

Supply Base Report: Jasper Pellets, LLC

First Surveillance

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Completed in accordance with the Supply Base Report Template Version 1.3

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

Document history

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1 Overview

Producer name: Jasper Pellets, LLC

Producer location: 579 Nimmer Turf Road
Ridgeland, SC 29936

Geographic position: 32°28'25.28"N, 81° 1'29.43"W

Primary contact: Chase Knight
Logistics and Procurement Manager
Jasper Pellets, LLC
P.O. Box 1411
Ridgeland, SC 29936
770-856-0240 Cell

Company website: None

Date report finalised: 06/Jan/2021

Close of last CB audit: 10/Feb/2021

Name of CB: SCS Global Services

Translations from English: Yes

SBP Standard(s) used: Standard 1 version 1.0, Standard 2 version 1.1, Standard 4 version 1.0,
Standard 5 version 1.0

Weblink to Standard(s) used: <https://sbp-cert.org/documents/standards-documents/standards>

SBP Endorsed Regional Risk Assessment: Not Applicable

Weblink to SBE on Company website: Not Applicable

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

2 Description of the Supply Base

2.1 General description

Jasper Pellets, LLC (JP) purchases secondary & tertiary feedstock from ten (10) secondary suppliers and four (4) tertiary suppliers originating from twenty-three (23) pine sawmills in the form of pine shavings located in Alabama, Florida, Georgia, North Carolina, South Carolina & Virginia. The supply base for the pellet mill and its secondary suppliers includes two hundred sixty (260) counties (33,313,940 hectares) in Alabama (12 counties), Florida (11 counties), Georgia (134 counties), North Carolina (49 counties), South Carolina (46 counties) & Virginia (8 counties) within the United States. This supply base is based on a 75-mile radius applied to its 23 supplier/sub-supplier mills. Forests are the predominant land use in this supply base (63.7%). Pine forests comprise the largest forest type (45.8%) of the supply area's forestland followed by hardwood forests (41.2%). The pine/oak forest comprises 11.6% of the supply area's forestland while about 1% of the forestland is considered non-stocked. About 77.6% of the supply area's forests are managed as natural forests while the remaining 22.4% of the supply area's forests are artificially regenerated.

The forest products industry is a very large part of the area's economy and is one of the top industries within the states generating \$18.5 billion industry in AL (2016), \$20.8 billion in GA (2016), \$20 billion in NC (2017) and \$21 billion in SC (2017) annually.

JP only uses pine dry shavings from sawmills. Primary species used include loblolly pine (*Pinus taeda*), slash pine (*Pinus elliotii*), shortleaf pine (*Pinus echinata*) and longleaf pine (*Pinus palustris*). None of these species are listed on the CITES list. Longleaf pine is on the IUCN Red List and is classified as endangered.

Pine forests are typically managed on an even-aged basis with a rotation age of 25 to 35 years. During this rotation the pine stand may be thinned one or two times during the middle of the rotation with a final harvest completing the rotation. Most pine forests are artificially regenerated with pine seedlings planted to defined stand densities. Chemical and/or mechanical site preparation is typically used to manage the less desirable hardwood species and herbaceous species at stand establishment. Chemical treatments are minimal or below label rates; do not kill all competing species and last about two years so the pine seedlings can become established. Fertilizers are not normally applied to these forests due to cost. Some private investment groups (REITS, TIMOs) may apply fertilizers on forests which are more intensively managed. These intensively managed pine forests represent a very small percentage of the overall pine forests in the supply basin.

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

The vast majority of forests in the JP supply area are managed according to state forestry best management practices (BMPs). Overall BMP compliance reported for the various states within the supply base are: AL-98.2% (2016); FL-99.6% (2017); GA-93.17% (2017); NC-85% (2016), SC-95.5% (2016) & VA-91.1% (2017).

Sustainable forestry certification is present in JP's supply base. Based on state-wide reporting approximately 19% of the forestland is certified (SFI-15.2%; FSC-3.1% & ATF-0.4%). No FSC certified fiber has been purchased to date.

JP does not purchase any primary feedstock. Secondary & tertiary feedstock is received in the form of pine shavings from twenty-three pine sawmills.

2.2 Actions taken to promote certification amongst feedstock supplier

JP promotes certification through its own certification and the certification of its secondary suppliers. JP has obtained chain of custody and to the Forest Stewardship Council® (FSC®). JP also promotes certification through the purchase of feedstock from certified secondary suppliers where possible. Eighteen (18) of the 23 suppliers & sub-suppliers (78.3%) are certified to the Sustainable Forestry Initiative® (SFI) Fiber Sourcing standard. These certifications are validated at least once annually as part of the secondary supplier annual audit.

2.3 Final harvest sampling programme

Not applicable. Facility does not receive primary feedstock.

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

2.5 Quantification of the Supply Base

Supply Base

- Total Supply Base area (ha): 33,313,940 ha
- Tenure by type (ha): Privately owned (19,078,289 ha) / Public (1,480,897 ha)
- Forest by type (ha): Temperate (21,212,798 ha)
- Forest by management type (ha): Plantation (6,132,780 ha) / Managed Natural (14,798,941 ha) / Natural (290,077 ha)
- Certified forest by scheme (ha): State totals by standard:

Cert Hectares by Standard by State							
	AL	FL	GA	NC	SC	VA	Total
ATF	22,312	11,858	26,923	8,765	5,950	5,177	80,984
FSC	271,512	51,154	33,023	77,285	132,453	90,832	656,258
SFI	1,179,130	713,185	939,249	466,128	427,579	208,987	3,934,258
	1,472,953	776,197	999,195	552,177	565,982	304,996	4,671,499

- The Supply Base for Jasper Pellets did not change for the 2020 year. The supply base data used was not updated since the supply base area did not change.

Feedstock

- Total volume of Feedstock: 0 - 200,00 tonnes *
- Volume of primary feedstock: 0
- List percentage of primary feedstock (g), by the following categories. – Not Applicable
- List all species in primary feedstock, including scientific name – Not Applicable
- Volume of primary feedstock from primary forest - 0
- List percentage of primary feedstock from primary forest (j), by the following categories. – Not Applicable
- Volume of secondary feedstock: specify origin and type* – Pine Shavings 100%

n. Volume of tertiary feedstock: specify origin and composition

Pine Shavings 100%

Slash Pine (*Pinus elliottii*), Loblolly Pine (*Pinus taeda*), Longleaf Pine (*Pinus palustris*)

- * Compelling justification would be specific evidence that, for example, disclosure of the exact figure would reveal commercially sensitive information that could be used by competitors to gain competitive advantage. State the reasons why the information is commercially sensitive, for example, what competitors would be able to do or determine with knowledge of the information. Exact volumes of feedstock types revealed to certification body for review in the certification audit.

3 Requirement for a Supply Base Evaluation

SBE completed	SBE not completed
X	☐

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

4 Supply Base Evaluation

4.1 Scope

The scope of the supply base evaluation is to determine the level of risk as compared to the indicators of SBP Framework Standard 1: Feedstock Compliance Standard. The scope of the evaluation covered the supply area for the pellet mill including all existing and potential sources of secondary feedstocks, as well as the feedstocks' point of origination. The evaluation is consistent with Jasper Pellet's due diligence processes and risk assessment for FSC Controlled Wood. The supply base evaluation remains the same as the initial evaluation due to the supply base remaining the same.

4.2 Justification

The evaluation assessed each of the indicators within SBP Framework Standard 1: Feedstock Compliance to determine the level of risk associated with each indicator. This assessment reviewed applicable laws and regulations and forestry best management practices, analysed high conservation areas within the supply base for their rareness and level of protection and assessed the economic impact of the company's presence in the supply base. Forestland ownership in the supply area is mainly private. The forest industry is well established with logger training and forestry best management practices required by all large wood consuming mills.

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

4.3 Results of Risk Assessment

Each indicator was assessed against Jasper Pellet's FSC controlled wood and chain of custody programs. The FSC US Controlled Wood National Risk Assessment (US NRA) was used as a baseline to determine if areas of high conservation value, biodiversity and conversion exist in JP's supply base area. Based on this assessment, JP has determined a rating of "low risk" for each indicator with the exception of indicators 2.1.2, 2.1.3, 2.2.3, 2.2.4 and 2.4.1.

4.4 Results of Supplier Verification Programme

Not applicable; the results of the risk assessment indicate there are no indicators determined to be "unspecified risk".

4.5 Conclusion

Based on the results of the supply base evaluation there is low risk to all indicators SBP Framework Standard 1: Feedstock Compliance except for indicators 2.1.2, 2.1.3, 2.2.3, 2.2.4 and 2.4.1, which are determined to be "specified risk" and will require mitigation measures to lower this identified risk.

This conclusion is based on the strong legal and regulatory system found within the supply base. Federal, state and local laws regulations are in place to address a wide range of indicators including, but not limited

to, illegal harvesting, water quality, rare and endangered species, worker health and safety, labour rights and air quality. In addition to these laws and regulations, voluntary state forestry best management practices (BMPs) are in place to provide guidance to forest landowners and contractors on how to sustainably manage forests. The company has made these voluntary guidelines mandatory through contract language requiring the use of all BMPs.

5 Supply Base Evaluation Process

The Supply Base Evaluation was completed in partnership with Greener Options Inc., a sustainability consulting company specializing in sustainable forest certification. The SPE remains the same for the first surveillance audit.

Gary Boyd, Greener Options Inc. is a Society of American Foresters (SAF) Certified Forester, a Georgia Registered Forester and an ISO 14001 Environmental Management Lead Auditor. He is also a lead auditor and conducts audits to the FSC, SFI and Programme for the Endorsement of Forest Certification (PEFC) chain of custody, controlled wood, fiber sourcing and forest management standards. He had more than 35 years of experience in the forestry profession.

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

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

JP's suppliers are visited at least annually to confirm their supply base and the species they purchase for their operations.

6 Stakeholder Consultation

A list of twenty-seven (27) local and regional stakeholders was identified for consultation. These stakeholders represent interests from local contractors and businesses, local governments, state forestry and wildlife agencies, conservation organizations such as the Nature Conservancy, state forestry associations, local forest landowner associations, US Forest Service and US Fish & Wildlife Service. One recognized indigenous peoples group (Catawba Indian Tribe) has been identified within the supply area.

A letter was sent to the identified stakeholders on September 13, 2019 notifying them the intent of JP to become SBP certified and asking for input on their thoughts on JP's business practices and their impact on sustainable forestry in their area. Feedback was requested during the certification process via letter or email. All feedback will be reviewed and responses will be provided.

6.1 Response to stakeholder comments

As of October 31, 2019 one stakeholder has responded to the initial notification letter sent out on September 13, 2019. Stakeholder's comment is supportive of JP's presence in the region and endorse certification. These comments are summarized below.

Comment 1:

[REDACTED]

We are always glad to hear from forest industry, especially the "newer" ones like Jasper Pellets. Like the other forest industries, for example, pulp and paper mills or sawmills, wood pellet facilities are operated on a sustainable forestry basis, so we'd expect them to have a positive impact on forest sustainability. As a forest economist I'd expect your mill to enhance local timber markets and actually induce more forest landowners to practice sustainable forest management. I hate to mention another local forestry school, but NC State did a detailed study on the wood pellet industry in their state (where there is a concentration of wood pellet mills), and actually found positive impacts on forest sustainability. The wood pellet industry has clearly had a positive effect on forest sustainability in South Carolina.

Response 1:

Thomas

Thank you for your positive response and support of our SBP certification.

Thanks,

Chase Knight
Jasper Pellets

7 Overview of Initial Assessment of Risk

The initial results of the supply base evaluation has determined there is low risk to all indicators SBP Framework Standard 1: Feedstock Compliance except for indicators 2.1.2, 2.1.3, 2.2.3, 2.2.4 and 2.4.1, which are determined to be “specified risk”. The assessment used evidence in conjunction with FSC Controlled Wood due diligence and risk assessment. It also assessed compliance with the European Union Timber Regulation and the UK Department of Energy and Climate Change’s Timber Standard for Heat and Electricity. The low risk ratings were supported by the fact that the United States and the relevant states have well established systems of laws and regulations that satisfy all applicable SBP indicators.

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

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

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

8 Supplier Verification Programme

8.1 Description of the Supplier Verification Programme

Not applicable; all indicators of the initial risk assessment were determined to be low or specified risk and no unspecified risk was identified. No Supplier Verification Programme is required.

8.2 Site visits

Not applicable.

8.3 Conclusions from the Supplier Verification Programme

Not applicable.

9 Mitigation Measures

9.1 Mitigation measures

2.1.2 The Biomass Producer has implemented appropriate control systems and procedures to identify and address potential threats to forests and other areas with high conservation values from forest management activities.

World Wildlife Fund (WWF) Global 200 Ecoregion - NA517 Mid-Atlantic Coastal Forests

- a) WWF has declared about 88% of this ecoregion having been converted. The remaining examples of this HCV are known to occur on protected lands as mapped on JP-DOC-005 High Conservation Value Risk Assessment.
- b) The Company through its feedstock purchase contracts or supply agreements requires suppliers to comply with laws and regulations, including the Clean Water Act, and compliance with state Best Management Practices (BMPs). Verification of compliance is accomplished through supplier audits using JP-DOC-012 Secondary Supplier Audit Checklists.
- c) The Company has committed to improving the education and awareness of this ecoregion through the representation of company at FSC Controlled Wood Regional Meetings held in 2018. Information from these regional meetings on the Cape Fear Arch Critical Biodiversity Area (CBA) was reviewed by company personnel.
- d) The Company reviews this educational information with its suppliers who source wood fiber from this ecoregion to educate the suppliers, their loggers and landowners on the conservation values of Cape Fear Arch biodiversity associated with pocosins, threats from incompatible forest management, & opportunities for conservation through management that enhances biodiversity and reduces or eliminates these threats while recognizing the importance of hydrology for maintenance and enhancement of pocosins. This education & outreach measure is documented using JP-DOC-012 Secondary Supplier Audit Checklists.

World Wildlife Fund (WWF) Global 200 Ecoregion - NA529 Southeastern Conifer Forests

- a) WWF has declared over 98% of this ecoregion having been converted. The remaining examples of this HCV are known to occur on protected lands as mapped on JP-DOC-005 High Conservation Value Risk Assessment.
- b) The Company has committed to improving the education and awareness of this ecoregion through the representation of company at FSC Controlled Wood Regional Meetings held in 2018. Information from these regional meetings on Native Long Leaf Pine Systems (NLPS) was reviewed by company personnel.
- c) The Company reviews this educational information with its suppliers who source wood fiber from this ecoregion to educate the suppliers, their loggers and landowners on the social benefits and values of NLPS, threats from forest management and related loss of values, and opportunities for conservation through management that restores or maintains NLPS and reduces or eliminates these threats. Communications should recognize the importance of the forest understory and fire to NLPS. This education and outreach measure will be documented using JP-DOC-012 Secondary Supplier Audit Checklists.
- d) The Company will engage with and/or provide monetary or in-kind resources to conservation organizations such as the Longleaf Alliance that are facilitating active, on-the-ground implementation of management activities to restore or maintain existing examples of NLPS, with a goal of long-term conservation of this system within the specified risk area and the company's supply area.

GreenPeace Intact Forest

- a) There is a strong system of protection (effective protected areas and legislation) in place within the Company's supply area that ensures survival of this intact forest.
- b) No wood is harvested out of the described National Wilderness Area which is managed by the Department of Interior. If wood is harvested from the surrounding forests described above, The Department of Interior or the Georgia Forestry Commission conducts environment impact studies and oversees all timber harvesting on these forests within the HCV providing complete protection of the site.

FSC US Controlled Wood National Risk Assessment (US NRA) - Category 3: HCV1 - Cape Fear Critical Biodiversity Area (CBA)

- a) The Company through its feedstock purchase contracts or supply agreements requires suppliers to comply with laws and regulations, including the Clean Water Act, and compliance with state Best Management Practices (BMPs). Verification of compliance is accomplished through supplier audits using JP-DOC-012 Secondary Supplier Audit Checklists.
- b) The Company has committed to improving the education and awareness of this ecoregion through the representation of company at FSC Controlled Wood Regional Meetings held in 2018. Information from these regional meetings on the Cape Fear Arch Critical Biodiversity Area (CBA) was reviewed by company personnel.
- c) The Company reviews this educational information with its suppliers who source wood fiber from this CBA to educate the suppliers, their loggers and landowners on the conservation values of Cape Fear Arch biodiversity associated with pocosins, threats from incompatible forest management, & opportunities for conservation through management that enhances biodiversity and reduces or eliminates these threats while recognizing the importance of hydrology for maintenance and enhancement of pocosins. This education & outreach measure is documented using JP-DOC-012 Secondary Supplier Audit Checklists.

US NRA - Category 3: HCV1 - Florida Panhandle CBA

- a) The Company has committed to improving the education and awareness of this ecoregion through the representation of company at FSC Controlled Wood Regional Meetings held in 2018. Information from these regional meetings on the Florida Panhandle CBA was reviewed by company personnel.
- b) The Company reviews this educational information with its suppliers who source wood fiber from these counties to educate the suppliers, their loggers and landowners on the on the conservation values of aquatic biodiversity and Native Longleaf Pine Systems, threats from poorly implemented forest management activities, and opportunities for conservation through management practices that reduce or eliminate these threats, including but not limited to forest management activities on steep slopes, and practices that will prevent siltation. This education and outreach measure will be documented using JP-DOC-012 Secondary Supplier Audit Checklists.

US NRA - Category 3: HCV3 - Natural Longleaf Pine Systems

- a) The Company has committed to improving the education and awareness of this ecoregion through the representation of company at FSC Controlled Wood Regional Meetings held in 2018. Information from these regional meetings on Native Long Leaf Pine Systems (NLPS) was reviewed by company personnel.
- b) The Company reviews this educational information with its suppliers who source wood fiber from these counties to educate the suppliers, their loggers and landowners on the social benefits and values of NLPS, threats from forest management and related loss of values, and opportunities for conservation through management that restores or maintains NLPS and reduces or eliminates these threats. Communications should recognize the importance of the forest understory and fire to NLPS. This education and outreach measure will be documented using JP-DOC-012 Secondary Supplier Audit Checklists.

- c) The Company will engage with and/or provide monetary or in-kind resources to conservation organizations such as the Longleaf Alliance that are facilitating active, on-the-ground implementation of management activities to restore or maintain existing examples of NLPS, with a goal of long-term conservation of this system within the specified risk area and the company's supply area.

2.1.3 The Biomass Producer has implemented appropriate control systems and procedures for verifying that feedstock is not sourced from forests converted to production plantation forest or non-forest lands after January 2008.

FSC US Controlled Wood National Risk Assessment (US NRA) - Category 4: Forestland Conversion

- a) The Company has developed and implemented binding written agreements with its feedstock suppliers that:
 - 1) mitigate the risk that material supplied originates from forest areas converted into plantation or non-forest use; or
 - 2) assure that if some conversion has occurred, that material supplied originates from limited and legal sources of conversion (e.g., conversion that results in conservation benefits, publicly approved changes in zoning in urban areas, etc.) and does not come from sources where the conversion threatens High Conservation Values.
- b) The Company has committed to improving the education and awareness of this ecoregion through the representation of company at FSC Controlled Wood Regional Meetings held in 2018. Information from these regional meetings on forestland conversion was reviewed by company personnel.
- c) The Company reviews this educational information with its suppliers who source wood fiber from these counties to educate the suppliers, their loggers and landowners on the social benefits of keeping forests as forests, and the value enhancing alternatives to conversion and opportunities for the maintenance of forests. This education and outreach measure will be documented using JP-DOC-012 Secondary Supplier Audit Checklists.

The Company will also maintain membership in the South Carolina Forestry Association to keep abreast of forestry issues within the Company's supply area. Below are some sources of information used to educate suppliers and their loggers, and landowners of forest conservation.

2.2.3 The Biomass Producer has implemented appropriate control systems and procedures to ensure that key ecosystems and habitats are conserved or set aside in their natural state (CPET S8b).

World Wildlife Fund (WWF) Ecoregions - NA517 Mid-Atlantic Coastal Forests

- a) WWF has declared about 88% of this ecoregion having been converted. The remaining examples of this HCV are known to occur on protected lands – JP-DOC-005 High Conservation Value Risk Assessment.
- b) The Company through its feedstock purchase contracts or supply agreements requires suppliers to comply with laws and regulations, including the Clean Water Act, and compliance with state Best Management Practices (BMPs). Verification of compliance is accomplished through supplier audits using JP-DOC-012 Secondary Supplier Audit Checklists.
- c) The Company has committed to improving the education and awareness of this ecoregion through the representation of company at FSC Controlled Wood Regional Meetings held in 2018. Information from these regional meetings on the Cape Fear Arch Critical Biodiversity Area (CBA) was reviewed by company personnel.
- d) The Company reviews this educational information with its suppliers who source wood fiber from this ecoregion to educate the suppliers, their loggers and landowners on the conservation values of Cape Fear Arch biodiversity associated with pocosins, threats from incompatible forest management, & opportunities for conservation through management that enhances biodiversity and reduces or eliminates these threats while recognizing the importance of hydrology for maintenance and

enhancement of pocosins. This education & outreach measure is documented using JP-DOC-012 Secondary Supplier Audit Checklists.

NA529 Southeastern Conifer Forests

- a) WWF has declared over 98% of this ecoregion having been converted. The remaining examples of this HCV are known to occur on protected lands – JP-DOC-005 High Conservation Value Risk Assessment.
- b) The Company has committed to improving the education and awareness of this ecoregion through the representation of company at FSC Controlled Wood Regional Meetings held in 2018. Information from these regional meetings on Native Long Leaf Pine Systems (NLPS) was reviewed by company personnel.
- c) The Company reviews this educational information with its suppliers who source wood fiber from this ecoregion to educate the suppliers, their loggers and landowners on the social benefits and values of NLPS, threats from forest management and related loss of values, and opportunities for conservation through management that restores or maintains NLPS and reduces or eliminates these threats. Communications should recognize the importance of the forest understory and fire to NLPS. This education and outreach measure will be documented using JP-DOC-012 Secondary Supplier Audit Checklists.
- d) The Company will engage with and/or provide monetary or in-kind resources to conservation organizations such as the Longleaf Alliance that are facilitating active, on-the-ground implementation of management activities to restore or maintain existing examples of NLPS, with a goal of long-term conservation of this system within the specified risk area and the company's supply area.

Green Peace Intact Forests

- a) There is a strong system of protection (effective protected areas and legislation) in place within the Company's supply area that ensures survival of this intact forest.
- b) No wood is harvested out of the described National Wilderness Area which is managed by the Department of Interior. If wood is harvested from the surrounding forests described above, The Department of Interior or the Georgia Forestry Commission conducts environment impact studies and oversees all timber harvesting on these forests within the HCV providing complete protection of the site.

FSC US Controlled Wood National Risk Assessment (US NRA) - Category 3: HCV1 - Cape Fear Arch CBA

- a) The Company through its feedstock purchase contracts or supply agreements requires suppliers to comply with laws and regulations, including the Clean Water Act, and compliance with state Best Management Practices (BMPs). Verification of compliance is accomplished through supplier audits using JP-DOC-012 Secondary Supplier Audit Checklists.
- b) The Company has committed to improving the education and awareness of this ecoregion through the representation of company at FSC Controlled Wood Regional Meetings held in 2018. Information from these regional meetings on the Cape Fear Arch Critical Biodiversity Area (CBA) was reviewed by company personnel.
- c) The Company reviews this educational information with its suppliers who source wood fiber from this CBA to educate the suppliers, their loggers and landowners on the conservation values of Cape Fear Arch biodiversity associated with pocosins, threats from incompatible forest management, & opportunities for conservation through management that enhances biodiversity and reduces or eliminates these threats while recognizing the importance of hydrology for maintenance and enhancement of pocosins. This education & outreach measure is documented using JP-DOC-012 Secondary Supplier Audit Checklists.

Category 3: HCV1 – Florida Panhandle CBA

- a) The Company has committed to improving the education and awareness of this ecoregion through the representation of company at FSC Controlled Wood Regional Meetings held in 2018. Information from these regional meetings on the Florida Panhandle CBA was reviewed by company personnel.
- b) The Company reviews this educational information with its suppliers who source wood fiber from these counties to educate the suppliers, their loggers and landowners on the on the conservation values of aquatic biodiversity and Native Longleaf Pine Systems, threats from poorly implemented forest management activities, and opportunities for conservation through management practices that reduce or eliminate these threats, including but not limited to forest management activities on steep slopes, and practices that will prevent siltation. This education and outreach measure will be documented using JP-DOC-012 Secondary Supplier Audit Checklists.

Category 3: HCV3 - Natural Longleaf Pine Systems

- a) The Company has committed to improving the education and awareness of this ecoregion through the representation of company at FSC Controlled Wood Regional Meetings held in 2018. Information from these regional meetings on Native Long Leaf Pine Systems (NLPS) was reviewed by company personnel.
- b) The Company reviews this educational information with its suppliers who source wood fiber from these counties to educate the suppliers, their loggers and landowners on the social benefits and values of NLPS, threats from forest management and related loss of values, and opportunities for conservation through management that restores or maintains NLPS and reduces or eliminates these threats. Communications should recognize the importance of the forest understory and fire to NLPS. This education and outreach measure will be documented using JP-DOC-012 Secondary Supplier Audit Checklists.
- c) The Company will engage with and/or provide monetary or in-kind resources to conservation organizations such as the Longleaf Alliance that are facilitating active, on-the-ground implementation of management activities to restore or maintain existing examples of NLPS, with a goal of long-term conservation of this system within the specified risk area and the company's supply area.

2.2.4 The Biomass Producer has implemented appropriate control systems and procedures to ensure that biodiversity is protected (CPET S5b).

World Wildlife Fund (WWF) Ecoregions - NA517 Mid-Atlantic Coastal Forests

- a) WWF has declared about 88% of this ecoregion having been converted. The remaining examples of this HCV are known to occur on protected lands – JP-DOC-005 High Conservation Value Risk Assessment.
- b) The Company through its feedstock purchase contracts or supply agreements requires suppliers to comply with laws and regulations, including the Clean Water Act, and compliance with state Best Management Practices (BMPs). Verification of compliance is accomplished through supplier audits using JP-DOC-012 Secondary Supplier Audit Checklists.
- c) The Company has committed to improving the education and awareness of this ecoregion through the representation of company at FSC Controlled Wood Regional Meetings held in 2018. Information from these regional meetings on the Cape Fear Arch Critical Biodiversity Area (CBA) was reviewed by company personnel.
- d) The Company reviews this educational information with its suppliers who source wood fiber from this ecoregion to educate the suppliers, their loggers and landowners on the conservation values of Cape Fear Arch biodiversity associated with pocosins, threats from incompatible forest management, & opportunities for conservation through management that enhances biodiversity and reduces or eliminates these threats while recognizing the importance of hydrology for maintenance and

enhancement of pocosins. This education & outreach measure is documented using JP-DOC-012 Secondary Supplier Audit Checklists.

NA529 Southeastern Conifer Forests

- a) WWF has declared over 98% of this ecoregion having been converted. The remaining examples of this HCV are known to occur on protected lands – JP-DOC-005 High Conservation Value Risk Assessment.
- b) The Company has committed to improving the education and awareness of this ecoregion through the representation of company at FSC Controlled Wood Regional Meetings held in 2018. Information from these regional meetings on Native Long Leaf Pine Systems (NLPS) was reviewed by company personnel.
- c) The Company reviews this educational information with its suppliers who source wood fiber from this ecoregion to educate the suppliers, their loggers and landowners on the social benefits and values of NLPS, threats from forest management and related loss of values, and opportunities for conservation through management that restores or maintains NLPS and reduces or eliminates these threats. Communications should recognize the importance of the forest understory and fire to NLPS. This education and outreach measure will be documented using JP-DOC-012 Secondary Supplier Audit Checklists.
- d) The Company will engage with and/or provide monetary or in-kind resources to conservation organizations such as the Longleaf Alliance that are facilitating active, on-the-ground implementation of management activities to restore or maintain existing examples of NLPS, with a goal of long-term conservation of this system within the specified risk area and the company's supply area.

Green Peace Intact Forests

- a) There is a strong system of protection (effective protected areas and legislation) in place within the Company's supply area that ensures survival of this intact forest.
- b) No wood is harvested out of the described National Wilderness Area which is managed by the Department of Interior. If wood is harvested from the surrounding forests described above, The Department of Interior or the Georgia Forestry Commission conducts environment impact studies and oversees all timber harvesting on these forests within the HCV providing complete protection of the site.

FSC US Controlled Wood National Risk Assessment (US NRA) - Category 3: HCV1 - Cape Fear Arch CBA

- a) The Company through its feedstock purchase contracts or supply agreements requires suppliers to comply with laws and regulations, including the Clean Water Act, and compliance with state Best Management Practices (BMPs). Verification of compliance is accomplished through supplier audits using JP-DOC-012 Secondary Supplier Audit Checklists.
- b) The Company has committed to improving the education and awareness of this ecoregion through the representation of company at FSC Controlled Wood Regional Meetings held in 2018. Information from these regional meetings on the Cape Fear Arch Critical Biodiversity Area (CBA) was reviewed by company personnel.
- c) The Company reviews this educational information with its suppliers who source wood fiber from this CBA to educate the suppliers, their loggers and landowners on the conservation values of Cape Fear Arch biodiversity associated with pocosins, threats from incompatible forest management, & opportunities for conservation through management that enhances biodiversity and reduces or eliminates these threats while recognizing the importance of hydrology for maintenance and enhancement of pocosins. This education & outreach measure is documented using JP-DOC-012 Secondary Supplier Audit Checklists.

Category 3: HCV1 – Florida Panhandle CBA

- a) The Company has committed to improving the education and awareness of this ecoregion through the representation of company at FSC Controlled Wood Regional Meetings held in 2018. Information from these regional meetings on the Florida Panhandle CBA was reviewed by company personnel.
- b) The Company reviews this educational information with its suppliers who source wood fiber from these counties to educate the suppliers, their loggers and landowners on the conservation values of aquatic biodiversity and Native Longleaf Pine Systems, threats from poorly implemented forest management activities, and opportunities for conservation through management practices that reduce or eliminate these threats, including but not limited to forest management activities on steep slopes, and practices that will prevent siltation. This education and outreach measure will be documented using JP-DOC-012 Secondary Supplier Audit Checklists.

Category 3: HCV3 - Natural Longleaf Pine Systems

- a) The Company has committed to improving the education and awareness of this ecoregion through the representation of company at FSC Controlled Wood Regional Meetings held in 2018. Information from these regional meetings on Native Long Leaf Pine Systems (NLPS) was reviewed by company personnel.
- b) The Company reviews this educational information with its suppliers who source wood fiber from these counties to educate the suppliers, their loggers and landowners on the social benefits and values of NLPS, threats from forest management and related loss of values, and opportunities for conservation through management that restores or maintains NLPS and reduces or eliminates these threats. Communications should recognize the importance of the forest understory and fire to NLPS. This education and outreach measure will be documented using JP-DOC-012 Secondary Supplier Audit Checklists.

The Company will engage with and/or provide monetary or in-kind resources to conservation organizations such as the Longleaf Alliance that are facilitating active, on-the-ground implementation of management activities to restore or maintain existing examples of NLPS, with a goal of long-term conservation of this system within the specified risk area and the company's supply area.

2.4.1 The Biomass Producer has implemented appropriate control systems and procedures for verifying that the health, vitality and other services provided by forest ecosystems are maintained or improved (CPET S7a).

World Wildlife Fund (WWF) Global 200 Ecoregion - NA517 Mid-Atlantic Coastal Forests

- a) WWF has declared about 88% of this ecoregion having been converted. The remaining examples of this HCV are known to occur on protected lands as mapped on JP-DOC-005 High Conservation Value Risk Assessment.
- b) The Company through its feedstock purchase contracts or supply agreements requires suppliers to comply with laws and regulations, including the Clean Water Act, and compliance with state Best Management Practices (BMPs). Verification of compliance is accomplished through supplier audits using JP-DOC-012 Secondary Supplier Audit Checklists.
- c) The Company has committed to improving the education and awareness of this ecoregion through the representation of company at FSC Controlled Wood Regional Meetings held in 2018. Information from these regional meetings on the Cape Fear Arch Critical Biodiversity Area (CBA) was reviewed by company personnel.
- d) The Company reviews this educational information with its suppliers who source wood fiber from this ecoregion to educate the suppliers, their loggers and landowners on the conservation values of Cape Fear Arch biodiversity associated with pocosins, threats from incompatible forest management, & opportunities for conservation through management that enhances biodiversity and reduces or eliminates these threats while recognizing the importance of hydrology for maintenance and

enhancement of pocosins. This education & outreach measure is documented using JP-DOC-012 Secondary Supplier Audit Checklists.

World Wildlife Fund (WWF) Global 200 Ecoregion - NA529 Southeastern Conifer Forests

- a) WWF has declared over 98% of this ecoregion having been converted. The remaining examples of this HCV are known to occur on protected lands as mapped on JP-DOC-005 High Conservation Value Risk Assessment.
- b) The Company has committed to improving the education and awareness of this ecoregion through the representation of company at FSC Controlled Wood Regional Meetings held in 2018. Information from these regional meetings on Native Long Leaf Pine Systems (NLPS) was reviewed by company personnel.
- c) The Company reviews this educational information with its suppliers who source wood fiber from this ecoregion to educate the suppliers, their loggers and landowners on the social benefits and values of NLPS, threats from forest management and related loss of values, and opportunities for conservation through management that restores or maintains NLPS and reduces or eliminates these threats. Communications should recognize the importance of the forest understory and fire to NLPS. This education and outreach measure will be documented using JP-DOC-012 Secondary Supplier Audit Checklists.
- d) The Company will engage with and/or provide monetary or in-kind resources to conservation organizations such as the Longleaf Alliance that are facilitating active, on-the-ground implementation of management activities to restore or maintain existing examples of NLPS, with a goal of long-term conservation of this system within the specified risk area and the company's supply area.

GreenPeace Intact Forest

- e) There is a strong system of protection (effective protected areas and legislation) in place within the Company's supply area that ensures survival of this intact forest.
- f) No wood is harvested out of the described National Wilderness Area which is managed by the Department of Interior. If wood is harvested from the surrounding forests described above, The Department of Interior or the Georgia Forestry Commission conducts environment impact studies and oversees all timber harvesting on these forests within the HCV providing complete protection of the site.

US NRA - Category 3: HCV1 - Cape Fear Critical Biodiversity Area (CBA)

- a) The Company through its feedstock purchase contracts or supply agreements requires suppliers to comply with laws and regulations, including the Clean Water Act, and compliance with state Best Management Practices (BMPs). Verification of compliance is accomplished through supplier audits using JP-DOC-012 Secondary Supplier Audit Checklists.
- b) The Company has committed to improving the education and awareness of this ecoregion through the representation of company at FSC Controlled Wood Regional Meetings held in 2018. Information from these regional meetings on the Cape Fear Arch Critical Biodiversity Area (CBA) was reviewed by company personnel.
- c) The Company reviews this educational information with its suppliers who source wood fiber from this CBA to educate the suppliers, their loggers and landowners on the conservation values of Cape Fear Arch biodiversity associated with pocosins, threats from incompatible forest management, & opportunities for conservation through management that enhances biodiversity and reduces or eliminates these threats while recognizing the importance of hydrology for maintenance and enhancement of pocosins. This education & outreach measure is documented using JP-DOC-012 Secondary Supplier Audit Checklists.

US NRA - Category 3: HCV1 - Florida Panhandle CBA

- d) The Company has committed to improving the education and awareness of this ecoregion through the representation of company at FSC Controlled Wood Regional Meetings held in 2018. Information from these regional meetings on the Florida Panhandle CBA was reviewed by company personnel.
- e) The Company reviews this educational information with its suppliers who source wood fiber from these counties to educate the suppliers, their loggers and landowners on the on the conservation values of aquatic biodiversity and Native Longleaf Pine Systems, threats from poorly implemented forest management activities, and opportunities for conservation through management practices that reduce or eliminate these threats, including but not limited to forest management activities on steep slopes, and practices that will prevent siltation. This education and outreach measure will be documented using JP-DOC-012 Secondary Supplier Audit Checklists.

US NRA - Category 3: HCV3 - Natural Longleaf Pine Systems

- a) The Company has committed to improving the education and awareness of this ecoregion through the representation of company at FSC Controlled Wood Regional Meetings held in 2018. Information from these regional meetings on Native Long Leaf Pine Systems (NLPS) was reviewed by company personnel.
- b) The Company reviews this educational information with its suppliers who source wood fiber from these counties to educate the suppliers, their loggers and landowners on the social benefits and values of NLPS, threats from forest management and related loss of values, and opportunities for conservation through management that restores or maintains NLPS and reduces or eliminates these threats. Communications should recognize the importance of the forest understory and fire to NLPS. This education and outreach measure will be documented using JP-DOC-012 Secondary Supplier Audit Checklists.
- c) The Company will engage with and/or provide monetary or in-kind resources to conservation organizations such as the Longleaf Alliance that are facilitating active, on-the-ground implementation of management activities to restore or maintain existing examples of NLPS, with a goal of long-term conservation of this system within the specified risk area and the company's supply area.

9.2 Monitoring and outcomes

2.1.2 The Biomass Producer has implemented appropriate control systems and procedures to identify and address potential threats to forests and other areas with high conservation values from forest management activities.

World Wildlife Fund (WWF) Ecoregions - NA517 Mid-Atlantic Coastal Forests

- a) Protected lands mapped on JP-DOC-005 High Conservation Value Risk Assessment.
- b) Verification of compliance is accomplished through supplier audits using JP-DOC-012 Secondary Supplier Audit Checklists.
- c) Training records document education and awareness efforts of this ecoregion.
- d) This education & outreach measure is documented using JP-DOC-012 Secondary Supplier Audit Checklists.

World Wildlife Fund (WWF) Ecoregion - NA529 Southeastern Conifer Forests

- a) Protected lands mapped on JP-DOC-005 High Conservation Value Risk Assessment.
- b) Training records document education and awareness efforts of this ecoregion.
- c) This education and outreach measure will be documented using JP-DOC-012 Secondary Supplier Audit Checklists.
- d) Maintain records of involvement with conservation organizations such as the Longleaf Alliance.

GreenPeace Intact Forest

- a) Verification of compliance is accomplished through supplier audits using JP-DOC-012 Secondary Supplier Audit Checklists.

US NRA - Category 3: HCV1 - Cape Fear Critical Biodiversity Area (CBA)

- a) Verification of compliance is accomplished through supplier audits using JP-DOC-012 Secondary Supplier Audit Checklists.
- b) Training records document education and awareness efforts of the Cape Fear Arch CBA.
- c) This education & outreach measure is documented using JP-DOC-012 Secondary Supplier Audit Checklists.

US NRA - Category 3: HCV1 - Florida Panhandle CBA

- a) Verification of compliance is accomplished through supplier audits using JP-DOC-012 Secondary Supplier Audit Checklists.
- b) Training records document education and awareness efforts of the Florida Panhandle CBA.
- c) This education & outreach measure is documented using JP-DOC-012 Secondary Supplier Audit Checklists.

US NRA - Category 3: HCV3 - Natural Longleaf Pine Systems

- a) Training records document education and awareness efforts of Native Long Leaf Pine Systems.
- b) This education and outreach measure will be documented using JP-DOC-012 Secondary Supplier Audit Checklists.
- c) Maintain records of involvement with conservation organizations such as the Longleaf Alliance.

2.1.3 The Biomass Producer has implemented appropriate control systems and procedures for verifying that feedstock is not sourced from forests converted to production plantation forest or non-forest lands after January 2008.

FSC US Controlled Wood National Risk Assessment (US NRA) - Category 4: Forestland Conversion

- a) Written agreements with its feedstock suppliers.
- b) Training records document education and awareness efforts of Forestland Conversion.
- c) This education and outreach measure will be documented using JP-DOC-012 Secondary Supplier Audit Checklists.
- d) Maintain membership records in the South Carolina Forestry Association.

2.4.1 The Biomass Producer has implemented appropriate control systems and procedures for verifying that the health, vitality and other services provided by forest ecosystems are maintained or improved (CPET S7a).

World Wildlife Fund (WWF) Ecoregions - NA517 Mid-Atlantic Coastal Forests

- a) Protected lands mapped on JP-DOC-005 High Conservation Value Risk Assessment.
- b) Verification of compliance is accomplished through supplier audits using JP-DOC-012 Secondary Supplier Audit Checklists.
- c) Training records document education and awareness efforts of this ecoregion.
- d) This education & outreach measure is documented using JP-DOC-012 Secondary Supplier Audit Checklists.

World Wildlife Fund (WWF) Ecoregion - NA529 Southeastern Conifer Forests

- a) Protected lands mapped on JP-DOC-005 High Conservation Value Risk Assessment.
- b) Training records document education and awareness efforts of this ecoregion.
- c) This education and outreach measure will be documented using JP-DOC-012 Secondary Supplier Audit Checklists.
- d) Maintain records of involvement with conservation organizations such as the Longleaf Alliance.

GreenPeace Intact Forest

- a) Verification of compliance is accomplished through supplier audits using JP-DOC-012 Secondary Supplier Audit Checklists.

US NRA - Category 3: HCV1 - Cape Fear Critical Biodiversity Area (CBA)

- a) Verification of compliance is accomplished through supplier audits using JP-DOC-012 Secondary Supplier Audit Checklists.
- b) Training records document education and awareness efforts of the Cape Fear Arch CBA.
- c) This education & outreach measure is documented using JP-DOC-012 Secondary Supplier Audit Checklists.

US NRA - Category 3: HCV1 - Florida Panhandle CBA

- a) Verification of compliance is accomplished through supplier audits using JP-DOC-012 Secondary Supplier Audit Checklists.
- b) Training records document education and awareness efforts of the Florida Panhandle CBA.
- c) This education & outreach measure is documented using JP-DOC-012 Secondary Supplier Audit Checklists.

US NRA - Category 3: HCV3 - Natural Longleaf Pine Systems

- a) Training records document education and awareness efforts of Native Long Leaf Pine Systems.
- b) This education and outreach measure will be documented using JP-DOC-012 Secondary Supplier Audit Checklists.
- c) Maintain records of involvement with conservation organizations such as the Longleaf Alliance.

10 Detailed Findings for Indicators

Detailed findings for each Indicator are given in Annex 1.

11 Review of Report

11.1 Peer review

No peer review has taken place.

11.2 Public or additional reviews

No additional external review of this report has been completed by other stakeholders.

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	<i>Gary Boyd—Initial Report</i>	<i>Greener Options Inc.</i>	<i>5 Sept 2019</i>
	<i>Chase Knight—Surveillance Audit #1 Additions/Edits</i>	<i>Logistics/Procurement Manger</i>	<i>6 Jan 2021</i>
	Name	Title	Date
The undersigned persons confirm that I/we are members of the organisation's senior management and do hereby affirm that the contents of this evaluation report were duly acknowledged by senior management as being accurate prior to approval and finalisation of the report.			
Report approved by:	<i>CHARLES KNIGHT</i>	<i>PLANT MANAGER</i>	<i>8 Jan 2021</i>
	Name	Title	Date

13 Updates

Note: Updates should be provided in the form of additional pages, either published separately or added to the original public summary report.

13.1 Significant changes in the Supply Base

Not changes to the supply base.

13.2 Effectiveness of previous mitigation measures

Suppliers were educated on possible threats to high conservation areas that they may come in contact in their individual supply areas. We know of one of our suppliers who is in the process of joining a forestry sustainability scheme.

13.3 New risk ratings and mitigation measures

Risk ratings remain the same as the supply base evaluation hasn't changed from initial Audit to first surveillance audit.

13.4 Actual figures for feedstock over the previous 12 months

0-200,000 tonnes

100% Dry Pine Shavings

13.5 Projected figures for feedstock over the next 12 months

0 – 200,000 tonnes*

- * Compelling justification would be specific evidence that, for example, disclosure of the exact figure would reveal commercially sensitive information that could be used by competitors to gain competitive advantage.

Annex 1: Detailed Findings for Supply Base Evaluation Indicators

	Indicator
1.1.1	The Biomass Producer's Supply Base is defined and mapped.
Finding	The Company's Supply Base is defined and mapped as part of the company's JP-DOC-005 High Conservation Value Risk Assessment. The map and list of states & counties are defined by the present and projected future needs of the plant and includes identified secondary & tertiary feedstock suppliers and sub-suppliers. Supply areas for each supplier or sub-supplier were determined by a 75-mile haul distance radius and counties that intersected the radius were considered a part of their supply area. All supplier radii were merged into the Company's overall supply area.
Means of Verification	Origin of secondary feedstocks are verified during the Company's secondary supplier audits that are conducted annually for each supplier and documented on JP-DOC-012 Secondary Supplier Audit Checklist.
Evidence Reviewed	- JP-DOC-005 High Conservation Value Risk Assessment - JP-DOC-012 Secondary Supplier Audit Checklist
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
1.1.2	Feedstock can be traced back to the defined Supply Base.
Finding	Feedstock comes from seven (10) secondary suppliers and two (4) tertiary suppliers originating from twenty-three (23) pine sawmills supplying pine chips, sawdust and shavings. This feedstock can be tracked by scale tickets upon receipt of the feedstock from suppliers. Communications with feedstock suppliers confirms feedstock originates from within the Company supply base and is recorded using JP-DOC-012 Secondary Supplier Audit Checklist. Traceability to the county of origin is required in Company policies and procedures.
Means of Verification	Company procedures, records in feedstock inventory system and communications with suppliers
Evidence Reviewed	- JP-POL-001 Sustainability Policy - JP-PROC-001 Chain of Custody Procedures - JP-PROC-002 Due Diligence Procedures - JP-PROC-003 SBP Procedures - JP-DOC-012 Secondary Supplier Audit Checklist - Scale Tickets

Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
1.1.3	The feedstock input profile is described and categorised by the mix of inputs.
Finding	The Company purchases feedstocks that are described in JP-DOC-004 Chain of Custody Product Group List as a part of its FSC Chain of Custody system. Receiving records record the type of feedstock and the species group purchased from secondary suppliers. The Company's inventory system tracks all feedstock purchases. Receiving records are maintained for a five-year period to meet FSC Chain of Custody standard requirements.
Means of Verification	Verify wood purchases in feedstock inventory system.
Evidence Reviewed	• Feedstock receiving records • Scale Tickets • JP-DOC-004 Chain of Custody Product Group List • JP-PROC-001 Chain of Custody Procedures • JP-PROC-002 Due Diligence Procedures • JP-PROC-003 SBP Procedures
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
1.2.1	The Biomass Producer has implemented appropriate control systems and procedures to ensure that legality of ownership and land use can be demonstrated for the Supply Base.
Finding	The Company has approved and implemented JP-POL-001 Sustainability Policy that provides guidance to demonstrate the Company is committed to adhering to all applicable Federal, State and local laws and regulations. This policy also requires the avoidance of sourcing wood fiber from illegally harvested wood. Feedstock purchase contracts executed with suppliers contain language requirements of meeting applicable laws and regulations and not knowingly purchasing illegally harvested wood. JP-PROC-001 Chain of Custody Procedures and JP-PROC-002 Due Diligence Procedures provide guidance on the purchase of feedstock to ensure it is legally sourced. The Company has implemented the FSC US Controlled Wood National Risk Assessment (US NRA) which has determined Controlled Wood Category 1: Illegally harvested wood to be "low risk". JP-DOC-005 High Conservation Value Areas Risk Assessment supports this low risk assessment through the listing of various applicable laws showcasing the rule of law and public agency governance.

Means of Verification	Feedstock purchase contracts, Federal & State laws
Evidence Reviewed	• JP-POL-001 Sustainability Policy • JP-PROC-001 Chain of Custody Procedures • JP-PROC-002 Due Diligence Procedures • JP-DOC-005 High Conservation Value Areas Risk Assessment • Feedstock purchase contracts • FSC US Controlled Wood National Risk Assessment (US NRA)
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
1.3.1	The BP has implemented appropriate control systems and procedures to ensure that feedstock is legally harvested and supplied and is in compliance with EUTR legality requirements.
Finding	The Company has approved and implemented JP-POL-001 Sustainability Policy that provides guidance to demonstrate the Company is committed to adhering to all applicable Federal, State and local laws and regulations. This policy also requires the avoidance of sourcing wood fiber from illegally harvested wood and the compliance with EUTR legality requirements. Feedstock purchase contracts executed with suppliers contain language requirements of meeting applicable laws and regulations and not knowingly purchasing illegally harvested wood. JP-PROC-001 Chain of Custody Procedures and JP-PROC-002 Due Diligence Procedures provide guidance on the purchase of feedstock to ensure it is legally sourced and in compliance with EUTR legality requirements. The Company has implemented the FSC US Controlled Wood National Risk Assessment (US NRA) which has determined Controlled Wood Category 1: Illegally harvested wood to be “low risk”. JP-DOC-005 High Conservation Value Areas Risk Assessment supports this low risk assessment through the listing of various applicable laws showcasing the rule of law and public agency governance.
Means of Verification	Feedstock purchase contracts, Federal & State laws
Evidence Reviewed	• JP-POL-001 Sustainability Policy • JP-PROC-001 Chain of Custody Procedures • JP-PROC-002 Due Diligence Procedures • JP-DOC-005 High Conservation Value Areas Risk Assessment • Feedstock purchase contracts • FSC US Controlled Wood National Risk Assessment (US NRA)
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
1.4.1	The Biomass Producer has implemented appropriate control systems and procedures to verify that payments for harvest rights and timber, including duties, relevant royalties and taxes related to timber harvesting, are complete and up to date.
Finding	The Company has implemented appropriate control systems and procedures to verify that payments for harvest rights and timber, including duties, relevant royalties and taxes related to timber harvesting, are complete and up to date. JP-POL-001 Sustainability Policy states the Company will abide by all laws and regulations, including those laws associated with taxes and harvesting rights. Sawmills purchasing timber are responsible for paying severance or timber taxes. The company verifies these suppliers pay taxes as part of the annual secondary supplier audits and documented on JP-DOC-012 Secondary Supplier Audit Checklist. The Company has implemented the FSC US Controlled Wood National Risk Assessment (US NRA) which has determined Controlled Wood Category 1: Illegally harvested wood to be “low risk”. Indicators 1.5 Payment of royalties and harvesting fees, 1.6 Value added taxes and other sales taxes and 1.7 Income and profit taxes are all determined to be “low risk”. Furthermore, Transparency International has identified no issues with corruption bribery or other illegal activities with the US having a Corruptions Perceptions Index score of 71 in 2018. AHEC Legality Study determined the Company’s supply area is a low risk for illegal activity. The World Bank ranked the US in the top 90th percentile in the Rule of Law category (91.83 / 100 in 2017).
Means of Verification	Feedstock purchase contracts, JP-DOC-012 Secondary Supplier Audit Checklist
Evidence Reviewed	• Feedstock purchase contracts • FSC US Controlled Wood National Risk Assessment (US NRA) • JP-POL-001 Sustainability Policy • JP-DOC-012 Secondary Supplier Audit Checklist
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
1.5.1	The Biomass Producer has implemented appropriate control systems and procedures to verify that feedstock is supplied in compliance with the requirements of CITES.
Finding	The Company has implemented appropriate control systems and procedures to verify that feedstock is supplied in compliance with the requirements of CITES. Based on review of the CITES list it is determined that there are no species used in Company operations that are included in the CITES list.
Means of Verification	List of species used by Company located in JP-DOC-004 Chain of Custody Product Group List and CITES list located in JP-DOC-005 High Conservation Value Areas Risk Assessment

Evidence Reviewed	• JP-DOC-004 Chain of Custody Product Group List • JP-DOC-005 High Conservation Value Areas Risk Assessment
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
1.6.1	The Biomass Producer has implemented appropriate control systems and procedures to ensure that feedstock is not sourced from areas where there are violations of traditional or civil rights.
Finding	JP-POL-001 Sustainability Policy states the Company will abide by all laws and regulations, including those laws associated with traditional and civil rights. Harvesting in the supply basin presents a low risk of violation of traditional, civil and collective rights based on the following factors: (1) There is no UN Security Council ban on timber exports from the country concerned; (2) The country or district is not designated a source of conflict timber (e.g. USAID Type 1 conflict timber); (3) There are recognized and equitable processes in place to resolve conflicts of substantial magnitude pertaining to traditional rights including use rights, cultural interests or traditional cultural identity in the district concerned; and (4) There is no evidence of violation of the ILO Convention 169 on Indigenous and Tribal Peoples taking place in the forest areas in the district concerned. The Company has implemented the FSC US Controlled Wood National Risk Assessment (US NRA) which has determined Controlled Wood Category 2: Wood harvested in violation of traditional and human rights to be “low risk”.
Means of Verification	JP-POL-001 Sustainability Policy, FSC US Controlled Wood National Risk Assessment (US NRA)
Evidence Reviewed	• JP-POL-001 Sustainability Policy • JP-DOC-005 High Conservation Value Areas Risk Assessment • FSC US Controlled Wood National Risk Assessment (US NRA)
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.1.1	The Biomass Producer has implemented appropriate control systems and procedures for verifying that forests and other areas with high conservation values are identified and mapped.
Finding	The Company's JP-DOC-005 High Conservation Value Areas Risk Assessment identified and mapped the presence or absence of the following high conservation value areas within its supply base. The FSC US Controlled Wood National Risk Assessment (US NRA) was the basis for the identification and mapping of areas with high conservation value (HCV). The US NRA consulted with and applied recommendations from over 200 conservation groups and databases including, but not limited to, Protected Areas Database of the United States (PAD-US), International Union for the Conservation of Nature (IUCN), The Nature Conservancy, NatureServe, & USFS Inventoried Roadless Areas to map these HCVs. In addition to the US NRA, the company used World Wildlife Fund (WWF) eco-regions, Critical Ecosystem Partnership Fund biodiversity hotspots and the USGS Protected Areas Database of the United States (PAD-US) to identify and map HCV areas. The Company determined its feedstock supply area based on the secondary & tertiary feedstock the facility is receiving. The company has expanded its identification and mapping of high conservation value areas (HCVs) by mapping HCV by supplier and sub-supplier. These supplier HCV maps collectively define the overall supply area for the company. These more detailed supplier maps utilize the conservation measures from the FSC Controlled Wood US National Risk Assessment (US NRA) where HCVs of "specified risk" have been identified. These supplier maps are used in conjunction with JP-DOC-012 Secondary Supplier Audit Checklist to annually review each supplier's supply area, areas of "specified risk" that are identified in their supply areas and mitigation measures being implemented to reduce "specified risk" to "low risk". JP-DOC-005 High Conservation Value Areas Risk Assessment identifies and maps HCVs with "specified risk" designations.
Means of Verification	Maps included in JP-DOC-005 High Conservation Value Areas Risk Assessment and JP-DOC-012 Secondary Supplier Audit Checklist
Evidence Reviewed	- JP-DOC-005 High Conservation Value Areas Risk Assessment - JP-DOC-012 Secondary Supplier Audit Checklist - FSC US Controlled Wood National Risk Assessment (US NRA)
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.1.2	The Biomass Producer has implemented appropriate control systems and procedures to identify and address potential threats to forests and other areas with high conservation values from forest management activities.
Finding	The Company's JP-DOC-005 High Conservation Value Risk Assessment using the FSC US Controlled Wood National Risk Assessment (US NRA) and other reputable conservation initiatives identified and mapped the presence or absence of the following high conservation value areas (HCVs) within the company's supply base. There are no World Resources Institute (Global Forest Watch) Frontier Forests or USFS Inventoried Roadless Areas. The following HCVs have been identified and mapped within the company's supply area and are assessed below. HCVs identified and assessed as "specified risk" will include describe measures to mitigate risks to a "low risk" level. <u>North America Coastal Plain (NACP)</u> Considered a biodiversity hot spot by the Critical Ecosystem Partnership Fund in 2016, NACP intersects more than half of the company's supply area. This biodiversity hotspot reaches from northern Mexico along the Gulf Coastal and Atlantic Coastal Plains north to southern Maine. While this Coastal Plain is considered a biodiversity hotspot because of the large number of endemic plant and species located within this area, this vast designation includes all many of the HCVs described below at a more site specific scale. <u>World Wildlife Fund (WWF) Ecoregions</u> The Company's supply area is located within three WWF ecoregions; three of which are considered "critical /endangered" and are considered as WWF Global 200 eco-regions. The final eco-region is considered vulnerable. These four ecoregions are: • NA403 Appalachian-Blue Ridge Forests • NA413 Southeastern Mixed Forests • NA517 Mid-Atlantic Coastal Forests • NA529 Southeastern Conifer Forests <u>NA403 Appalachian-Blue Ridge Forests</u> This ecoregion is ranked vulnerable and does not require evaluation. This ecoregion intersects the Company's supply area in the extreme northwest portion of the supply area in ten (10) counties. <u>NA413 Southeastern Mixed Forests</u> This ecoregion is ranked critical/endangered. This eco-region intersects approximately half of the company's supply area. The Southeastern Mixed Forests rank among the top ten ecoregions in richness of amphibians, reptiles, and birds and among the top ten ecoregions in number of endemic reptiles, amphibians, butterflies, and mammals. The natural vegetation is dominated by oak-hickory-pine forests. About 99% of this habitat has now been converted to agriculture or other uses, or is highly degraded. Because of the heavy rate of conversion, there is little left to conserve. <u>Low Risk designation:</u> a) As stated above, WWF has declared more than 99% of this ecoregion having been converted. The remaining examples of this HCV are known to occur on protected lands. <u>NA517 Mid-Atlantic Coastal Forests</u>

This ecoregion is ranked critical/endangered. This eco-region intersects about half of the eastern portion of the Company's supply area.

The Mid-Atlantic Coastal Forests contains the most diverse assemblage of freshwater wetland communities in North America and perhaps of all temperate forest ecoregions. Nonalluvial wetlands, including freshwater marshes, shrub bogs, white cedar swamps, bayheads, and wet hammocks are particularly prominent. Approximately 12% of the ecoregion contains habitat that is considered intact. Conversion due to agriculture, fire suppression, urbanization, coastal development (including resorts), ditching and draining of wetlands, and damming of rivers which affect hydrology has been the greatest threat to this ecoregion.

NA529 Southeastern Conifer Forests

This ecoregion is ranked critical/endangered. This ecoregion intersects about half of the southeastern portion of the Company's supply area.

This ecoregion is the largest conifer forest ecoregion east of the Mississippi and the second largest coniferous ecoregion in the continental U.S. The Southeastern Conifer Forests were dominated by relatively open tall stands of long leaf pine (*Pinus palustris*) with an understory of wiregrass (*Aristida stricta*). The open nature of the mature long leaf pine stands and the frequency of understory fires helped maintain perhaps the richest temperate herbaceous flora on Earth. Over 98% of this habitat is now gone in the southeastern section of this ecoregion, much having been converted to agriculture or tree farms. Remaining habitat is limited to fragments and degraded larger patches.

Green Peace Intact Forests

A Greenpeace Intact Forest is located in Charlton and Ware Counties, GA which is within the company's supply area. It is almost entirely within the 403,119-acre Okefenokee National Wildlife Refuge which has been described as "one of North America's most unspoiled, fascinating and precious natural areas". The Okefenokee Swamp is the largest, intact, un-fragmented, freshwater and black water wilderness swamp in North America. There are 353,000 acres designated as a National Wilderness Area within the refuge.

FSC US Controlled Wood National Risk Assessment (US NRA)

The Company has determined there may be areas within its supply area that are considered "specified risk" to the following categories of controlled wood:

- Category 3: Wood from forests where high conservation values are threatened by management activities:
 - HCV1 - Cape Fear Critical Biodiversity Area (CBA)
 - HCV1 – Florida Panhandle CBA
 - HCV3 - Natural Longleaf Pine Systems

The Company has determined two other Category 3 HCVs to be within its supply area. While these are found within the supply area, the Company only receives pine fiber which is not the primary tree species for the following two Category 3 HCVs. No mitigation measures have been implemented for these HCVs for this reason.

- HCV1 - Patch-Nosed Salamander
- HCV3 - Late Successional Bottomland Hardwood

The Company has mapped these "specified risk" areas by supplier and will implement, as needed, adequate control measures to either avoid or to mitigate specified risk related to origin and/or risk related to mixing with non-eligible inputs in the supply chain.

Category 3: HCV1 - Cape Fear Critical Biodiversity Area (CBA)

The Cape Fear Arch CBA is located in two counties in the northeastern most portion of the supply area. These counties include Brunswick & Columbus Counties in North Carolina. Four (4) suppliers and sub-suppliers purchase wood fiber from these

	counties. The amount of fiber from these two NC counties is estimated to be low resulting in a low level of mitigation required. The Cape Fear Arch region has resulted in a diversity of wet and dry habitats. The region is considered to have the greatest biological diversity along the Atlantic Coast. Important drivers of biodiversity in this region include longleaf pine forests and pocosins (coastal peatlands). Pocosins occur within nutrient-poor peatlands in shallow depressions on plateaus and are typically continuously saturated with water. They harbor rare species like the venus fly trap and Red-cockaded Woodpecker. The overstory is usually pine, often Pond pine. Higher, drier sites typically have a dense evergreen shrub layer, while the wettest may only have low shrubs, stunted pines and beds of sphagnum, pitcher plants and cranberry. Longleaf pine forests once covered much of the Atlantic Coastal Plain, but the extent and condition of the system has been severely depleted due to habitat fragmentation, unsustainable harvest, conversion to other land uses and vegetative types, invasive species, and exclusion of natural fire regimes. There have been recent gains, but the forest type is still very rare. <u>Category 3: HCV1 – Florida Panhandle CBA</u> The Florida Panhandle CBA is located within seven (7) counties in AL, FL & GA in the Company's supply area. Two (2) sub-suppliers provide wood fiber through a secondary supplier to JP from counties within this CBA which is considered to be "specified risk" within this CBA resulting in a low level of mitigation required. This CBA is considered an HCV because it contains a high overall species richness, diversity, or uniqueness within a defined area compared to other sites within the same biogeographic area. The Florida Panhandle is reported to be one of the 5 richest biodiversity hotspots in North America. Of particular importance is the richness of frogs, snakes, turtles, and mussels. This concentration of biodiversity is driven by the river systems (particularly the Apalachicola River), longleaf pine savanna habitat and unique steephead ravines. <u>Category 3: HCV3 - Natural Longleaf Pine Systems</u> Native Longleaf Pine Systems (NLPS) are located in fifty-three (53) counties throughout the Company's supply area. All suppliers providing wood fiber that source from counties that have been identified as containing native longleaf systems resulting in a low level of mitigation required. NLPS were once one of the most widespread forest types in the US but were reduced to less than 5% of their original range, becoming one of the rarest forest systems in the world. This historical reduction was driven by suppression of fire and conversion to other forest types. These forest systems are associated with high animal and plant diversity, including many rare, threatened and endangered species such as the Red-cockaded Woodpecker, Bachman's Sparrow, Gopher Tortoise, Eastern Indigo Snake, and Flatwoods Salamander. "Native" in this instance refers to existing longleaf pine that is on a site that has historically been maintained as longleaf pine. Longleaf pine stands that have been restored in areas that have not been historically maintained in longleaf pine do not apply under this definition. "Native" does not imply a particular regeneration method; these stands may be either planted or naturally regenerated.
Means of Verification	Feedstock purchase contracts, JP-DOC-012 Secondary Supplier Audit Checklists
Evidence Reviewed	• Feedstock purchase contracts • FSC US Controlled Wood National Risk Assessment (US NRA) • JP-DOC-005 High Conservation Value Risk Assessment

	JP-DOC-012 Secondary Supplier Audit Checklists
Risk Rating	☐ Low Risk ☒ Specified Risk ☐ Unspecified Risk at RA
Comment or Mitigation Measure	<u>World Wildlife Fund (WWF) Ecoregions</u> <u>NA517 Mid-Atlantic Coastal Forests</u> <u>Mitigation Measures:</u> e) WWF has declared about 88% of this ecoregion having been converted. The remaining examples of this HCV are known to occur on protected lands – JP-DOC-005 High Conservation Value Risk Assessment (Figure 12). f) The Company through its feedstock purchase contracts or supply agreements requires suppliers to comply with laws and regulations, including the Clean Water Act, and compliance with state Best Management Practices (BMPs). Verification of compliance is accomplished through supplier audits using JP-DOC-012 Secondary Supplier Audit Checklists. g) The Company has committed to improving the education and awareness of this ecoregion through the representation of company at FSC Controlled Wood Regional Meetings held in 2018. Information from these regional meetings on the Cape Fear Arch Critical Biodiversity Area (CBA) was reviewed by company personnel. h) The Company reviews this educational information with its suppliers who source wood fiber from this ecoregion to educate the suppliers, their loggers and landowners on the conservation values of Cape Fear Arch biodiversity associated with pocosins, threats from incompatible forest management, & opportunities for conservation through management that enhances biodiversity and reduces or eliminates these threats while recognizing the importance of hydrology for maintenance and enhancement of pocosins. This education & outreach measure is documented using JP-DOC-012 Secondary Supplier Audit Checklists. <u>NA529 Southeastern Conifer Forests</u> <u>Mitigation Measures:</u> e) WWF has declared over 98% of this ecoregion having been converted. The remaining examples of this HCV are known to occur on protected lands – JP-DOC-005 High Conservation Value Risk Assessment (Figure 12). f) The Company has committed to improving the education and awareness of this ecoregion through the representation of company at FSC Controlled Wood Regional Meetings held in 2018. Information from these regional meetings on Native Long Leaf Pine Systems (NLPS) was reviewed by company personnel. g) The Company reviews this educational information with its suppliers who source wood fiber from this ecoregion to educate the suppliers, their loggers and landowners on the social benefits and values of NLPS, threats from forest management and related loss of values, and opportunities for conservation through management that restores or maintains NLPS and reduces or eliminates these threats. Communications should recognize the importance of the forest understory and fire to NLPS. This education and outreach measure will be documented using JP-DOC-012 Secondary Supplier Audit Checklists. h) The Company will engage with and/or provide monetary or in-kind resources to conservation organizations such as the Longleaf Alliance that are facilitating active, on-the-ground implementation of management activities to restore or maintain existing examples of NLPS, with a goal of long-term conservation of this system within the specified risk area and the company's supply area. <u>Green Peace Intact Forests</u> <u>Mitigation Measures:</u>

- c) There is a strong system of protection (effective protected areas and legislation) in place within the Company's supply area that ensures survival of this intact forest.
- d) No wood is harvested out of the described National Wilderness Area which is managed by the Department of Interior. If wood is harvested from the surrounding forests described above, The Department of Interior or the Georgia Forestry Commission conducts environment impact studies and oversees all timber harvesting on these forests within the HCV providing complete protection of the site.

FSC US Controlled Wood National Risk Assessment (US NRA)

Category 3: HCV1 - Cape Fear Critical Biodiversity Area (CBA)

Mitigation Measures:

- d) The Company through its feedstock purchase contracts or supply agreements requires suppliers to comply with laws and regulations, including the Clean Water Act, and compliance with state Best Management Practices (BMPs). Verification of compliance is accomplished through supplier audits using JP-DOC-012 Secondary Supplier Audit Checklists.
- e) The Company has committed to improving the education and awareness of this ecoregion through the representation of company at FSC Controlled Wood Regional Meetings held in 2018. Information from these regional meetings on the Cape Fear Arch Critical Biodiversity Area (CBA) was reviewed by company personnel.
- f) The Company reviews this educational information with its suppliers who source wood fiber from this CBA to educate the suppliers, their loggers and landowners on the conservation values of Cape Fear Arch biodiversity associated with pocosins, threats from incompatible forest management, & opportunities for conservation through management that enhances biodiversity and reduces or eliminates these threats while recognizing the importance of hydrology for maintenance and enhancement of pocosins. This education & outreach measure is documented using JP-DOC-012 Secondary Supplier Audit Checklists.

Category 3: HCV1 – Florida Panhandle CBA

Mitigation Measures:

- c) The Company has committed to improving the education and awareness of this ecoregion through the representation of company at FSC Controlled Wood Regional Meetings held in 2018. Information from these regional meetings on the Florida Panhandle CBA was reviewed by company personnel.
- d) The Company reviews this educational information with its suppliers who source wood fiber from these counties to educate the suppliers, their loggers and landowners on the conservation values of aquatic biodiversity and Native Longleaf Pine Systems, threats from poorly implemented forest management activities, and opportunities for conservation through management practices that reduce or eliminate these threats, including but not limited to forest management activities on steep slopes, and practices that will prevent siltation. This education and outreach measure will be documented using JP-DOC-012 Secondary Supplier Audit Checklists.

Category 3: HCV3 - Natural Longleaf Pine Systems

Mitigation Measures:

- d) The Company has committed to improving the education and awareness of this ecoregion through the representation of company at FSC Controlled Wood Regional Meetings held in 2018. Information from these regional meetings on Native Long Leaf Pine Systems (NLPS) was reviewed by company personnel.
- e) The Company reviews this educational information with its suppliers who source wood fiber from these counties to educate the suppliers, their loggers and landowners on the social benefits and values of NLPS, threats from forest

	management and related loss of values, and opportunities for conservation through management that restores or maintains NLPS and reduces or eliminates these threats. Communications should recognize the importance of the forest understory and fire to NLPS. This education and outreach measure will be documented using JP-DOC-012 Secondary Supplier Audit Checklists. f) The Company will engage with and/or provide monetary or in-kind resources to conservation organizations such as the Longleaf Alliance that are facilitating active, on-the-ground implementation of management activities to restore or maintain existing examples of NLPS, with a goal of long-term conservation of this system within the specified risk area and the company's supply area.
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	Indicator
2.1.3	The Biomass Producer has implemented appropriate control systems and procedures for verifying that feedstock is not sourced from forests converted to production plantation forest or non-forest lands after January 2008.
Finding	<u>FSC US Controlled Wood National Risk Assessment (US NRA)</u> <u>Category 4: Forestland Conversion</u> The US NRA has identified the forested portions of 53 counties across the FSC US Southeast and Pacific Coast Regions as areas where there is a risk greater than "low" receiving forest materials from forest conversions. Companies that wish to use non-certified materials from the identified areas are required to either avoid sourcing from specific sites where forest conversion is occurring, or to implement mitigation actions that reduce the risk of sourcing from these sites. There are twenty (20) counties identified in the four states (FL, GA, NC, SC) that are located within the company's supply area. The Company has developed & implemented feedstock purchase contracts with its feedstock suppliers that: - mitigate the risk that material supplied originates from forest areas converted into plantation or non-forest use; or - assure that if some conversion has occurred, that material supplied originates from limited and legal sources of conversion (e.g., conversion that results in conservation benefits, publicly approved changes in zoning in urban areas, etc.) and does not come from sources where the conversion threatens High Conservation Values. Production plantation forests are defined as forests of exotic species that have been planted or seeded by human intervention and that are under intensive stand management, are fast growing, and subject to short rotations (e.g. poplar, acacia or eucalyptus plantations).
Means of Verification	Feedstock purchase contracts, JP-DOC-012 Secondary Supplier Audit Checklists
Evidence Reviewed	- Feedstock purchase contracts - FSC US Controlled Wood National Risk Assessment (US NRA) - JP-DOC-005 High Conservation Value Risk Assessment - JP-DOC-012 Secondary Supplier Audit Checklists
Risk Rating	☐ Low Risk ☒ Specified Risk ☐ Unspecified Risk at RA

Comment or Mitigation Measure	<u>FSC US Controlled Wood National Risk Assessment (US NRA)</u> <u>Category 4: Forestland Conversion</u> <u>Mitigation Measures:</u> d) The Company has developed and implemented binding written agreements with its feedstock suppliers that: 3) mitigate the risk that material supplied originates from forest areas converted into plantation or non-forest use; or 4) assure that if some conversion has occurred, that material supplied originates from limited and legal sources of conversion (e.g., conversion that results in conservation benefits, publicly approved changes in zoning in urban areas, etc.) and does not come from sources where the conversion threatens High Conservation Values. e) The Company has committed to improving the education and awareness of this ecoregion through the representation of company at FSC Controlled Wood Regional Meetings held in 2018. Information from these regional meetings on forestland conversion was reviewed by company personnel. f) The Company reviews this educational information with its suppliers who source wood fiber from these counties to educate the suppliers, their loggers and landowners on the social benefits of keeping forests as forests, and the value enhancing alternatives to conversion and opportunities for the maintenance of forests. This education and outreach measure will be documented using JP-DOC-012 Secondary Supplier Audit Checklists. The Company will also maintain membership in the South Carolina Forestry Association to keep abreast of forestry issues within the Company's supply area. Below are some sources of information used to educate suppliers and their loggers, and landowners of forest conservation.
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	Indicator
2.2.1	The Biomass Producer has implemented appropriate control systems and procedures to verify that feedstock is sourced from forests where there is appropriate assessment of impacts, and planning, implementation and monitoring to minimise them.
Finding	The Company requires compliance with Best Management Practices (BMP) for the feedstock purchased through its feedstock purchase contracts with its suppliers. The Company verifies the sourcing of feedstock with its suppliers through its secondary supplier annual audit program. This verification reviews each supplier's supply area, areas of "specified risk" for areas with high conservation value (HCV) that are identified in their supply areas and mitigation measures being implemented to reduce "specified risk" to "low risk". The Company has developed and is using specific supplier maps detailing the supplier's supply area and HCV areas. Annual supplier audits also verify supplier's certification status, BMP compliance, logger training and overall environmental compliance. Annual audits are documented using JP-DOC-012 Secondary Supplier Audit Checklists. More than ¾ of the sawmills (18 of 23 / 78.3%) supplying feedstock are certified to the Sustainable Forestry Initiative® (SFI®) Fiber Sourcing Standard. These suppliers are 3rd party certified with verified BMP compliance monitoring programs. All suppliers require their suppliers and loggers to maintain SFI State Implementation Committee (SIC) logger training. This training educates loggers on BMPs, threatened & endangered species and biodiversity. The Company has access to SIC logger training databases to verify logger training.

	State forestry agencies conduct BMP compliance checks randomly or upon request by stakeholders. State BMP compliance reports are available for review by the Company.
Means of Verification	Feedstock purchase contracts, JP-DOC-012 Secondary Supplier Audit Checklists
Evidence Reviewed	- Feedstock purchase contracts - JP-DOC-012 Secondary Supplier Audit Checklists - SFI Certification Database http://www.sfidatabase.org/PublicSearch/MainSearch.aspx - Georgia Master Timber Harvester http://gamth.org/ - South Carolina Timber Operations Professional (TOP) Program https://www.scforestry.org/top-forestry-programs.htm - North Carolina ProLogger Program https://www.ncforestry.org/prologgers/prologger-lists/ - Results of Georgia's 2017 Silvicultural Best Management Practices Implementation and Compliance Survey http://www.gfc.state.ga.us/forest-management/water-quality/bmps/BMP%20Survey%202017%20Results%20Report%20Final%20Corrected%20by%20Scott%20Jan112018%20410pm.pdf - Forestry BMPs in South Carolina: Compliance and Implementation Monitoring Report, 2015-2016 https://www.state.sc.us/forest/bmp16.pdf - An Assessment of Forestry Best Management Practices in North Carolina 2012-2016 https://www.ncforestservation.gov/water_quality/pdf/BMP_Assessment_Report_2012-2016.pdf
Risk Rating	X Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.2.2	The Biomass Producer has implemented appropriate control systems and procedures for verifying that feedstock is sourced from forests where management maintains or improves soil quality (CPET S5b).
Finding	State forestry Best Management Practices (BMP) set forth guidelines for maintaining and/or improving soil quality. JP-POL-001 Sustainability Policy states the Company requires BMP compliance with the harvesting of all wood fiber it receives. Feedstock purchase contracts require BMP compliance. The Company verifies BMP compliance as part of its annual supplier audits. BMP compliance is documented using JP-DOC-012 Secondary Supplier Audit Checklists. More than ¾ of the sawmills (18 of 23 / 78.3%) supplying feedstock are certified to the Sustainable Forestry Initiative® (SFI®) Fiber Sourcing Standard. These suppliers are 3rd party certified with verified BMP compliance monitoring programs. All suppliers require their suppliers and loggers to maintain SFI State Implementation Committee (SIC) logger training. This training educates loggers on BMPs, threatened & endangered species and biodiversity. The Company has access to SIC logger training databases to verify logger training.

	State forestry agencies conduct BMP compliance checks randomly or upon request by stakeholders. State BMP compliance reports are available for review by the Company.
Means of Verification	Feedstock purchase contracts, JP-DOC-012 Secondary Supplier Audit Checklists
Evidence Reviewed	• Feedstock purchase contracts • JP-POL-001 Sustainability Policy • JP-DOC-012 Secondary Supplier Audit Checklists • SFI Certification Database http://www.sfidatabase.org/PublicSearch/MainSearch.aspx • Alabama Professional Logging Manager https://www.alaforestry.org/page/PLMGeneral • Florida Master Logger http://floridaforest.org/programs/master-logger/master-logger-search-tool/ • Georgia Master Timber Harvester http://gamth.org/ • South Carolina Timber Operations Professional (TOP) Program https://www.scforestry.org/top-forestry-programs.htm • North Carolina ProLogger Program https://www.ncforestry.org/prologgers/prologger-lists/ • Virginia SHARP Logger Program http://sharplogger.vt.edu/data.html • Alabama Annual BMP Reports http://www.forestry.alabama.gov/Pages/Management/BMP_Practices.aspx • Florida Silviculture Best Management Practices 2017 Implementation Survey Report https://www.freshfromflorida.com/content/download/78966/2320474/SPMP_2017_ImplementationSurveyReport.pdf • Results of Georgia's 2017 Silvicultural Best Management Practices Implementation and Compliance Survey http://www.gfc.state.ga.us/forest-management/water-quality/bmps/BMP%20Survey%202017%20Results%20Report%20Final%20Corrected%20by%20Scott%20Jan112018%20410pm.pdf • Forestry BMPs in South Carolina: Compliance and Implementation Monitoring Report, 2015-2016 https://www.state.sc.us/forest/bmp16.pdf • An Assessment of Forestry Best Management Practices in North Carolina 2012-2016 https://www.ncforestservice.gov/water_quality/pdf/BMP_Assessment_Report_2012-2016.pdf • Silvicultural BMP Implementation Monitoring for Virginia, 2016 http://dof.virginia.gov/infopubs/_bmp-reports/BMPs-Imp-Monitoring-2016_pub.pdf
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.2.3	The Biomass Producer has implemented appropriate control systems and procedures to ensure that key ecosystems and habitats are conserved or set aside in their natural state (CPET S8b).
Finding	The Company's JP-DOC-005 High Conservation Value Risk Assessment using the FSC US Controlled Wood National Risk Assessment (US NRA) and other reputable conservation initiatives identified and mapped the presence or absence of the following high conservation value areas (HCVs) within the company's supply base. There are no World Resources Institute (Global Forest Watch) Frontier Forests or USFS Inventoried Roadless Areas. The following HCVs have been identified and mapped within the company's supply area and are assessed below. HCVs identified and assessed as "specified risk" will include describe measures to mitigate risks to a "low risk" level. <u>North America Coastal Plain (NACP)</u> Considered a biodiversity hot spot by the Critical Ecosystem Partnership Fund in 2016, NACP intersects more than half of the company's supply area. This biodiversity hotspot reaches from northern Mexico along the Gulf Coastal and Atlantic Coastal Plains north to southern Maine. While this Coastal Plain is considered a biodiversity hotspot because of the large number of endemic plant and species located within this area, this vast designation includes all many of the HCVs described below at a more site specific scale. <u>World Wildlife Fund (WWF) Ecoregions</u> The Company's supply area is located within three WWF ecoregions; three of which are considered "critical /endangered" and are considered as WWF Global 200 eco-regions. The final eco-region is considered vulnerable. These four ecoregions are: • NA403 Appalachian-Blue Ridge Forests • NA413 Southeastern Mixed Forests • NA517 Mid-Atlantic Coastal Forests • NA529 Southeastern Conifer Forests <u>NA403 Appalachian-Blue Ridge Forests</u> This ecoregion is ranked vulnerable and does not require evaluation. This ecoregion intersects the Company's supply area in the extreme northwest portion of the supply area in ten (10) counties. <u>NA413 Southeastern Mixed Forests</u> This ecoregion is ranked critical/endangered. This eco-region intersects approximately half of the company's supply area. The Southeastern Mixed Forests rank among the top ten ecoregions in richness of amphibians, reptiles, and birds and among the top ten ecoregions in number of endemic reptiles, amphibians, butterflies, and mammals. The natural vegetation is dominated by oak-hickory-pine forests. About 99% of this habitat has now been converted to agriculture or other uses, or is highly degraded. Because of the heavy rate of conversion, there is little left to conserve. <u>Low Risk designation:</u> b) As stated above, WWF has declared more than 99% of this ecoregion having been converted. The remaining examples of this HCV are known to occur on protected lands. <u>NA517 Mid-Atlantic Coastal Forests</u>

This ecoregion is ranked critical/endangered. This eco-region intersects about half of the eastern portion of the Company's supply area.

The Mid-Atlantic Coastal Forests contains the most diverse assemblage of freshwater wetland communities in North America and perhaps of all temperate forest ecoregions. Nonalluvial wetlands, including freshwater marshes, shrub bogs, white cedar swamps, bayheads, and wet hammocks are particularly prominent. Approximately 12% of the ecoregion contains habitat that is considered intact. Conversion due to agriculture, fire suppression, urbanization, coastal development (including resorts), ditching and draining of wetlands, and damming of rivers which affect hydrology has been the greatest threat to this ecoregion.

NA529 Southeastern Conifer Forests

This ecoregion is ranked critical/endangered. This ecoregion intersects about half of the southeastern portion of the Company's supply area.

This ecoregion is the largest conifer forest ecoregion east of the Mississippi and the second largest coniferous ecoregion in the continental U.S. The Southeastern Conifer Forests were dominated by relatively open tall stands of long leaf pine (*Pinus palustris*) with an understory of wiregrass (*Aristida stricta*). The open nature of the mature long leaf pine stands and the frequency of understory fires helped maintain perhaps the richest temperate herbaceous flora on Earth. Over 98% of this habitat is now gone in the southeastern section of this ecoregion, much having been converted to agriculture or tree farms. Remaining habitat is limited to fragments and degraded larger patches.

Green Peace Intact Forests

A Greenpeace Intact Forest is located in Charlton and Ware Counties, GA which is within the company's supply area. It is almost entirely within the 403,119-acre Okefenokee National Wildlife Refuge which has been described as "one of North America's most unspoiled, fascinating and precious natural areas". The Okefenokee Swamp is the largest, intact, un-fragmented, freshwater and black water wilderness swamp in North America. There are 353,000 acres designated as a National Wilderness Area within the refuge.

FSC US Controlled Wood National Risk Assessment (US NRA)

The Company has determined there may be areas within its supply area that are considered "specified risk" to the following categories of controlled wood:

- Category 3: Wood from forests where high conservation values are threatened by management activities:
 - HCV1 - Cape Fear Critical Biodiversity Area (CBA)
 - HCV1 – Florida Panhandle CBA
 - HCV3 - Natural Longleaf Pine Systems

The Company has determined two other Category 3 HCVs to be within its supply area. While these are found within the supply area, the Company only receives pine fiber which is not the primary tree species for the following two Category 3 HCVs. No mitigation measures have been implemented for these HCVs for this reason.

- HCV1 - Patch-Nosed Salamander
- HCV3 - Late Successional Bottomland Hardwood

The Company has mapped these "specified risk" areas by supplier and will implement, as needed, adequate control measures to either avoid or to mitigate specified risk related to origin and/or risk related to mixing with non-eligible inputs in the supply chain.

Category 3: HCV1 - Cape Fear Critical Biodiversity Area (CBA)

The Cape Fear Arch CBA is located in two counties in the northeastern most portion of the supply area. These counties include Brunswick & Columbus Counties in North Carolina. Four (4) suppliers and sub-suppliers purchase wood fiber from these

counties. The amount of fiber from these two NC counties is estimated to be low resulting in a low level of mitigation required.

The Cape Fear Arch region has resulted in a diversity of wet and dry habitats. The region is considered to have the greatest biological diversity along the Atlantic Coast. Important drivers of biodiversity in this region include longleaf pine forests and pocosins (coastal peatlands).

Pocosins occur within nutrient-poor peatlands in shallow depressions on plateaus and are typically continuously saturated with water. They harbor rare species like the venus fly trap and Red-cockaded Woodpecker. The overstory is usually pine, often Pond pine. Higher, drier sites typically have a dense evergreen shrub layer, while the wettest may only have low shrubs, stunted pines and beds of sphagnum, pitcher plants and cranberry.

Longleaf pine forests once covered much of the Atlantic Coastal Plain, but the extent and condition of the system has been severely depleted due to habitat fragmentation, unsustainable harvest, conversion to other land uses and vegetative types, invasive species, and exclusion of natural fire regimes. There have been recent gains, but the forest type is still very rare.

Category 3: HCV1 – Florida Panhandle CBA

The Florida Panhandle CBA is located within seven (7) counties in AL, FL & GA in the Company's supply area. Two (2) sub-suppliers provide wood fiber through a secondary supplier to JP from counties within this CBA which is considered to be "specified risk" within this CBA resulting in a low level of mitigation required.

This CBA is considered an HCV because it contains a high overall species richness, diversity, or uniqueness within a defined area compared to other sites within the same biogeographic area. The Florida Panhandle is reported to be one of the 5 richest biodiversity hotspots in North America. Of particular importance is the richness of frogs, snakes, turtles, and mussels. This concentration of biodiversity is driven by the river systems (particularly the Apalachicola River), longleaf pine savanna habitat and unique steephead ravines.

Category 3: HCV3 - Natural Longleaf Pine Systems

Native Longleaf Pine Systems (NLPS) are located in fifty-three (53) counties throughout the Company's supply area. All suppliers providing wood fiber that source from counties that have been identified as containing native longleaf systems resulting in a low level of mitigation required.

NLPS were once one of the most widespread forest types in the US but were reduced to less than 5% of their original range, becoming one of the rarest forest systems in the world. This historical reduction was driven by suppression of fire and conversion to other forest types. These forest systems are associated with high animal and plant diversity, including many rare, threatened and endangered species such as the Red-cockaded Woodpecker, Bachman's Sparrow, Gopher Tortoise, Eastern Indigo Snake, and Flatwoods Salamander.

"Native" in this instance refers to existing longleaf pine that is on a site that has historically been maintained as longleaf pine. Longleaf pine stands that have been restored in areas that have not been historically maintained in longleaf pine do not apply under this definition. "Native" does not imply a particular regeneration method; these stands may be either planted or naturally regenerated.

Protected Areas as identified by Protected Areas Database of the United States (PAD-US) represents about 6% of the Company's supply area. PAD-US is the official inventory of public parks and other protected open space. The spatial data in PAD-US represents public lands held in trust by thousands of national, state and regional/local governments, as well as non-profit conservation organizations.

Means of Verification	Feedstock purchase contracts, JP-DOC-012 Secondary Supplier Audit Checklists
Evidence Reviewed	• Feedstock purchase contracts • FSC US Controlled Wood National Risk Assessment (US NRA) • JP-DOC-005 High Conservation Value Risk Assessment • JP-DOC-012 Secondary Supplier Audit Checklists
Risk Rating	☐ Low Risk ☒ Specified Risk ☐ Unspecified Risk at RA
Comment or Mitigation Measure	<u>World Wildlife Fund (WWF) Ecoregions</u> <u>NA517 Mid-Atlantic Coastal Forests</u> <u>Mitigation Measures:</u> i) WWF has declared about 88% of this ecoregion having been converted. The remaining examples of this HCV are known to occur on protected lands – JP-DOC-005 High Conservation Value Risk Assessment (Figure 12). j) The Company through its feedstock purchase contracts or supply agreements requires suppliers to comply with laws and regulations, including the Clean Water Act, and compliance with state Best Management Practices (BMPs). Verification of compliance is accomplished through supplier audits using JP-DOC-012 Secondary Supplier Audit Checklists. k) The Company has committed to improving the education and awareness of this ecoregion through the representation of company at FSC Controlled Wood Regional Meetings held in 2018. Information from these regional meetings on the Cape Fear Arch Critical Biodiversity Area (CBA) was reviewed by company personnel. l) The Company reviews this educational information with its suppliers who source wood fiber from this ecoregion to educate the suppliers, their loggers and landowners on the conservation values of Cape Fear Arch biodiversity associated with pocosins, threats from incompatible forest management, & opportunities for conservation through management that enhances biodiversity and reduces or eliminates these threats while recognizing the importance of hydrology for maintenance and enhancement of pocosins. This education & outreach measure is documented using JP-DOC-012 Secondary Supplier Audit Checklists. <u>NA529 Southeastern Conifer Forests</u> <u>Mitigation Measures:</u> i) WWF has declared over 98% of this ecoregion having been converted. The remaining examples of this HCV are known to occur on protected lands – JP-DOC-005 High Conservation Value Risk Assessment (Figure 12). j) The Company has committed to improving the education and awareness of this ecoregion through the representation of company at FSC Controlled Wood Regional Meetings held in 2018. Information from these regional meetings on Native Long Leaf Pine Systems (NLPS) was reviewed by company personnel. k) The Company reviews this educational information with its suppliers who source wood fiber from this ecoregion to educate the suppliers, their loggers and landowners on the social benefits and values of NLPS, threats from forest management and related loss of values, and opportunities for conservation through management that restores or maintains NLPS and reduces or eliminates these threats. Communications should recognize the importance of the forest understory and fire to NLPS. This education and outreach measure will be documented using JP-DOC-012 Secondary Supplier Audit Checklists. l) The Company will engage with and/or provide monetary or in-kind resources to conservation organizations such as the Longleaf Alliance that are facilitating active, on-the-ground implementation of management activities to restore or maintain

	existing examples of NLPS, with a goal of long-term conservation of this system within the specified risk area and the company's supply area. <u>Green Peace Intact Forests</u> <u>Mitigation Measures:</u> e) There is a strong system of protection (effective protected areas and legislation) in place within the Company's supply area that ensures survival of this intact forest. f) No wood is harvested out of the described National Wilderness Area which is managed by the Department of Interior. If wood is harvested from the surrounding forests described above, The Department of Interior or the Georgia Forestry Commission conducts environment impact studies and oversees all timber harvesting on these forests within the HCV providing complete protection of the site. <u>FSC US Controlled Wood National Risk Assessment (US NRA)</u> <u>Category 3: HCV1 - Cape Fear Critical Biodiversity Area (CBA)</u> <u>Mitigation Measures:</u> g) The Company through its feedstock purchase contracts or supply agreements requires suppliers to comply with laws and regulations, including the Clean Water Act, and compliance with state Best Management Practices (BMPs). Verification of compliance is accomplished through supplier audits using JP-DOC-012 Secondary Supplier Audit Checklists. h) The Company has committed to improving the education and awareness of this ecoregion through the representation of company at FSC Controlled Wood Regional Meetings held in 2018. Information from these regional meetings on the Cape Fear Arch Critical Biodiversity Area (CBA) was reviewed by company personnel. i) The Company reviews this educational information with its suppliers who source wood fiber from this CBA to educate the suppliers, their loggers and landowners on the conservation values of Cape Fear Arch biodiversity associated with pocosins, threats from incompatible forest management, & opportunities for conservation through management that enhances biodiversity and reduces or eliminates these threats while recognizing the importance of hydrology for maintenance and enhancement of pocosins. This education & outreach measure is documented using JP-DOC-012 Secondary Supplier Audit Checklists. <u>Category 3: HCV1 – Florida Panhandle CBA</u> <u>Mitigation Measures:</u> e) The Company has committed to improving the education and awareness of this ecoregion through the representation of company at FSC Controlled Wood Regional Meetings held in 2018. Information from these regional meetings on the Florida Panhandle CBA was reviewed by company personnel. f) The Company reviews this educational information with its suppliers who source wood fiber from these counties to educate the suppliers, their loggers and landowners on the conservation values of aquatic biodiversity and Native Longleaf Pine Systems, threats from poorly implemented forest management activities, and opportunities for conservation through management practices that reduce or eliminate these threats, including but not limited to forest management activities on steep slopes, and practices that will prevent siltation. This education and outreach measure will be documented using JP-DOC-012 Secondary Supplier Audit Checklists. <u>Category 3: HCV3 - Natural Longleaf Pine Systems</u> <u>Mitigation Measures:</u> g) The Company has committed to improving the education and awareness of this ecoregion through the representation of company at FSC Controlled Wood
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	Regional Meetings held in 2018. Information from these regional meetings on Native Long Leaf Pine Systems (NLPS) was reviewed by company personnel. h) The Company reviews this educational information with its suppliers who source wood fiber from these counties to educate the suppliers, their loggers and landowners on the social benefits and values of NLPS, threats from forest management and related loss of values, and opportunities for conservation through management that restores or maintains NLPS and reduces or eliminates these threats. Communications should recognize the importance of the forest understory and fire to NLPS. This education and outreach measure will be documented using JP-DOC-012 Secondary Supplier Audit Checklists. The Company will engage with and/or provide monetary or in-kind resources to conservation organizations such as the Longleaf Alliance that are facilitating active, on-the-ground implementation of management activities to restore or maintain existing examples of NLPS, with a goal of long-term conservation of this system within the specified risk area and the company's supply area.
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	Indicator
2.2.4	The Biomass Producer has implemented appropriate control systems and procedures to ensure that biodiversity is protected (CPET S5b).
Finding	The Company's JP-DOC-005 High Conservation Value Risk Assessment using the FSC US Controlled Wood National Risk Assessment (US NRA) and other reputable conservation initiatives identified and mapped the presence or absence of the following high conservation value areas (HCVs) within the company's supply base. There are no World Resources Institute (Global Forest Watch) Frontier Forests or USFS Inventoried Roadless Areas. The following HCVs have been identified and mapped within the company's supply area and are assessed below. HCVs identified and assessed as "specified risk" will include describe measures to mitigate risks to a "low risk" level. <u>North America Coastal Plain (NACP)</u> Considered a biodiversity hot spot by the Critical Ecosystem Partnership Fund in 2016, NACP intersects more than half of the company's supply area. This biodiversity hotspot reaches from northern Mexico along the Gulf Coastal and Atlantic Coastal Plains north to southern Maine. While this Coastal Plain is considered a biodiversity hotspot because of the large number of endemic plant and species located within this area, this vast designation includes all many of the HCVs described below at a more site specific scale. <u>World Wildlife Fund (WWF) Ecoregions</u> The Company's supply area is located within three WWF ecoregions; three of which are considered "critical /endangered" and are considered as WWF Global 200 eco-regions. The final eco-region is considered vulnerable. These four ecoregions are: • NA403 Appalachian-Blue Ridge Forests • NA413 Southeastern Mixed Forests • NA517 Mid-Atlantic Coastal Forests • NA529 Southeastern Conifer Forests <u>NA403 Appalachian-Blue Ridge Forests</u> This ecoregion is ranked vulnerable and does not require evaluation. This ecoregion intersects the Company's supply area in the extreme northwest portion of the supply area in ten (10) counties.

NA413 Southeastern Mixed Forests

This ecoregion is ranked critical/endangered. This eco-region intersects approximately half of the company's supply area. The Southeastern Mixed Forests rank among the top ten ecoregions in richness of amphibians, reptiles, and birds and among the top ten ecoregions in number of endemic reptiles, amphibians, butterflies, and mammals. The natural vegetation is dominated by oak-hickory-pine forests. About 99% of this habitat has now been converted to agriculture or other uses, or is highly degraded. Because of the heavy rate of conversion, there is little left to conserve.

Low Risk designation:

- c) As stated above, WWF has declared more than 99% of this ecoregion having been converted. The remaining examples of this HCV are known to occur on protected lands.

NA517 Mid-Atlantic Coastal Forests

This ecoregion is ranked critical/endangered. This eco-region intersects about half of the eastern portion of the Company's supply area.

The Mid-Atlantic Coastal Forests contains the most diverse assemblage of freshwater wetland communities in North America and perhaps of all temperate forest ecoregions. Nonalluvial wetlands, including freshwater marshes, shrub bogs, white cedar swamps, bayheads, and wet hammocks are particularly prominent. Approximately 12% of the ecoregion contains habitat that is considered intact. Conversion due to agriculture, fire suppression, urbanization, coastal development (including resorts), ditching and draining of wetlands, and damming of rivers which affect hydrology has been the greatest threat to this ecoregion.

NA529 Southeastern Conifer Forests

This ecoregion is ranked critical/endangered. This ecoregion intersects about half of the southeastern portion of the Company's supply area.

This ecoregion is the largest conifer forest ecoregion east of the Mississippi and the second largest coniferous ecoregion in the continental U.S. The Southeastern Conifer Forests were dominated by relatively open tall stands of long leaf pine (*Pinus palustris*) with an understory of wiregrass (*Aristida stricta*). The open nature of the mature long leaf pine stands and the frequency of understory fires helped maintain perhaps the richest temperate herbaceous flora on Earth. Over 98% of this habitat is now gone in the southeastern section of this ecoregion, much having been converted to agriculture or tree farms. Remaining habitat is limited to fragments and degraded larger patches.

Green Peace Intact Forests

A Greenpeace Intact Forest is located in Charlton and Ware Counties, GA which is within the company's supply area. It is almost entirely within the 403,119-acre Okefenokee National Wildlife Refuge which has been described as "one of North America's most unspoiled, fascinating and precious natural areas". The Okefenokee Swamp is the largest, intact, un-fragmented, freshwater and black water wilderness swamp in North America. There are 353,000 acres designated as a National Wilderness Area within the refuge.

FSC US Controlled Wood National Risk Assessment (US NRA)

The Company has determined there may be areas within its supply area that are considered "specified risk" to the following categories of controlled wood:

- Category 3: Wood from forests where high conservation values are threatened by management activities:
 - HCV1 - Cape Fear Critical Biodiversity Area (CBA)

- HCV1 – Florida Panhandle CBA
- HCV3 - Natural Longleaf Pine Systems

The Company has determined two other Category 3 HCVs to be within its supply area. While these are found within the supply area, the Company only receives pine fiber which is not the primary tree species for the following two Category 3 HCVs. No mitigation measures have been implemented for these HCVs for this reason.

- HCV1 - Patch-Nosed Salamander
- HCV3 - Late Successional Bottomland Hardwood

The Company has mapped these “specified risk” areas by supplier and will implement, as needed, adequate control measures to either avoid or to mitigate specified risk related to origin and/or risk related to mixing with non-eligible inputs in the supply chain.

Category 3: HCV1 - Cape Fear Critical Biodiversity Area (CBA)

The Cape Fear Arch CBA is located in two counties in the northeastern most portion of the supply area. These counties include Brunswick & Columbus Counties in North Carolina. Four (4) suppliers and sub-suppliers purchase wood fiber from these counties. The amount of fiber from these two NC counties is estimated to be low resulting in a low level of mitigation required.

The Cape Fear Arch region has resulted in a diversity of wet and dry habitats. The region is considered to have the greatest biological diversity along the Atlantic Coast. Important drivers of biodiversity in this region include longleaf pine forests and pocosins (coastal peatlands).

Pocosins occur within nutrient-poor peatlands in shallow depressions on plateaus and are typically continuously saturated with water. They harbor rare species like the venus fly trap and Red-cockaded Woodpecker. The overstory is usually pine, often Pond pine. Higher, drier sites typically have a dense evergreen shrub layer, while the wettest may only have low shrubs, stunted pines and beds of sphagnum, pitcher plants and cranberry.

Longleaf pine forests once covered much of the Atlantic Coastal Plain, but the extent and condition of the system has been severely depleted due to habitat fragmentation, unsustainable harvest, conversion to other land uses and vegetative types, invasive species, and exclusion of natural fire regimes. There have been recent gains, but the forest type is still very rare.

Category 3: HCV1 – Florida Panhandle CBA

The Florida Panhandle CBA is located within seven (7) counties in AL, FL & GA in the Company’s supply area. Two (2) sub-suppliers provide wood fiber through a secondary supplier to JP from counties within this CBA which is considered to be “specified risk” within this CBA resulting in a low level of mitigation required.

This CBA is considered an HCV because it contains a high overall species richness, diversity, or uniqueness within a defined area compared to other sites within the same biogeographic area. The Florida Panhandle is reported to be one of the 5 richest biodiversity hotspots in North America. Of particular importance is the richness of frogs, snakes, turtles, and mussels. This concentration of biodiversity is driven by the river systems (particularly the Apalachicola River), longleaf pine savanna habitat and unique steephead ravines.

Category 3: HCV3 - Natural Longleaf Pine Systems

Native Longleaf Pine Systems (NLPS) are located in fifty-three (53) counties throughout the Company’s supply area. All suppliers providing wood fiber that source from counties that have been identified as containing native longleaf systems resulting in a low level of mitigation required.

NLPS were once one of the most widespread forest types in the US but were reduced to less than 5% of their original range, becoming one of the rarest forest systems in

	the world. This historical reduction was driven by suppression of fire and conversion to other forest types. These forest systems are associated with high animal and plant diversity, including many rare, threatened and endangered species such as the Red-cockaded Woodpecker, Bachman's Sparrow, Gopher Tortoise, Eastern Indigo Snake, and Flatwoods Salamander. "Native" in this instance refers to existing longleaf pine that is on a site that has historically been maintained as longleaf pine. Longleaf pine stands that have been restored in areas that have not been historically maintained in longleaf pine do not apply under this definition. "Native" does not imply a particular regeneration method; these stands may be either planted or naturally regenerated. Protected Areas as identified by Protected Areas Database of the United States (PAD-US) represents about 6% of the Company's supply area. PAD-US is the official inventory of public parks and other protected open space. The spatial data in PAD-US represents public lands held in trust by thousands of national, state and regional/local governments, as well as non-profit conservation organizations.
Means of Verification	Feedstock purchase contracts, JP-DOC-012 Secondary Supplier Audit Checklists
Evidence Reviewed	• Feedstock purchase contracts • FSC US Controlled Wood National Risk Assessment (US NRA) • JP-DOC-005 High Conservation Value Risk Assessment • JP-DOC-012 Secondary Supplier Audit Checklists
Risk Rating	☐ Low Risk ☒ Specified Risk ☐ Unspecified Risk at RA
Comment or Mitigation Measure	<u>World Wildlife Fund (WWF) Ecoregions</u> <u>NA517 Mid-Atlantic Coastal Forests</u> <u>Mitigation Measures:</u> m) WWF has declared about 88% of this ecoregion having been converted. The remaining examples of this HCV are known to occur on protected lands – JP-DOC-005 High Conservation Value Risk Assessment (Figure 12). n) The Company through its feedstock purchase contracts or supply agreements requires suppliers to comply with laws and regulations, including the Clean Water Act, and compliance with state Best Management Practices (BMPs). Verification of compliance is accomplished through supplier audits using JP-DOC-012 Secondary Supplier Audit Checklists. o) The Company has committed to improving the education and awareness of this ecoregion through the representation of company at FSC Controlled Wood Regional Meetings held in 2018. Information from these regional meetings on the Cape Fear Arch Critical Biodiversity Area (CBA) was reviewed by company personnel. p) The Company reviews this educational information with its suppliers who source wood fiber from this ecoregion to educate the suppliers, their loggers and landowners on the conservation values of Cape Fear Arch biodiversity associated with pocosins, threats from incompatible forest management, & opportunities for conservation through management that enhances biodiversity and reduces or eliminates these threats while recognizing the importance of hydrology for maintenance and enhancement of pocosins. This education & outreach measure is documented using JP-DOC-012 Secondary Supplier Audit Checklists. <u>NA529 Southeastern Conifer Forests</u> <u>Mitigation Measures:</u> m) WWF has declared over 98% of this ecoregion having been converted. The remaining examples of this HCV are known to occur on protected lands – JP-DOC-005 High Conservation Value Risk Assessment (Figure 12).

- n) The Company has committed to improving the education and awareness of this ecoregion through the representation of company at FSC Controlled Wood Regional Meetings held in 2018. Information from these regional meetings on Native Long Leaf Pine Systems (NLPS) was reviewed by company personnel.
- o) The Company reviews this educational information with its suppliers who source wood fiber from this ecoregion to educate the suppliers, their loggers and landowners on the social benefits and values of NLPS, threats from forest management and related loss of values, and opportunities for conservation through management that restores or maintains NLPS and reduces or eliminates these threats. Communications should recognize the importance of the forest understory and fire to NLPS. This education and outreach measure will be documented using JP-DOC-012 Secondary Supplier Audit Checklists.
- p) The Company will engage with and/or provide monetary or in-kind resources to conservation organizations such as the Longleaf Alliance that are facilitating active, on-the-ground implementation of management activities to restore or maintain existing examples of NLPS, with a goal of long-term conservation of this system within the specified risk area and the company's supply area.

Green Peace Intact Forests

Mitigation Measures:

- g) There is a strong system of protection (effective protected areas and legislation) in place within the Company's supply area that ensures survival of this intact forest.
- h) No wood is harvested out of the described National Wilderness Area which is managed by the Department of Interior. If wood is harvested from the surrounding forests described above, The Department of Interior or the Georgia Forestry Commission conducts environment impact studies and oversees all timber harvesting on these forests within the HCV providing complete protection of the site.

FSC US Controlled Wood National Risk Assessment (US NRA)

Category 3: HCV1 - Cape Fear Critical Biodiversity Area (CBA)

Mitigation Measures:

- j) The Company through its feedstock purchase contracts or supply agreements requires suppliers to comply with laws and regulations, including the Clean Water Act, and compliance with state Best Management Practices (BMPs). Verification of compliance is accomplished through supplier audits using JP-DOC-012 Secondary Supplier Audit Checklists.
- k) The Company has committed to improving the education and awareness of this ecoregion through the representation of company at FSC Controlled Wood Regional Meetings held in 2018. Information from these regional meetings on the Cape Fear Arch Critical Biodiversity Area (CBA) was reviewed by company personnel.
- l) The Company reviews this educational information with its suppliers who source wood fiber from this CBA to educate the suppliers, their loggers and landowners on the conservation values of Cape Fear Arch biodiversity associated with pocosins, threats from incompatible forest management, & opportunities for conservation through management that enhances biodiversity and reduces or eliminates these threats while recognizing the importance of hydrology for maintenance and enhancement of pocosins. This education & outreach measure is documented using JP-DOC-012 Secondary Supplier Audit Checklists.

Category 3: HCV1 – Florida Panhandle CBA

Mitigation Measures:

- g) The Company has committed to improving the education and awareness of this ecoregion through the representation of company at FSC Controlled Wood

	Regional Meetings held in 2018. Information from these regional meetings on the Florida Panhandle CBA was reviewed by company personnel. h) The Company reviews this educational information with its suppliers who source wood fiber from these counties to educate the suppliers, their loggers and landowners on the conservation values of aquatic biodiversity and Native Longleaf Pine Systems, threats from poorly implemented forest management activities, and opportunities for conservation through management practices that reduce or eliminate these threats, including but not limited to forest management activities on steep slopes, and practices that will prevent siltation. This education and outreach measure will be documented using JP-DOC-012 Secondary Supplier Audit Checklists. <u>Category 3: HCV3 - Natural Longleaf Pine Systems</u> <u>Mitigation Measures:</u> i) The Company has committed to improving the education and awareness of this ecoregion through the representation of company at FSC Controlled Wood Regional Meetings held in 2018. Information from these regional meetings on Native Long Leaf Pine Systems (NLPS) was reviewed by company personnel. j) The Company reviews this educational information with its suppliers who source wood fiber from these counties to educate the suppliers, their loggers and landowners on the social benefits and values of NLPS, threats from forest management and related loss of values, and opportunities for conservation through management that restores or maintains NLPS and reduces or eliminates these threats. Communications should recognize the importance of the forest understory and fire to NLPS. This education and outreach measure will be documented using JP-DOC-012 Secondary Supplier Audit Checklists. The Company will engage with and/or provide monetary or in-kind resources to conservation organizations such as the Longleaf Alliance that are facilitating active, on-the-ground implementation of management activities to restore or maintain existing examples of NLPS, with a goal of long-term conservation of this system within the specified risk area and the company's supply area.
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	Indicator
2.2.5	The Biomass Producer has implemented appropriate control systems and procedures for verifying that the process of residue removal minimises harm to ecosystems.
Finding	The Company has appropriate control systems and procedures to ensure residue removals are minimized in harming the ecosystem. State forestry Best Management Practices (BMP) address wood and residue utilization. JP-POL-001 Sustainability Policy states the Company requires BMP compliance with the harvesting of all wood fiber it receives. Feedstock purchase contracts require BMP compliance. The Company verifies BMP compliance as part of its annual supplier audits. BMP compliance is documented using JP-DOC-012 Secondary Supplier Audit Checklists. More than ¾ of the sawmills (18 of 23 / 78.3%) supplying feedstock are certified to the Sustainable Forestry Initiative® (SFI®) Fiber Sourcing Standard. These suppliers are 3rd party certified with verified BMP compliance monitoring programs. All suppliers require their suppliers and loggers to maintain SFI State Implementation Committee (SIC) logger training. This training educates loggers on BMPs, threatened & endangered species and biodiversity. The Company has access to SIC logger training databases to verify logger training.

	State forestry agencies conduct BMP compliance checks randomly or upon request by stakeholders. State BMP compliance reports are available for review by the Company. The Company is in the process of distributing “Forest Biomass Retention and Harvesting Guidelines for the Southeast” from the Forest Guild to be used as a tool to ensure biomass removal minimizes the harm to ecosystems. JP-DOC-012 Secondary Supplier Audit Checklists will document forest biomass retention literature distribution.
Means of Verification	Feedstock purchase contracts, JP-DOC-012 Secondary Supplier Audit Checklists
Evidence Reviewed	• Feedstock purchase contracts • JP-POL-001 Sustainability Policy • JP-DOC-012 Secondary Supplier Audit Checklists • SFI Certification Database http://www.sfidatabase.org/PublicSearch/MainSearch.aspx • Alabama Professional Logging Manager https://www.alaforestry.org/page/PLMGeneral • Florida Master Logger http://floridaforest.org/programs/master-logger/master-logger-search-tool/ • Georgia Master Timber Harvester http://gamth.org/ • South Carolina Timber Operations Professional (TOP) Program https://www.scforestry.org/top-forestry-programs.htm • North Carolina ProLogger Program https://www.ncforestry.org/prologgers/prologger-lists/ • Virginia SHARP Logger Program http://sharplogger.vt.edu/data.html • Alabama Annual BMP Reports http://www.forestry.alabama.gov/Pages/Management/BMP_Practices.aspx • Florida Silviculture Best Management Practices 2017 Implementation Survey Report https://www.freshfromflorida.com/content/download/78966/2320474/SPMP_2017_ImplementationSurveyReport.pdf • Results of Georgia's 2017 Silvicultural Best Management Practices Implementation and Compliance Survey http://www.gfc.state.ga.us/forest-management/water-quality/bmps/BMP%20Survey%202017%20Results%20Report%20Final%20Corrected%20by%20Scott%20Jan112018%20410pm.pdf • Forestry BMPs in South Carolina: Compliance and Implementation Monitoring Report, 2015-2016 https://www.state.sc.us/forest/bmp16.pdf • An Assessment of Forestry Best Management Practices in North Carolina 2012-2016 https://www.ncforestservice.gov/water_quality/pdf/BMP_Assessment_Report_2012-2016.pdf • Silvicultural BMP Implementation Monitoring for Virginia, 2016 http://dof.virginia.gov/infopubs/_bmp-reports/BMPs-Imp-Monitoring-2016_pub.pdf • Forest Biomass Retention and Harvesting Guidelines for the Southeast https://foreststewardsguild.org/wp-content/uploads/2019/05/FG_Biomass_Guidelines_SE.pdf
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.2.6	The Biomass Producer has implemented appropriate control systems and procedures to verify that negative impacts on ground water, surface water and water downstream from forest management are minimised (CPET S5b).
Finding	State and Federal laws, such as the Clean Water Act, are in place to protect the waters of the United States. Access to these laws is available to Company personnel with a list of applicable laws and regulations in the Appendix of JP-DOC-005 High Conservation Value Areas Risk Assessment. State Forestry Commissions, working with state Environmental Protection Divisions are charged with the enforcement of these state and federal laws. In addition, state forestry Best Management Practices (BMP) have been developed to provide guidance in water quality protection. JP-POL-001 Sustainability Policy provides guidance on how Company employees and suppliers will meet BMPs in the harvest of fiber without having negative impacts to water quality. Feedstock purchase contracts require adherence to state BMPs. The Company verifies BMP compliance as part of its annual supplier audits. BMP compliance is documented using JP-DOC-012 Secondary Supplier Audit Checklists. More than ¾ of the sawmills (18 of 23 / 78.3%) supplying feedstock are certified to the Sustainable Forestry Initiative® (SFI®) Fiber Sourcing Standard. These suppliers are 3rd party certified with verified BMP compliance monitoring programs. All suppliers require their suppliers and loggers to maintain SFI State Implementation Committee (SIC) logger training. This training educates loggers on BMPs, threatened & endangered species and biodiversity. The Company has access to SIC logger training databases to verify logger training. State forestry agencies conduct BMP compliance checks randomly or upon request by stakeholders. State BMP compliance reports are available for review by the Company.
Means of Verification	Feedstock purchase contracts, JP-DOC-012 Secondary Supplier Audit Checklists, state BMP Compliance Surveys/Reports
Evidence Reviewed	• Feedstock purchase contracts • JP-POL-001 Sustainability Policy • JP-DOC-012 Secondary Supplier Audit Checklists • • Georgia's Best Management Practices for Forestry http://www.gfc.state.ga.us/forest-management/water-quality/bmps/manual/BMP%20Manual%202019%20Web.pdf • South Carolina's Best Management Practices for Forestry https://www.state.sc.us/forest/bmpmanual.pdf • North Carolina Forestry Best Management Practices Manual To Protect Water Quality https://ncforestservice.gov/water_quality/bmp_manual.htm • Virginia's Forestry Best Management Practices for Water Quality – Field Guide http://www.dof.virginia.gov/infopubs/BMP-Field-Guide_pub.pdf • SFI Certification Database http://www.sfidatabase.org/PublicSearch/MainSearch.aspx • Alabama Professional Logging Manager https://www.alaforestry.org/page/PLMGeneral • Florida Master Logger http://floridaforest.org/programs/master-logger/master-logger-search-tool/ • Georgia Master Timber Harvester http://gamth.org/ • South Carolina Timber Operations Professional (TOP) Program https://www.scforestry.org/top-forestry-programs.htm • North Carolina ProLogger Program

	https://www.ncforestry.org/prologgers/prologger-lists/ • Virginia SHARP Logger Program http://sharplogger.vt.edu/data.html • Alabama Annual BMP Reports http://www.forestry.alabama.gov/Pages/Management/BMP_Practices.aspx • Florida Silviculture Best Management Practices 2017 Implementation Survey Report https://www.freshfromflorida.com/content/download/78966/2320474/SPMP_2017_ImplementationSurveyReport.pdf • Results of Georgia's 2017 Silvicultural Best Management Practices Implementation and Compliance Survey http://www.gfc.state.ga.us/forest-management/water-quality/bmps/BMP%20Survey%202017%20Results%20Report%20Final%20Corrected%20by%20Scott%20Jan112018%20410pm.pdf • Forestry BMPs in South Carolina: Compliance and Implementation Monitoring Report, 2015-2016 https://www.state.sc.us/forest/bmp16.pdf • An Assessment of Forestry Best Management Practices in North Carolina 2012-2016 https://www.ncforestservice.gov/water_quality/pdf/BMP_Assessment_Report_2012-2016.pdf • Silvicultural BMP Implementation Monitoring for Virginia, 2016 http://dof.virginia.gov/infopubs/_bmp-reports/BMPs-Imp-Monitoring-2016_pub.pdf
Risk Rating	X Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.2.7	The Biomass Producer has implemented appropriate control systems and procedures for verifying that air quality is not adversely affected by forest management activities.
Finding	While the Company only receives secondary & tertiary feedstock and does not conduct forest management activities (prescribed burning) that directly impacts air quality, state laws and regulations require people wanting to burn piles and/or forest residues to request a burning permit. All permits are managed by the state forestry agency. In addition, states issue burn permits based on state smoke management guidelines. State forestry agency State Forest Plans and Annual Reports state forest activities such as prescribed burning have mixed impacts on the forests. While smoke from prescribed burning can lower air quality temporarily, the lack of burning has a direct negative impact of longleaf pine ecosystems.
Means of Verification	Employee interviews, state Smoke Management guidelines, state prescribed burning laws, state Forest Action Plans
Evidence Reviewed	• Georgia Burn Permit Law O.C.G.A. 12-6-90 • Georgia Prescribed Burning Act O.C.G.A. 12-6-145 to O.C.G.A. 12-6-149 http://www.gfc.state.ga.us/forest-management/prescribed-fire/prescribed-fire-legislation/index.cfm • Georgia's Smoke Management Plan https://epd.georgia.gov/air/prescribed-fire-smoke-management-plan • South Carolina Prescribed Fire Act

	https://www.scstatehouse.gov/code/t48c034.php - Smoke Management Guidelines Guidelines Guidelines for Vegetative Debris Burning for Forestry, Agriculture, and Wildlife Purposes in the State of South Carolina https://www.state.sc.us/forest/smg05.pdf - North Carolina Prescribed Burning Act https://www.ncleg.net/EnactedLegislation/Statutes/HTML/ByArticle/Chapter_106/Article_80.html - North Carolina Smoke Management Program https://www.ncforestservice.gov/fire_control/pdf/NC_SMP_Guidelines_2016.pdf - Virginia Emissions Standards – Open Burning http://www.dof.virginia.gov/resources/fire/emissions-standards-open-burning_DEQ.pdf - Alabama Forest Action Plan http://www.forestry.alabama.gov/Pages/Management/Forest_Action_Plan.aspx - Florida Forest Action Plan https://www.freshfromflorida.com/content/download/81380/2380181/Florida_Forest_Resource_Strategy_6-18-10.pdf - Georgia Forest Action Plan http://www.gfc.state.ga.us/about-us/strategic-plan/georgia-statewide-forest-resources-assessment-and-strategy/index.cfm - South Carolina Forest Action Plan http://www.trees.sc.gov/scfra.htm - North Carolina Forest Action Plan https://www.ncforestactionplan.com/ - Virginia Department of Forestry Strategic Plan http://www.dof.virginia.gov/infopubs/Strategic-Plan-2010_pub.pdf
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.2.8	The Biomass Producer has implemented appropriate control systems and procedures for verifying that there is controlled and appropriate use of chemicals, and that Integrated Pest Management (IPM) is implemented wherever possible in forest management activities (CPET S5c).
Finding	The Company only receives secondary & tertiary feedstock and does not conduct forest management activities which use forest chemicals or is directly involved with Integrated Pest Management (IPM). JP-POL-001 Sustainability Policy states the Company will abide by all laws and regulations, including those laws associated with the environment. Feedstock purchase contracts require suppliers to abide all applicable laws and regulations. Within the US, chemical use on forestlands is regulated under the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA). The US Environmental Protection Agency (EPA) has responsibility for implementing and enforcing FIFRA. All chemicals use in forest management activities must be EPA registered and applicators must follow guidelines prescribed for each chemical's application.

	The Company is a member of the South Carolina Forestry Association. This participation allows the Company to stay abreast of environmental legislation and provides opportunities to engage forest landowners in best forestry management practices.
Means of Verification	Employee interviews, Feedstock purchase contracts
Evidence Reviewed	• Feedstock purchase contracts • JP-POL-001 Sustainability Policy
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.2.9	The Biomass Producer has implemented appropriate control systems and procedures for verifying that methods of waste disposal minimise negative impacts on forest ecosystems (CPET S5d).
Finding	State and Federal laws, such as the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), are in place to protect from oil spills and hazardous substance releases. Access to these laws is available to Company personnel as referenced in the Appendix within JP-DOC-005 High Conservation Value Areas Risk Assessment. JP-POL-001 Sustainability Policy states the Company will abide by all laws and regulations, including those laws associated with the environment. Feedstock purchase contracts require suppliers to abide all applicable laws and regulations and requires compliance to state forestry Best Management Practices (BMP). JP-DOC-012 Secondary Supplier Audit Checklist documents supplier BMP compliance and/or regulatory violations.
Means of Verification	Feedstock purchase contracts, JP-DOC-012 Secondary Supplier Audit Checklists
Evidence Reviewed	• Feedstock purchase contracts • JP-POL-001 Sustainability Policy • JP-DOC-005 High Conservation Value Areas Risk Assessment • JP-DOC-012 Secondary Supplier Audit Checklists
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.3.1	Analysis shows that feedstock harvesting does not exceed the long-term production capacity of the forest, avoids significant negative impacts on forest productivity and ensures long-term economic viability. Harvest levels are justified by inventory and growth data.
Finding	Harvest levels for the supply base in AL, FL, GA, NC, SC & VA do not exceed growth according to USDA Forest Service forest inventory data. Forest Service annual growth & removals data for the most current year (AL-2018; FL-2016; GA-2017; NC-2018; SC-2017; VA-2017) show a positive average rate of growth to removals of 1.67 for all wood. For pine, this annual growth to removals rate is 1.87. USDA Forest Service State of Forest Reports for the six states show growth to removals ratios of 1.61 (AL), 1.64 (FL), 1.37 (GA), 1.63 (NC), 1.31 (SC) & 2.07 (VA) for all wood.
Means of Verification	USDA Forest Service FIA data
Evidence Reviewed	• Forests of Alabama, 2018 https://www.srs.fs.usda.gov/pubs/ru/ru_srs180.pdf • Forests of Florida, 2016 https://www.srs.fs.usda.gov/pubs/ru/ru_srs182.pdf • Forests of Georgia, 2017 https://www.srs.fs.usda.gov/pubs/ru/ru_srs183.pdf • Forests of North Carolina, 2017 https://www.srs.fs.usda.gov/pubs/ru/ru_srs187.pdf • Forest of South Carolina, 2017 https://www.srs.fs.usda.gov/pubs/ru/ru_srs179.pdf • Forests of Virginia, 2017 https://www.srs.fs.usda.gov/pubs/ru/ru_srs191.pdf
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.3.2	Adequate training is provided for all personnel, including employees and contractors (CPET S6d).
Finding	Company personnel have been trained on SBP standards. This training is recorded on JP-DOC-002 Training Record. More than ¾ of the sawmills (18 of 23 / 78.3%) supplying feedstock are certified to the Sustainable Forestry Initiative® (SFI®) Fiber Sourcing Standard. These suppliers are 3rd party certified with verified BMP compliance monitoring programs. All suppliers require their suppliers and loggers to maintain SFI State Implementation Committee (SIC) logger training. This training educates loggers on BMPs, threatened & endangered species and biodiversity. The Company has access to SIC logger training databases to verify logger training. The Company verifies logger training as part of its annual supplier audits. Logger training is documented using JP-DOC-012 Secondary Supplier Audit Checklists.

Means of Verification	Training records, JP-DOC-012 Secondary Supplier Audit Checklist
Evidence Reviewed	- JP-DOC-002 Training Record - JP-DOC-012 Secondary Supplier Audit Checklist
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.3.3	Analysis shows that feedstock harvesting and biomass production positively contribute to the local economy, including employment.
Finding	In addition to the 10 jobs associated with the pellet mill, the Company has created another market for wood residuals. This additional market only adds to a forest products industry that is a leading industry and employer in AL, FL, GA, NC, SC & VA. According to recent economic studies, forestry is a \$18.5 billion industry in AL (2016), \$21.3 billion industry in GA (2017), a \$20 billion in NC annually (2017) and a \$21 billion industry in SC annually (2017). Forestry and its related jobs accounted for over 53,900 jobs in GA, over 71,600 jobs in NC & 84,425 jobs in SC.
Means of Verification	Economic studies, Employee interviews
Evidence Reviewed	- Economic Contributions of Alabama Agriculture and Forestry http://www.decision-innovation.com/webres/File/docs/AL-AECS/170619_FINAL%20Alabama%20Ag%20%26%20Forestry%20Economic%20Contribution%20Study.pdf - Economic Benefits of the Forest Industry in Georgia: 2017 http://www.gfc.state.ga.us/utilization/economic-impacts/2017%20Forestry%20Impact%20Report%20Web.pdf - Economic Contribution of the Forest Sector in North Carolina, 2017 https://content.ces.ncsu.edu/show_ep3_pdf/1561669585/24286/ - Economic Contribution Analysis of SC's Forestry Sector, 2017 https://www.state.sc.us/forest/economicimpactstudy2017.pdf
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.4.1	The Biomass Producer has implemented appropriate control systems and procedures for verifying that the health, vitality and other services provided by forest ecosystems are maintained or improved (CPET S7a).
Finding	The Company's JP-DOC-005 High Conservation Value Risk Assessment using the FSC US Controlled Wood National Risk Assessment (US NRA) and other reputable conservation initiatives identified and mapped the presence or absence of the following high conservation value areas (HCVs) within the company's supply base. There are no World Resources Institute (Global Forest Watch) Frontier Forests or USFS Inventoried Roadless Areas. The following HCVs have been identified and mapped within the company's supply area and are assessed below. HCVs identified and assessed as "specified risk" will include describe measures to mitigate risks to a "low risk" level. <u>North America Coastal Plain (NACP)</u> Considered a biodiversity hot spot by the Critical Ecosystem Partnership Fund in 2016, NACP intersects more than half of the company's supply area. This biodiversity hotspot reaches from northern Mexico along the Gulf Coastal and Atlantic Coastal Plains north to southern Maine. While this Coastal Plain is considered a biodiversity hotspot because of the large number of endemic plant and species located within this area, this vast designation includes all many of the HCVs described below at a more site specific scale. <u>World Wildlife Fund (WWF) Ecoregions</u> The Company's supply area is located within three WWF ecoregions; three of which are considered "critical /endangered" and are considered as WWF Global 200 eco-regions. The final eco-region is considered vulnerable. These four ecoregions are: • NA403 Appalachian-Blue Ridge Forests • NA413 Southeastern Mixed Forests • NA517 Mid-Atlantic Coastal Forests • NA529 Southeastern Conifer Forests <u>NA403 Appalachian-Blue Ridge Forests</u> This ecoregion is ranked vulnerable and does not require evaluation. This ecoregion intersects the Company's supply area in the extreme northwest portion of the supply area in ten (10) counties. <u>NA413 Southeastern Mixed Forests</u> This ecoregion is ranked critical/endangered. This eco-region intersects approximately half of the company's supply area. The Southeastern Mixed Forests rank among the top ten ecoregions in richness of amphibians, reptiles, and birds and among the top ten ecoregions in number of endemic reptiles, amphibians, butterflies, and mammals. The natural vegetation is dominated by oak-hickory-pine forests. About 99% of this habitat has now been converted to agriculture or other uses, or is highly degraded. Because of the heavy rate of conversion, there is little left to conserve. <u>Low Risk designation:</u> d) As stated above, WWF has declared more than 99% of this ecoregion having been converted. The remaining examples of this HCV are known to occur on protected lands. <u>NA517 Mid-Atlantic Coastal Forests</u>

This ecoregion is ranked critical/endangered. This eco-region intersects about half of the eastern portion of the Company's supply area.

The Mid-Atlantic Coastal Forests contains the most diverse assemblage of freshwater wetland communities in North America and perhaps of all temperate forest ecoregions. Nonalluvial wetlands, including freshwater marshes, shrub bogs, white cedar swamps, bayheads, and wet hammocks are particularly prominent. Approximately 12% of the ecoregion contains habitat that is considered intact. Conversion due to agriculture, fire suppression, urbanization, coastal development (including resorts), ditching and draining of wetlands, and damming of rivers which affect hydrology has been the greatest threat to this ecoregion.

NA529 Southeastern Conifer Forests

This ecoregion is ranked critical/endangered. This ecoregion intersects about half of the southeastern portion of the Company's supply area.

This ecoregion is the largest conifer forest ecoregion east of the Mississippi and the second largest coniferous ecoregion in the continental U.S. The Southeastern Conifer Forests were dominated by relatively open tall stands of long leaf pine (*Pinus palustris*) with an understory of wiregrass (*Aristida stricta*). The open nature of the mature long leaf pine stands and the frequency of understory fires helped maintain perhaps the richest temperate herbaceous flora on Earth. Over 98% of this habitat is now gone in the southeastern section of this ecoregion, much having been converted to agriculture or tree farms. Remaining habitat is limited to fragments and degraded larger patches.

Green Peace Intact Forests

A Greenpeace Intact Forest is located in Charlton and Ware Counties, GA which is within the company's supply area. It is almost entirely within the 403,119-acre Okefenokee National Wildlife Refuge which has been described as "one of North America's most unspoiled, fascinating and precious natural areas". The Okefenokee Swamp is the largest, intact, un-fragmented, freshwater and black water wilderness swamp in North America. There are 353,000 acres designated as a National Wilderness Area within the refuge.

FSC US Controlled Wood National Risk Assessment (US NRA)

The Company has determined there may be areas within its supply area that are considered "specified risk" to the following categories of controlled wood:

- Category 3: Wood from forests where high conservation values are threatened by management activities:
 - HCV1 - Cape Fear Critical Biodiversity Area (CBA)
 - HCV1 – Florida Panhandle CBA
 - HCV3 - Natural Longleaf Pine Systems

The Company has determined two other Category 3 HCVs to be within its supply area. While these are found within the supply area, the Company only receives pine fiber which is not the primary tree species for the following two Category 3 HCVs. No mitigation measures have been implemented for these HCVs for this reason.

- HCV1 - Patch-Nosed Salamander
- HCV3 - Late Successional Bottomland Hardwood

The Company has mapped these "specified risk" areas by supplier and will implement, as needed, adequate control measures to either avoid or to mitigate specified risk related to origin and/or risk related to mixing with non-eligible inputs in the supply chain.

Category 3: HCV1 - Cape Fear Critical Biodiversity Area (CBA)

The Cape Fear Arch CBA is located in two counties in the northeastern most portion of the supply area. These counties include Brunswick & Columbus Counties in North Carolina. Four (4) suppliers and sub-suppliers purchase wood fiber from these

	counties. The amount of fiber from these two NC counties is estimated to be low resulting in a low level of mitigation required. The Cape Fear Arch region has resulted in a diversity of wet and dry habitats. The region is considered to have the greatest biological diversity along the Atlantic Coast. Important drivers of biodiversity in this region include longleaf pine forests and pocosins (coastal peatlands). Pocosins occur within nutrient-poor peatlands in shallow depressions on plateaus and are typically continuously saturated with water. They harbor rare species like the venus fly trap and Red-cockaded Woodpecker. The overstory is usually pine, often Pond pine. Higher, drier sites typically have a dense evergreen shrub layer, while the wettest may only have low shrubs, stunted pines and beds of sphagnum, pitcher plants and cranberry. Longleaf pine forests once covered much of the Atlantic Coastal Plain, but the extent and condition of the system has been severely depleted due to habitat fragmentation, unsustainable harvest, conversion to other land uses and vegetative types, invasive species, and exclusion of natural fire regimes. There have been recent gains, but the forest type is still very rare. <u>Category 3: HCV1 – Florida Panhandle CBA</u> The Florida Panhandle CBA is located within seven (7) counties in AL, FL & GA in the Company's supply area. Two (2) sub-suppliers provide wood fiber through a secondary supplier to JP from counties within this CBA which is considered to be "specified risk" within this CBA resulting in a low level of mitigation required. This CBA is considered an HCV because it contains a high overall species richness, diversity, or uniqueness within a defined area compared to other sites within the same biogeographic area. The Florida Panhandle is reported to be one of the 5 richest biodiversity hotspots in North America. Of particular importance is the richness of frogs, snakes, turtles, and mussels. This concentration of biodiversity is driven by the river systems (particularly the Apalachicola River), longleaf pine savanna habitat and unique steephead ravines. <u>Category 3: HCV3 - Natural Longleaf Pine Systems</u> Native Longleaf Pine Systems (NLPS) are located in fifty-three (53) counties throughout the Company's supply area. All suppliers providing wood fiber that source from counties that have been identified as containing native longleaf systems resulting in a low level of mitigation required. NLPS were once one of the most widespread forest types in the US but were reduced to less than 5% of their original range, becoming one of the rarest forest systems in the world. This historical reduction was driven by suppression of fire and conversion to other forest types. These forest systems are associated with high animal and plant diversity, including many rare, threatened and endangered species such as the Red-cockaded Woodpecker, Bachman's Sparrow, Gopher Tortoise, Eastern Indigo Snake, and Flatwoods Salamander. "Native" in this instance refers to existing longleaf pine that is on a site that has historically been maintained as longleaf pine. Longleaf pine stands that have been restored in areas that have not been historically maintained in longleaf pine do not apply under this definition. "Native" does not imply a particular regeneration method; these stands may be either planted or naturally regenerated.
Means of Verification	Feedstock purchase contracts, JP-DOC-012 Secondary Supplier Audit Checklists
Evidence Reviewed	• Feedstock purchase contracts • FSC US Controlled Wood National Risk Assessment (US NRA) • JP-DOC-005 High Conservation Value Risk Assessment

	JP-DOC-012 Secondary Supplier Audit Checklists
Risk Rating	☐ Low Risk ☒ Specified Risk ☐ Unspecified Risk at RA
Comment or Mitigation Measure	<u>World Wildlife Fund (WWF) Ecoregions</u> <u>NA517 Mid-Atlantic Coastal Forests</u> <u>Mitigation Measures:</u> q) WWF has declared about 88% of this ecoregion having been converted. The remaining examples of this HCV are known to occur on protected lands – JP-DOC-005 High Conservation Value Risk Assessment (Figure 12). r) The Company through its feedstock purchase contracts or supply agreements requires suppliers to comply with laws and regulations, including the Clean Water Act, and compliance with state Best Management Practices (BMPs). Verification of compliance is accomplished through supplier audits using JP-DOC-012 Secondary Supplier Audit Checklists. s) The Company has committed to improving the education and awareness of this ecoregion through the representation of company at FSC Controlled Wood Regional Meetings held in 2018. Information from these regional meetings on the Cape Fear Arch Critical Biodiversity Area (CBA) was reviewed by company personnel. t) The Company reviews this educational information with its suppliers who source wood fiber from this ecoregion to educate the suppliers, their loggers and landowners on the conservation values of Cape Fear Arch biodiversity associated with pocosins, threats from incompatible forest management, & opportunities for conservation through management that enhances biodiversity and reduces or eliminates these threats while recognizing the importance of hydrology for maintenance and enhancement of pocosins. This education & outreach measure is documented using JP-DOC-012 Secondary Supplier Audit Checklists. <u>NA529 Southeastern Conifer Forests</u> <u>Mitigation Measures:</u> q) WWF has declared over 98% of this ecoregion having been converted. The remaining examples of this HCV are known to occur on protected lands – JP-DOC-005 High Conservation Value Risk Assessment (Figure 12). r) The Company has committed to improving the education and awareness of this ecoregion through the representation of company at FSC Controlled Wood Regional Meetings held in 2018. Information from these regional meetings on Native Long Leaf Pine Systems (NLPS) was reviewed by company personnel. s) The Company reviews this educational information with its suppliers who source wood fiber from this ecoregion to educate the suppliers, their loggers and landowners on the social benefits and values of NLPS, threats from forest management and related loss of values, and opportunities for conservation through management that restores or maintains NLPS and reduces or eliminates these threats. Communications should recognize the importance of the forest understory and fire to NLPS. This education and outreach measure will be documented using JP-DOC-012 Secondary Supplier Audit Checklists. t) The Company will engage with and/or provide monetary or in-kind resources to conservation organizations such as the Longleaf Alliance that are facilitating active, on-the-ground implementation of management activities to restore or maintain existing examples of NLPS, with a goal of long-term conservation of this system within the specified risk area and the company's supply area. <u>Green Peace Intact Forests</u> <u>Mitigation Measures:</u>

- i) There is a strong system of protection (effective protected areas and legislation) in place within the Company's supply area that ensures survival of this intact forest.
- j) No wood is harvested out of the described National Wilderness Area which is managed by the Department of Interior. If wood is harvested from the surrounding forests described above, The Department of Interior or the Georgia Forestry Commission conducts environment impact studies and oversees all timber harvesting on these forests within the HCV providing complete protection of the site.

FSC US Controlled Wood National Risk Assessment (US NRA)

Category 3: HCV1 - Cape Fear Critical Biodiversity Area (CBA)

Mitigation Measures:

- m) The Company through its feedstock purchase contracts or supply agreements requires suppliers to comply with laws and regulations, including the Clean Water Act, and compliance with state Best Management Practices (BMPs). Verification of compliance is accomplished through supplier audits using JP-DOC-012 Secondary Supplier Audit Checklists.
- n) The Company has committed to improving the education and awareness of this ecoregion through the representation of company at FSC Controlled Wood Regional Meetings held in 2018. Information from these regional meetings on the Cape Fear Arch Critical Biodiversity Area (CBA) was reviewed by company personnel.
- o) The Company reviews this educational information with its suppliers who source wood fiber from this CBA to educate the suppliers, their loggers and landowners on the conservation values of Cape Fear Arch biodiversity associated with pocosins, threats from incompatible forest management, & opportunities for conservation through management that enhances biodiversity and reduces or eliminates these threats while recognizing the importance of hydrology for maintenance and enhancement of pocosins. This education & outreach measure is documented using JP-DOC-012 Secondary Supplier Audit Checklists.

Category 3: HCV1 – Florida Panhandle CBA

Mitigation Measures:

- i) The Company has committed to improving the education and awareness of this ecoregion through the representation of company at FSC Controlled Wood Regional Meetings held in 2018. Information from these regional meetings on the Florida Panhandle CBA was reviewed by company personnel.
- j) The Company reviews this educational information with its suppliers who source wood fiber from these counties to educate the suppliers, their loggers and landowners on the conservation values of aquatic biodiversity and Native Longleaf Pine Systems, threats from poorly implemented forest management activities, and opportunities for conservation through management practices that reduce or eliminate these threats, including but not limited to forest management activities on steep slopes, and practices that will prevent siltation. This education and outreach measure will be documented using JP-DOC-012 Secondary Supplier Audit Checklists.

Category 3: HCV3 - Natural Longleaf Pine Systems

Mitigation Measures:

- k) The Company has committed to improving the education and awareness of this ecoregion through the representation of company at FSC Controlled Wood Regional Meetings held in 2018. Information from these regional meetings on Native Long Leaf Pine Systems (NLPS) was reviewed by company personnel.
- l) The Company reviews this educational information with its suppliers who source wood fiber from these counties to educate the suppliers, their loggers and landowners on the social benefits and values of NLPS, threats from forest

	management and related loss of values, and opportunities for conservation through management that restores or maintains NLPS and reduces or eliminates these threats. Communications should recognize the importance of the forest understory and fire to NLPS. This education and outreach measure will be documented using JP-DOC-012 Secondary Supplier Audit Checklists. d) The Company will engage with and/or provide monetary or in-kind resources to conservation organizations such as the Longleaf Alliance that are facilitating active, on-the-ground implementation of management activities to restore or maintain existing examples of NLPS, with a goal of long-term conservation of this system within the specified risk area and the company's supply area.
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	Indicator
2.4.2	The Biomass Producer has implemented appropriate control systems and procedures for verifying that natural processes, such as fires, pests and diseases are managed appropriately (CPET S7b).
Finding	The Company only receives secondary feedstock and does not conduct forest management activities that manage fires, pests and diseases. The Company promotes certification from certified secondary suppliers where possible. More than ¾ of the sawmills (18 of 23 / 78.3%) supplying feedstock are SFI Fiber Sourcing certified. The company through its participation in the SC Forestry Association will stay abreast of forest health issues. The Company will also work with state forestry agencies, as needed, to address issues of forest health. The GA Forestry Commission in its 2016 Annual Report stated there were 2,415 wildfires burning 9,970 acres for the fiscal year. GFC stated 2016 was lowest acreage burned since 1957. GFC foresters incorporated insect, disease, or invasive species advise into 361 management cases involving 9,012 acres for the year. The SC Forestry Commission in its 2016-17 Annual Report stated there were 2,062 wildfires that burned 25,709 acres. Losses due to the Southern Pine Beetle (SPB) were minimal. On-the-ground and aerial surveys detected no signs of death attributable to SPB. The NC Forest Service reported in the 2017 Biennial Report that the state had 690 wildfires burning 66,30 acres for Fiscal Year 2016.
Means of Verification	Employee interviews, SC Forestry Association membership
Evidence Reviewed	- AL Forestry Commission Annual Report, 2018 http://www.forestry.alabama.gov/Pages/Other/Forms/Annual_Reports/Annual_Report_2018.pdf - GA Forestry Commission Annual Report, 2016 http://www.gfc.state.ga.us/resources/publications/2016%20Annual%20Report.pdf - SC Forestry Commission Annual Report, FY2016-2017 http://www.trees.sc.gov/pubs/ar2016-17.pdf - NC Forest Service 2017 Biennial Report https://www.ncforestservice.gov/publications/2017BiennialReport.pdf - VA Department of Forest, 2018 State of the Forest http://www.dof.virginia.gov/infopubs/sof/SOF-2018_pub.pdf
Risk Rating	X Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA

Comment or Mitigation Measure	
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	Indicator
2.4.3	The Biomass Producer has implemented appropriate control systems and procedures for verifying that there is adequate protection of the forest from unauthorised activities, such as illegal logging, mining and encroachment (CPETS7c).
Finding	There are appropriate control systems and procedures to ensure that legality of ownership and land use can be demonstrated for the Company's supply area. Illegal harvesting is prohibited by state laws. In most states the timber buyers and/or harvesting companies have to be licensed in order to conduct their business. Evidence indicates that major violations are prosecuted and legal liability is enforced. There is no evidence suggesting that illegal logging is a wide scale problem in the United States (US). The Company has implemented the FSC US Controlled Wood National Risk Assessment (US NRA) which has determined Controlled Wood Category 1: Illegally harvested wood to be "low risk". JP-DOC-005 High Conservation Value Areas Risk Assessment supports this low risk assessment through the listing of various applicable laws showcasing the rule of law and public agency governance.
Means of Verification	Feedstock purchase contracts, State laws, JP-DOC-005 High Conservation Value Risk Assessment
Evidence Reviewed	• FSC US Controlled Wood National Risk Assessment (US NRA) • JP-DOC-005 High Conservation Value Risk Assessment • State laws addressing illegal logging and wood theft are as follows: <u>Alabama Laws</u> ALA. CODE 1975 § 9-13-62 awards double damages for a trespass that is committed knowingly and intentionally." Article 3 - Regulations as to Cutting, Removal, Purchase, etc., of Forest Products § 9-13-60 Unauthorized cutting, removal, transportation, etc., of timber or other forest products § 9-13-61 Charges in affidavits, information or indictments under article; proof of title, etc. § 9-13-62 Liability § 9-13-63 Record of purchases, etc., of manufactured or semi-manufactured forest products; provision of false information to purchasers, etc.; failure to maintain record, etc. § 9-13-64 Powers of State Forestry Commission employees as to enforcement of article, etc. § 9-13-65 Disposition of fines Article 9 - Timber Theft Equipment Condemnation § 9-13-220 Short title § 9-13-221 Seizure of vehicle and equipment upon arrest for certain criminal violations; delivery to district forester § 9-13-222 Report of seizure to district attorney § 9-13-223 Report to district attorney after conviction of person for theft of timber or lumber § 9-13-224 Notice to creditors; institution of condemnation proceedings; legal title to equipment § 9-13-225 Forfeiture of equipment upon judgment; costs of proceedings; § 9-13-226 Use of proceeds from sale of equipment; award and distribution determined by State Forester § 9-13-227 Provisions cumulative

http://www.forestry.alabama.gov/ForestryAndRelatedLaws.aspx?bv=1&s=6#Article_3_Regulations_as_to_Cutting,_Removal,_Purchase,_etc.,_of_Forest_Products.

Florida Laws

Title XXXIII Regulation of Trade, Commerce, Investments, and Solicitations

Chapter 536 Timber and Lumber

§ 536.13 Stamp or brand for logs.

Any person engaged in this state in the business of getting out, buying, selling, or manufacturing saw logs, may adopt a stamp or brand for...

§ 536.14 Brands to be recorded by clerk of circuit court.

A person may execute a written declaration that she or he has adopted a brand, describing it, and after acknowledgment of such declaration before any...

§ 536.15 May prevent use by others.

Any person who has had her or his brand recorded in any county, may prevent other persons from using the same in said county by...

§ 536.16 Prima facie evidence of ownership.

Any log found in any county branded with a brand recorded in said county by any person shall be deemed prima facie to be the...

§ 536.17 Where two or more brands the same.

In case there shall be recorded in the same county two or more brands the same, or substantially the same, the brand first recorded shall...

§ 536.18 Defacing the mark or brand of lumber and timber.

If any person shall fraudulently alter, change or deface the duly recorded mark, brand, or stamp of any lumber, logs or timber, or shall fraudulently...

§ 536.19 Unlawful use of recorded log brand or stamp.

Any person who shall unlawfully use any recorded log brand or stamp of another shall be guilty of a misdemeanor of the second degree, punishable...

Georgia Laws

House Bill - HB 790 (A BILL TO BE ENTITLED AN ACT)

Signed by Governor: April 29, 2014 Effective Date: July 1, 2014

Provides additional enforcement authority to Georgia Forestry Commission investigators

In cases involving the unauthorized cutting or cutting and carrying away of timber from the property of another damages shall be awarded in accordance with GA. CODE ANN. § 51-12-50.

Amends GA. CODE ANN. § 51-12-50 whereas damages shall be: (1) Treble the fair market value of the trees cut as they stood; (2) Treble the diminished fair market value of any trees incidentally harmed; (3) Costs of reasonable reforestation activities related to the plaintiff's injury; and (4) Attorney fees and expenses of litigation. When defendant is a willful trespasser, plaintiff may receive punitive damages.

Amends GA. CODE ANN. § 12-6-23 relating to wood load ticket required for wood removal, so as to require purchasers to provide the proper tickets to sellers of timber within 20 days GA Codes Title 12 Forest Resources and other Plant Life

Article 1 – Forestry Resources

GA. CODE § 12-6-23 - Wood load ticket required for wood removal; form; exceptions

GA. CODE § 12-6-24 - Notice of timber harvesting operations

North Carolina Laws

N.C. GEN. STAT. § 1-539 “awards double damages for a timber trespass that occurs without the consent and permission of the bona fide owner or an act of arson if a defendant willfully and intentionally set on fire, or cause to be set on fire” timber on the land of another.”

N.C. GEN. STAT. § 14-128 “considers anyone committing a willful timber trespass guilty of a Class 1 misdemeanour, provided the offender is not an officer, agent, or employee of the Department of Transportation who committed the act within a right-of-way or easement of the Department of Transportation.”

N.C. GEN. STAT. § 1-487 “requires that when a title to timberland is contested, either party is not to harvest timber until ownership is determined by court action.”

South Carolina Laws

	S.C. CODE ANN. 1976 § 16-11-580 “if the value of stolen forest products is \$5,000 or more, a defendant is fined at the discretion of the court, or imprisoned for not more than ten years.” This code also allows for seizure and forfeiture of all property used in the timber theft. S.C. CODE ANN. 1976 § 16-13-177 “imposes the forfeiture of property used in a timber trespass if more than \$5,000 of timber is taken.” <u>Virginia Laws</u> VA HB2411 - Timber sales; theft; accounting; penalty. Provides that a person who buys and removes timber from a landowner's property is guilty of timber theft if he fails to pay the landowner by the date specified in their agreement or, if there is no written agreement, within 60 days of removing the timber. The bill provides that a person who is convicted of timber theft is guilty of a Class 1 misdemeanor and shall be ordered to pay three times the value of the timber removed in addition to any penalties imposed by the court. The bill provides that, following the passing of the payment deadline, a buyer's failure to pay within 10 days of receiving a demand for payment shall constitute prima facie evidence of the buyer's intent to violate the timber theft provision. An exception exists for a purchaser who made payment to a person he believed in good faith to be the rightful owner of the timber.
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.5.1	The Biomass Producer has implemented appropriate control systems and procedures for verifying that legal, customary and traditional tenure and use rights of indigenous people and local communities related to the forest are identified, documented and respected (CPET S9).
Finding	JP-POL-001 Sustainability Policy states the Company will abide by all laws and regulations, including those laws associated with traditional and civil rights. Harvesting in the supply basin presents a low risk of violation of traditional, civil and collective rights based on the following factors: (1) There is no UN Security Council ban on timber exports from the country concerned; (2) The country or district is not designated a source of conflict timber (e.g. USAID Type 1 conflict timber); (3) There are recognized and equitable processes in place to resolve conflicts of substantial magnitude pertaining to traditional rights including use rights, cultural interests or traditional cultural identity in the district concerned; and (4) There is no evidence of violation of the ILO Convention 169 on Indigenous and Tribal Peoples taking place in the forest areas in the district concerned. The Company has implemented the FSC US Controlled Wood National Risk Assessment (US NRA) which has determined Controlled Wood Category 2: Wood harvested in violation of traditional and human rights to be “low risk”. One Native American tribe was identified within the Company's supply area during stakeholder consultation. This tribe was contacted as part of the Company's stakeholder consultation and no response from this tribe has been received to date.
Means of Verification	JP-POL-001 Sustainability Policy, FSC US Controlled Wood National Risk Assessment (US NRA), Stakeholder consultation correspondence
Evidence Reviewed	- Stakeholder consultation correspondence - JP-POL-001 Sustainability Policy

	• JP-DOC-005 High Conservation Value Areas Risk Assessment • FSC US Controlled Wood National Risk Assessment (US NRA)
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.5.2	The Biomass Producer has implemented appropriate control systems and procedures for verifying that production of feedstock does not endanger food, water supply or subsistence means of communities, where the use of this specific feedstock or water is essential for the fulfilment of basic needs.
Finding	State forestry Best Management Practices (BMP) set forth guidelines for maintaining and/or improving water quality. JP-POL-001 Sustainability Policy states the Company requires BMP compliance with the harvesting of all wood fiber it receives. Feedstock purchase contracts require BMP compliance. The Company verifies BMP compliance as part of its annual supplier audits. BMP compliance is documented using JP-DOC-012 Secondary Supplier Audit Checklists. More than ¾ of the sawmills (18 of 23 / 78.3%) supplying feedstock are certified to the Sustainable Forestry Initiative® (SFI®) Fiber Sourcing Standard. These suppliers are 3rd party certified with verified BMP compliance monitoring programs. All suppliers require their suppliers and loggers to maintain SFI State Implementation Committee (SIC) logger training. This training educates loggers on BMPs, threatened & endangered species and biodiversity. The Company has access to SIC logger training databases to verify logger training. State forestry agencies conduct BMP compliance checks randomly or upon request by stakeholders. State BMP compliance reports are available for review by the Company.
Means of Verification	Feedstock purchase contracts, JP-DOC-012 Secondary Supplier Audit Checklists
Evidence Reviewed	• Feedstock purchase contracts • JP-POL-001 Sustainability Policy • JP-DOC-012 Secondary Supplier Audit Checklists • SFI Certification Database http://www.sfidatabase.org/PublicSearch/MainSearch.aspx • Alabama Professional Logging Manager https://www.alaforestry.org/page/PLMGeneral • Florida Master Logger http://floridaforest.org/programs/master-logger/master-logger-search-tool/ • Georgia Master Timber Harvester http://gamth.org/ • South Carolina Timber Operations Professional (TOP) Program https://www.scforestry.org/top-forestry-programs.htm • North Carolina ProLogger Program https://www.ncforestry.org/prologgers/prologger-lists/ • Virginia SHARP Logger Program http://sharplogger.vt.edu/data.html • Alabama Annual BMP Reports http://www.forestry.alabama.gov/Pages/Management/BMP_Practices.aspx

	- Florida Silviculture Best Management Practices 2017 Implementation Survey Report https://www.freshfromflorida.com/content/download/78966/2320474/SPMP_2017_ImplementationSurveyReport.pdf - Results of Georgia's 2017 Silvicultural Best Management Practices Implementation and Compliance Survey http://www.gfc.state.ga.us/forest-management/water-quality/bmps/BMP%20Survey%202017%20Results%20Report%20Final%20Corrected%20by%20Scott%20Jan112018%20410pm.pdf - Forestry BMPs in South Carolina: Compliance and Implementation Monitoring Report, 2015-2016 https://www.state.sc.us/forest/bmp16.pdf - An Assessment of Forestry Best Management Practices in North Carolina 2012-2016 https://www.ncforestservice.gov/water_quality/pdf/BMP_Assessment_Report_2012-2016.pdf - Silvicultural BMP Implementation Monitoring for Virginia, 2016 http://dof.virginia.gov/infopubs/_bmp-reports/BMPs-Imp-Monitoring-2016_pub.pdf
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.6.1	The Biomass Producer has implemented appropriate control systems and procedures for verifying that appropriate mechanisms are in place for resolving grievances and disputes, including those relating to tenure and use rights, to forest management practices and to work conditions.
Finding	The Company has complaint mechanisms in place JP-PROC-001 Chain of Custody Procedures and JP-PROC-002 Due Diligence Procedures. These procedures provide guidance on when and how the Company respond to grievances and complaints. The complaints procedures is as follows: - Individual complaints regarding fiber sourcing may be filed with JP by mailing written complaints with specific reference to the Controlled Wood Standard variance to: Chase Knight Logistics and Procurement Manager Jasper Pellets, LLC PO Box 1141 Ridgeland, SC 29936 - When complaints related to the JP Due Diligence System are received, the complaint is recorded in JP-DOC-007 FSC Controlled Wood Complaints Log. A detailed description of the complaint will be recorded in JP-DOC-006 FSC Controlled Wood Complaints Report. - Within two (2) weeks of receipt of the complaint, stakeholders will be notified of JP complaint procedures and complainants will be sent a response acknowledging receipt of complaint. - JP will conduct a preliminary assessment to determine whether evidence provided in a complaint is or is not substantial, by assessing the evidence provided against the risk of using material from unacceptable sources. Following a preliminary JP

	assessment of evidence provided, complainants will be contacted for dialogue to resolve substantiated complaints before further action is taken. 5. Substantiated complaints will be forward to the certifying body and FSC National Office within two (2) weeks of receipt of the complaint, outlining steps to be taken to resolve the complaint and precautionary approaches to sourcing while the complaint is pending. 6. Field evidence, sourcing records, and supplier documentation will be reviewed within two months to verify complaints deemed to be substantial. Steps to include review of Tract Information sheets to confirm District of Origin for current deliveries and stepped up intensity of BMP audits to assess field compliance with Controlled Wood expectations. 7. Corrective actions will be developed to correct the circumstances leading to substantiated and verified complaints. 8. Corrective actions will be communicated and implemented with relevant suppliers. If corrective actions are not accepted or cannot be implemented, relevant materials and/or suppliers will be excluded from delivering to JP until corrective actions are implemented and confirmed. 9. Verification of implementation of the corrective actions will be achieved through tract visits, supplier discussions and document review. 10. JP will inform the complainant, the certification body, and the relevant FSC National Office of the results of the complaint and any actions taken towards its resolution, and for maintaining copies of relevant correspondence. 11. All correspondence will be recorded and filed by the Management Representative.
Means of Verification	JP-PROC-001 Chain of Custody Procedures, JP-PROC-002 Due Diligence Procedures
Evidence Reviewed	• JP-PROC-001 Chain of Custody Procedures • JP-PROC-002 Due Diligence Procedures
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.7.1	The Biomass Producer has implemented appropriate control systems and procedures for verifying that Freedom of Association and the effective recognition of the right to collective bargaining are respected.
Finding	The Company recognizes the right to collective bargaining and the Freedom of Association. The Company is FSC Chain of Custody certified and has signed the Self Declaration which demonstrates support of FSC Policy FSC-POL-01-004, Policy for the Association of Organizations with FSC. Federal laws in the United States are codified in both the National Labor Relations Act of 1935 and OSHA protect workers' rights to collective bargaining. GA, NC & SC are "Right to Work" states.
Means of Verification	Employee interviews, FSC Self Declaration, Federal Laws
Evidence Reviewed	• FSC Self Declaration • National Labor Relations Act https://www.nlrb.gov/how-we-work/national-labor-relations-act

	Occupational Safety and Health Administration (OSHA) https://www.osha.gov/
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.7.2	The Biomass Producer has implemented appropriate control systems and procedures for verifying that feedstock is not supplied using any form of compulsory labour.
Finding	The United States Federal Constitution 13th Amendment provides “Neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction”. Further, benefiting from compulsory labor in the United States is a federal crime punishable by up to 20 years in prison. The Company also has policies on workers rights, discrimination, etc.
Means of Verification	Company employment policies, Employee interviews
Evidence Reviewed	- Employment Posters - Amendment XIII of the United States Constitution https://www.archivesfoundation.org/documents/13th-amendment/
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.7.3	The Biomass Producer has implemented appropriate control systems and procedures to verify that feedstock is not supplied using child labour.
Finding	State and Federal laws, such as the Equal Employment Opportunity and OSHA, are in place to prohibit child labor.
Means of Verification	Review of Company employment policies, Employee interviews
Evidence Reviewed	- Employment Posters - US Department of Labor https://www.dol.gov/whd/childlabor.htm - GA Department of Labor https://dol.georgia.gov/child-labor-and-minors-entertainment - NC Department of Labor https://www.labor.nc.gov/workplace-rights/youth-employment-rules

	SC Department of Labor https://www.llr.sc.gov/labor/index.asp?file=wages/childlabor.htm
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.7.4	The Biomass Producer has implemented appropriate control systems and procedures for verifying that feedstock is not supplied using labour which is discriminated against in respect of employment and occupation.
Finding	State and Federal laws, such as the Equal Employment Opportunity and OSHA, are in place to provide rights to workers.
Means of Verification	Employee interviews, Company Employee Handbook, Federal laws
Evidence Reviewed	- Company Employee Handbook - Employee Posters - U.S. Equal Employment Opportunity Commission https://www.eeoc.gov/eeoc/ - Occupational Safety and Health Administration (OSHA) https://www.osha.gov/
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.7.5	The Biomass Producer has implemented appropriate control systems and procedures for verifying that feedstock is supplied using labour where the pay and employment conditions are fair and meet, or exceed, minimum requirements.
Finding	State and Federal laws, such as the Equal Employment Opportunity and OSHA, are in place to ensure pay and employment conditions are fair.
Means of Verification	Employee interviews, Company Employee Handbook, Federal laws
Evidence Reviewed	- Company Employee Handbook - Employee Posters - U.S. Equal Employment Opportunity Commission https://www.eeoc.gov/eeoc/ - Occupational Safety and Health Administration (OSHA) https://www.osha.gov/

Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.8.1	The Biomass Producer has implemented appropriate control systems and procedures for verifying that appropriate safeguards are put in place to protect the health and safety of forest workers (CPET S12).
Finding	State and Federal laws, such as OSHA to ensure worker health and safety in the work place. The Company has policies on workers' health and safety. The Company has a health and safety program that is managed by dedicated personnel. This program includes the use of personal protective equipment and safety meetings.
Means of Verification	Training records, Employee interviews
Evidence Reviewed	• Training Records • Company Employee Handbook • Employee Posters • Occupational Safety and Health Administration (OSHA) https://www.osha.gov/
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.9.1	Biomass is not sourced from areas that had high carbon stocks in January 2008 and no longer have those high carbon stocks.
Finding	SBP describes examples of high carbon stock areas to be: - Wetlands: Land that is covered with or saturated by water, permanently or for a significant part of the year. These should remain as wetlands; that is biomass production should not result in drainage of previously undrained soil. OR - Peatland: This should remain as peatland unless evidence is provided that the production of feedstock does not involve drainage of previously undrained soil. The Company's feedstock is from southern yellow pine (SYP) species that do not originate from peatlands and is very limited from permanently saturated wetlands. SYP forest types are not considered to be "high carbon stocks". Peatlands are known to occur in very limited areas within the Company's supply area and these forest types that do contain peatlands do not contain SYP species. Wetlands that are permanently saturated by water or inundated by water for significant periods of time do not contain SYP species. These areas are generally associated with Late Successional Bottomland Hardwood areas. Wetlands are heavily protected and regulated through the Clean Water Act. While the Company does not source feedstock from high carbon areas, the overall volume of carbon stock has increased within the supply area since 2008. USDA Forest Service FIA data on carbon storage for the Company's supply area was determined to be 1.532 billion short tons in 2008-2009 (AL-2008, FL-2009, GA-2008, NC-209, SC-2009, VA-2009). In 2016-18 the supply area (AL-2018, FL-2016, GA-2017, NC-2017, SC-2017, VA-2016) was determined to have 1.659 billion short tons of carbon stock. This accounts for 127 million short tons of more carbon storage (over a 0.17% increase) in 8-10 years.
Means of Verification	USDA Forest Service FIA data, JP-DOC-012 Secondary Supplier Audit Checklists, JP-DOC-005 High Conservation Value Areas Risk Assessment
Evidence Reviewed	- Carbon Reports from USDA Forest Service Forest Inventory & Analysis website https://www.fia.fs.fed.us/tools-data/ - Clean Water Act E. K. Soper & C. C. Osbon, "The Occurrences and Use of Peat in the United States", United States Geological Survey, Bulletin 728, 1922. - JP-DOC-005 High Conservation Value Areas Risk Assessment - JP-DOC-012 Secondary Supplier Audit Checklists
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.9.2	Analysis demonstrates that feedstock harvesting does not diminish the capability of the forest to act as an effective sink or store of carbon over the long term.
Finding	USDA Forest Service FIA data on carbon storage for the Company's supply area was determined to be 1.532 billion short tons in 2008-2009 (AL-2008, FL-2009, GA-2008, NC-209, SC-2009, VA-2009). In 2016-18 the supply area (AL-2018, FL-2016, GA-2017, NC-2017, SC-2017, VA-2016) was determined to have 1.659 billion short tons of carbon stock. This accounts for 127 million short tons of more carbon storage (over a 0.17% increase) in 8-10 years.
Means of Verification	USDA Forest Service FIA data
Evidence Reviewed	Carbon Reports from USDA Forest Service Forest Inventory & Analysis website https://www.fia.fs.fed.us/tools-data/
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA
Comment or Mitigation Measure	

	Indicator
2.10.1	Genetically modified trees are not used.
Finding	The Company has implemented the FSC US Controlled Wood National Risk Assessment (US NRA) which has determined Controlled Wood Category 5: Wood harvested from forests in which genetically modified trees are planted to be "low risk". There are no known operational plantings on GMO trees in the US.
Means of Verification	FSC US Controlled Wood National Risk Assessment (US NRA)
Evidence Reviewed	FSC US Controlled Wood National Risk Assessment (US NRA)
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA
Comment or Mitigation Measure	