2.1.3.-1: Areas of specified risk as identified by the element occurrence or modeled habitat of G1 and G2 species (NatureServe, 2024).

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

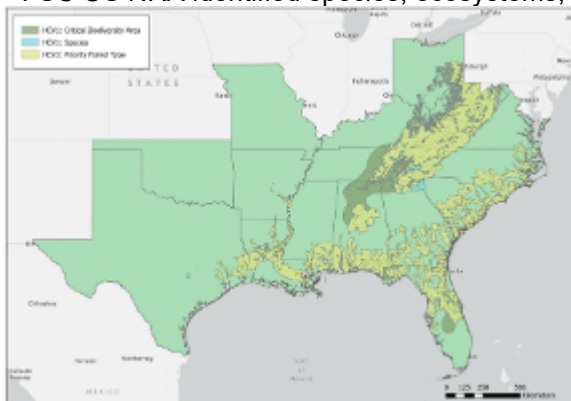


Figure 2.1.3.-2: Areas of risk, as identified through specification of risk by the FSC US NRA.

Mitigation measure:

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

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:
 - o 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.
 - o 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.
 - o 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:
 - o 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.
 - o 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.
 - o 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.

Monitoring and outcomes:

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

EP purchases processing residues feedstock exclusively from its sister pine sawmill, Charles Ingram Lumber, located adjacent to the wood pellet mill and, on rare occasion, one other pine sawmill. Charles Ingram Lumber is SFI certified (NSF-SFI-FS-C0616436). The outside sawmill, Canfor Southern Pine, Inc. is also SFI certified (NSF-SFI-FSC0079539).

Charles Ingram Lumber Company, being the primary supplier and co-owner of EP, has completed their G1-G2 plant and animal assessment for their supply area and have developed FECV Summary Sheets for these G1-G2 species and ecosystems. These FECV have been and will continue to be distributed to sawmill wood suppliers and loggers.

For FSC US NRA identified species, ecosystems, and HCVs:

EP, 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 EP-DOC-011 Secondary Supplier Audit Checklists.

Binding written agreements:

EP maintains signed contracts with residual suppliers and sawmill suppliers requiring that their loggers

maintain state SFI-SIC logger training education requirements. EP also requires residual suppliers to sign EP-DOC-006 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.

Country: United States	
Area/sub-scope: Southeast Region	
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).	

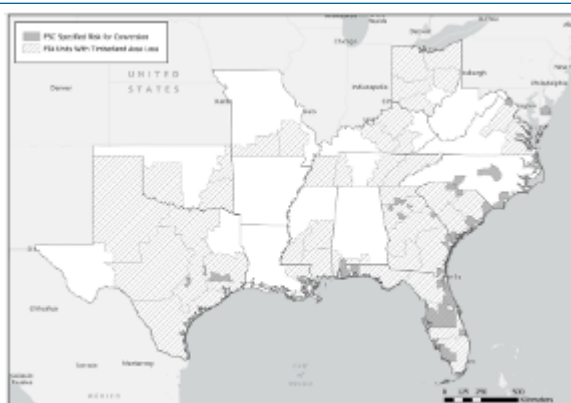


Figure 2.2.1.-1: Areas of Specified risk, as identified either by the FSC US National Risk Assessment or through analysis of FIA Units for forest loss.

State	Countries/Partitions of Specified Risk
Alabama	As indicated via FSC US NRA specification or FIA unit analysis of timberland loss
Arkansas	Bellevue, Conington, Escambia, Florida, Washington
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:

EP requires residual suppliers to sign EP-DOC-006 Self-Declaration stating they will not knowingly purchase wood feedstock from conversions of forest to non-forest use.

Country: United States

Area/sub-scope: Southeast Region

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
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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:

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)

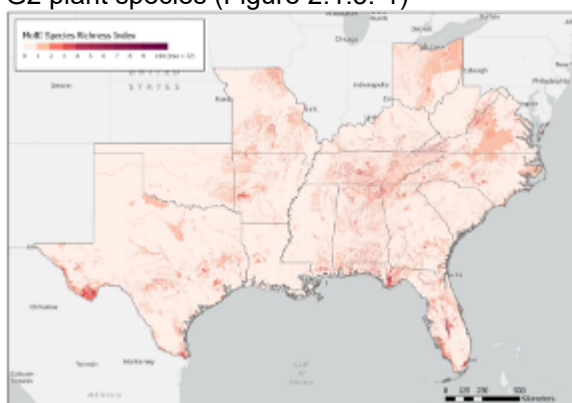


Figure 2.1.3.-1: Areas of specified risk as identified by the element occurrence or modeled habitat of G1 and G2 species (NatureServe, 2024).

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

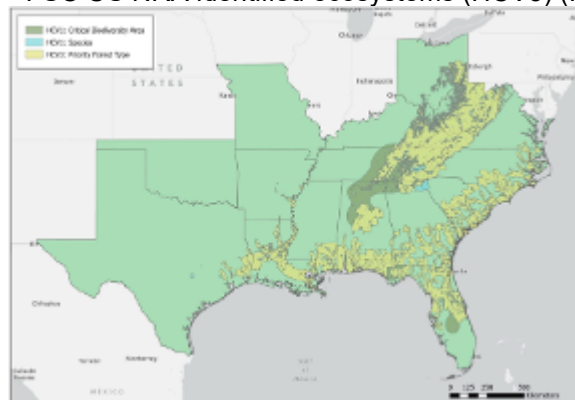


Figure 2.1.3.-2: Areas of risk, as identified through specification of risk by the FSC US NRA.

Mitigation measure:

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EP purchases processing residues feedstock exclusively from its sister pine sawmill, Charles Ingram Lumber, located adjacent to the wood pellet mill and, on rare occasion, one other pine sawmill. Charles Ingram Lumber is SFI certified (NSF-SFI-FS-C0616436). The outside sawmill, Canfor Southern Pine, Inc. is also SFI certified (NSF-SFI-FSC0079539).

Charles Ingram Lumber Company, being the primary supplier and co-owner of EP, has completed their G1-G2 plant and animal assessment for their supply area and have developed FECV Summary Sheets for these G1-G2 species and ecosystems. These FECV have been and will continue to be distributed to sawmill wood suppliers and loggers.

For FSC US NRA identified species, ecosystems, and HCVs:

EP, 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 EP-DOC-011 Secondary Supplier Audit Checklists.

Binding written agreements:

EP 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 EP-DOC-006 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.

Monitoring and outcomes:

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

EP purchases processing residues feedstock exclusively from its sister pine sawmill, Charles Ingram Lumber, located adjacent to the wood pellet mill and, on rare occasion, one other pine sawmill. Charles Ingram Lumber is SFI certified (NSF-SFI-FS-C0616436). The outside sawmill, Canfor Southern Pine, Inc. is also SFI certified (NSF-SFI-FSC0079539).

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Country: United States

Area/sub-scope: Southeast Region

Risk Assessment used:

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- ☐ SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim
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- ☐ SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed
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- ☐ 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:	
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 EP 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. EP, 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 REDIIIBIO Final Report. This process is documented in EP-DOC-015 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:

EP, 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 REDIIIBIO Final Report.

EP-DOC-015 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, EP used in completing this assessment.

Monitoring and outcomes:

EP will monitor and review EP-DOC-015 Level B Risk Assessment for REDIII Article 29(7) and Indicator 3.1.1 of SBP Standard 1 annually as part of EP'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, EP-DOC-015 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: 22 Jan 2022

Biomass Producer's stakeholder engagement end date: 21 Feb 2022

Total number of stakeholders contacted: 22

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

A list of twenty-two (22) 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. One recognized indigenous peoples group, the Catawba tribe, was included in this list.

A letter was sent to the identified stakeholders notifying them the intent of Effingham Pellets, LLC to become SBP certified in January 2022 and asking for input on their thoughts on EP's business practices and their impact on sustainable forestry in their area. Feedback was requested during the certification process via letter, email and/or telephone. All feedback will be reviewed and responses provided upon request. A summary of the feedback will be added, as received, below in Section 4.2.

A second round of stakeholder consultation was started on 2 Feb 2024 and completed in March 2024 when EP's supply area was expanded to include Canfor sawmills in South Carolina. This stakeholder consultation included 25 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 located in the expanded supply area.

4.2 Response to stakeholder comments

Stakeholder description: South Carolina Forestry Commission

Stakeholder comment: We thank you for the opportunity to comment on the sustainability of the Effingham Pellets, LLC operation. After reading the Supply Base Report, we support the evidence provided that Effingham Pellets responsibly sources wood from sustainable resources, and furthermore their utilization of tertiary feedstock, primarily residues from a primary wood producer, creates a new product that's value-added to the existing supply chain. While an exact county list was not provided, we examined the forest resources for the state of South Carolina and for the Northern Coastal Plain Unit. Effingham Pellets is located in the Northern Coastal Plain, which is the United States Forest Service designated geographic unit comprised of 16 counties in the eastern portion of South Carolina. Estimates of growth/drain for the supply base concur with estimates for South Carolina in recent analyses, at 1.39 statewide for softwood plantations and 1.17 for the Northern Coastal Plain. Acreage in pine plantations statewide decreased slightly between 2011 and 2021, down 1.1% from 3,076,870 acres to 3,044,413 acres. However, in the Northern Coastal Plain acreage increased over this same period, up 2.8% from 1,085,414 acres to 1,115,782 acres. These metrics support a sustainable supply of resources in these areas. In addition, we found the detailed description of the forest resource that supplies the primary wood producers' operation, specifically as they address areas of high conservation value, support adherence to the guidelines as set forth in the Surveillance Audit.

Response to the stakeholder: No response is needed.

5 Report updates and approval

This document is: Updated SBR (surveillance audits/scope-change audits)

Not Applicable

Name	Emory Floyd
Title	Management representative
Date of report approval	02 Apr 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. <i>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:</i> <i>(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.</i>	
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. <i>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:</i> <i>(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.</i>	
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. <i>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.</i>	
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	<i>Not applicable, requirement only applies to Level A</i>

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	SBP-endorsed REDII Level A risk assessment for Article 29(7) LULUCF
Level B management system at the level of the forest sourcing area	N/A

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

Not Applicable

Feedstock inspection and classification upon receipt

Not Applicable

Supplier audit for processing residues and post-consumer feedstock

Not Applicable

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).